CHAPTER - I

Introduction and Design of the Study
CHAPTER 1
INTRODUCTION AND DESIGN OF THE STUDY

1.1 INTRODUCTION

Today, banking institutions face many challenges including global competition for deposits, loans, underwriting fees, increasing customer demands, shrinking profit margins and the need to keep up with the new technologies\(^1\). According to banks and other services provides realize the importance of customer relationship management (CRM) and its potential to help them acquiring new customers, retain existing ones and maximize their lifetime value getting more and more competitive\(^2\).

Customer Relationship Management is a vital factor to improve the performance of the banks. Most of the banks in India are now turning to Customer relationship Management as they are increasingly realising that the cost of acquiring new customers is for higher than the cost of retaining existing customers. This quest has led to the implementation of customer relationship management in banks. The concept of customer relationship management is the initial stage of implementation in banks. Customer relationship management philosophy work in a bank is quiet complex as well as a challenging task for its implementation is based on certain key principles.

The focus of customer relationship management helped banks to understand the customers’ current needs what they have done in the past and what they plan to do in the future to meet their own goals\(^3\).


Relationships are as old as mankind. Relationships are in the core of human behaviour. If we dissolve the social network of relationship, we dissolve society itself and the earth will be left with only hermits. In such cases, no marketing is needed as hermits live in isolation. Relationships are absolutely essential for business transactions. Relationships require at least two parties to be in contact with each other. We all know that the basic relationship of marketing is between a supplier and a customer.

In recent years, the traditional approach to marketing is being increasingly questioned. A new perspective is now emerging which recognizes that marketing has two key concerns. The first is the management’s view that regards classic marketing mix as a conventional and functional responsibility. The second is much broader in its scope with the goal of developing a cross-functional and coordinated focus on customers.

1.2 MEANING OF CUSTOMER RELATIONSHIP MANAGEMENT

Relationship Management is the establishment, development, maintenance and optimization of long-term mutually valuable relationships between consumers and the organizations. Successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organization's strategy, people, technology and business processes.

At the heart of a perfect CRM strategy is the creation of mutual value for all the parties involved in the business process. It is about creating a sustainable competitive advantage by being the best at understanding, communicating, and delivering, and
developing existing customer relationships in addition to creating and keeping new customers.

Customer Relationship Management is defined in many ways by many authors in his book defines Customer relationship management as “The infrastructure that enables the delineation of an increase in customer value, and the correct means by which to motivate valuable customers to remain loyal indeed, to by again. “Customer relationship Management as a business strategy designed to optimize profitability, revenue and customer satisfaction.

PWC consulting defined by “Customer Relationship Management is a business strategy that aims to understand appreciate, manage and personalise the needs of an organisation’s current and potential customers”. Customer Relationship Management is a competitive strategy and process of acquiring, reacting and partnering with selective customers to create superior value for the company and the customer.

CRM defined as “He proposes the following sequence of activities for performing relationship marketing Viz, developing core services to build customer relationship, customization of relationship, augmenting core services with extra benefits, enhancing customer loyalty and fine tuning internal marketing to promote external marketing success.

Customer relationship management is very important tool for business which satisfies the needs of the customer and business. Today’s competitive world,

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5 Allok Kumar, Chhabi sinha and Rakesh Sharma” Customer Relationship Management : Concept and Application book “Page no.9
organization have to make it more important to customer service and attention to his satisfaction, customer relationship management will help organizations to identify exchange, and thereby reduce costs, attract new customers and also increase the income from loyal customers.

Customer relationship management is one of the main competitive advantages that companies can be exploited in order to prevent transferring customer to other companies. Customer relationship management is the abbreviation for customer relationship management. Customer relationship management entails all aspects of interaction that a company has with its customer, whether it is sales or service-related.

1.3 CUSTOMER RELATIONSHIP MANAGEMENT IN BANKING SECTOR

Over the last Eight years, banks are highly focusing on the customer relationship management and are expect to continue. In his book proposes that before implementing any Customer Relationship Management application, “The bank would real a complete view of its customers across the various systems that contain their data. If the bank could track customer behaviours, executives can have a better understanding, a predicting future behaviours, and customer preferences. In this way the data and the applications will help the bank to manage its customer relationship and continue to grow and evolve” On the other hand, Foss in his work argues that most of the banks around the world are trying to use CRM techniques to achieve various outcomes. These are:

- Creating consumer-centric culture and organization;
- Securing customer relationships;

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8 Foss, B., (2002) “Customer Relationship Management in financial services; a practical Guide to marketing customer relationship management work” Milford, CT, USA, Kogan page Ltd
- Maximizing customer profitability, and
- Aligning effort and resource behind most valuable customer groups.

Customer Relationship management system for enhancing the customer satisfaction and loyalty, RBI instructed all public sector banks to focus on implement innovative Customer relationship management systems through multiple touch points of CRM systems and interactive kiosks across various service unit and support processes. Research studies further revealed the CRM is emerging as an offshoot of the modern technological landscape by incorporating customer demographics business intelligence, and internal proximity and therefore takes its place at the heart of modern banks. These technological advancements and global competitive pressure have reoriented the public sector banks in India to pay more attention to the changing customer needs and effective customer relationship management interventions in the light of the changes in the consumer demographics.

Banking sector earlier in India was more of a seller's market and the level of attention given to the customers was relatively low. During the post-liberalization era and the moment the government of India opened the gates for the entry of private and foreign banks, things have started changing very fastly. The Indian banking sector today is a highly contested one with a number of private and foreign banking firms such as ICICI Bank, HDFC, ING Vysya, Axis bank, Citi bank, HSBC bank, etc. in addition to the public sector banks. The fierce competition that exists among the banking firms is forcing them to move closer to customer, adopting a relationship or retention focus.
1.4 NEED FOR CUSTOMER RELATIONSHIP MANAGEMENT IN BANKING

Bank merely an organization it accepts deposits and lends money to the need by persons, but banking is the process associated with the activities of banks. It includes issuance of cheque and cards, monthly statements, timely announcement of new services, helping the customers to avail online and mobile banking etc. Huge growth of customer relationship management is predicted in the banking sector over the next few years.

Banks are aiming to increase customer profitability with any customer retention. This paper deals with the role of CRM in banking sector and the need for it is to increase customer value by using some analytical methods in CRM applications. It is a sound business strategy to identify the bank’s most profitable customers and prospects, and devotes time and attention to expanding account relationships with those customers through individualized marketing, pricing, discretionary decision making.

In banking sector, relationship management could be defined as having and acting upon deeper knowledge about the customer, ensure that the customer such as how to fund the customer, get to know the customer, keep in touch with the customer, ensure that the customer gets what he wishes from service provider and understand when they are not satisfied and might leave the service provider and act accordingly.

CRM in banking industry entirely different from other sectors, because banking industry purely related to financial services, which needs to create the trust among the people. Establishing customer care support during on and off official hours, making timely information about interest payments, maturity of time deposit, issuing credit and debit cum ATM card, creating awareness regarding online and e-banking, adopting mobile request etc are required to keep regular relationship with customers.
The present day CRM includes developing customer base. The bank has to pay adequate attention to increase customer base by all means, it is possible if the performance is at satisfactory level, the existing clients can recommend others to have banking connection with the bank he is operating. Hence asking reference from the existing customers can develop their client base. If the base increased, the profitability is also increase. Hence the bank has to implement lot of innovative CRM to capture and retain the customers.

There is a shift from bank centric activities to customer centric activities are opted. The private sector banks in India deployed much innovative strategies to attract new customers and to retain existing customers. CRM in banking sector is still in evolutionary stage, it is the time for taking ideas from customers to enrich its service. The use of CRM in banking has gained importance with the aggressive strategies for customer acquisition and retention being employed by the bank in today’s competitive milieu. This has resulted in the adoption of various CRM initiatives by these banks.

The following steps minimize the work regarding adoption of CRM strategy. These are:

- Identification of proper CRM initiatives
- Implementing adequate technologies in order to assist CRM initiative
- Setting standards (targets) for each initiative and each person involved in that circle
- Evaluating actual performance with the standard or benchmark taking corrective actions to improve deviations, if any

Customer Relationship Management is concerned with attracting, maintaining and enhancing customer relationship in multi service organizations. CRM goes beyond the transactional exchange and enables the marketer to estimate the customer’s
sentiments and buying intentions so that the customer can be provided with products and services before the starts demanding. Customers are the backbone of any kind of business activities, maintaining relationship with them yield better result.

1.5 STATEMENT OF THE PROBLEM

The customer relationship management is defined as a business strategy geared towards acquiring, retaining and increasing more profitable customers. Banks strived to please the new customers by maintaining database of all the customers and to speak individually to countless customers. A bank’s success depends on how much it fulfils customers’ needs. Customer needs and expectation changes from time to time, since they are highly dynamic with respect to societal influence. Today’s customers are aware of their needs. Entry of new foreign banks in India and their better services to customers have increased customer expectation of same quality of services from public sector banks.

The basic approach of customer relationship management in a banking context is to centre all operations of a bank on its customers, creating a ‘CRM state of mind in an enterprise wide manner. Today Indian banks are also trying to improve service quality by redefining ideas and techniques to customers. After a lot of exercise and thought they provide more flexible banking hours, evening counters, elegant furniture, comfortable ambience, impressive interior, well designed counters, responsive and well behave personnel followed by regular contacts with customers receiving much greater attention to them ever before.

A trained and motivated staff offering full details of products and services, customer friendly work culture, computerized banking operations, a positive attitude and optimistic outlook of branch personnel, looking for more avenues to serve and
retain existing customers, intense customer relationship, use of modern state of art technology, effective mechanism for quick redressal of complaints, counselling and guidance, use of sophisticated communication devices i.e., Fax, telex, and e-mail are the factors to withstand the challenges posed before the Indian banks in delivering satisfactory services to their customers.

In the recent days, banks need to focus on relationship banking rather than traditional transaction banking. In this situation customer relationship management is the key factor because the value of retail banking lies in knowing the client’s requirement. It protects the business, helps to accelerate growth and prevents competitors in carving the customer base. Hence the present study focuses the perception of customer towards customer relationship management practices in public sector banks.

1.6 OBJECTIVES OF THE STUDY

The following are the objectives of the study.


2. To examine the customers’ perception about Customer Relationship Management practices in public sector banks.

3. To identify the factors influencing Customer Relationship Management practices in banks.

4. To examine the problem faced by the customers in relation to Customer Relationship Management practices in public sector banks.
5. To analyse the relationship between the perception of the customers towards Customer Relationship Management practices and problem faced by the customer.

1.7 SCOPE OF THE STUDY

This study was conducted in Tirunelveli district and only four public sector banks namely State Bank of India, Indian Overseas Bank, Indian Bank and Canara Bank were included. In this study the customer’s perception towards the different dimensions of the Customer Relationship Management practices, the factors influencing Customer Relationship Management practices and the problem faced by the customer regarding the Customer Relationship Management practices were included for the analysis.

1.8 PERIOD OF THE STUDY

The study was carried out during the period from November 2014 to November 2016.

1.9 OPERATIONAL DEFINITION OF THE CONCEPTS

1.9.1 Customer

According to Shri. Mohandas Karamchand Gandhi, the father of our nation, “A customer is not an outsider to our business. He is a definite part of it. A customer is not an interruption of our work. He is the purpose of it. A customer is doing us a favour by letting us serve him. We are not doing him any favour. A customer is not a cold statistic; he is a flesh and blood human being with feelings and emotions like our own. A customer is not someone to argue or match wits with. He deserves courteous and attentive treatment. A customer is not dependent on us. We are dependent on him. A customer brings us his wants. It is our job to handle them properly and profitably –
both to him and us. A customer makes it possible to pay our salary, whether we are a
driver, plant or an office employee”.

1.9.2 Customer Relationship Management

Customer Relationship management it involves the areas where direct customer
contact occurs. Operational level of the customer relationship management deals with
the front line interaction with the customers. It could through banks, call centres,
worldwide webs, direct mails or call, or direct sales. It is more focused on the front
office business processes, like, sales, marketing and customer care.

1.9.3 Customer perception

A marketing concept that encompasses customer’s impression, awareness and /
or consciousness about a company or its offering. Customer perception is typically
affected by advertising, review, public relations, social media, personal experiences and
other channels.

1.9.4 Customer Loyalty

Customer loyalty in the marketing context may be defined as a wilful,
voluntary, repeated choice of a specific brand of a product or type of service. Loyalty
caters to fulfilling a particular category of need. In the case of one-time purchase,
loyalty could be explained in terms of the extent of commitment to the brand selected,
the positive attitude developed towards using the brand selected and the positive
attitudes towards using the brand selected and the positive image the customer projects
about the brand he owns.

customers Relationship Management”. Addison-wesley information Technologies services.
1.9.5 Customer Service

According to Turban, et al. (2002) “Customer service is a series of activities designed to enhance the level of customer satisfaction that is, the feeling that a product or service has met the customer expectation.”

1.9.6 Customer Satisfaction

According to Philip Kotler “customer satisfaction occurs when the perception of the reward from the purchase of goods or service by the customer meets or exceeds his/her perceived sacrifice. The perception is a consequence of matching past purchase and consumption experience with the current purchase”.

1.9.7 Customer Retention

Customer retention is the activity that a selling organization undertakes in order to reduce customer defections. Successful customer retention starts with the first contact that an organization has with a customer and continues throughout the entire lifetime of a relationship.

1.9.8 Customer Interaction Management

Customer interaction management systems handle communication across multiple different channels, such as e-mail, SMS, telephone, instant, instant messaging, white mail (scanned documents) and so on.

1.10 HYPOTHESES

1. There is no significant difference in sources of awareness about public sector banks among respondents

2. There is no significant difference in perception about the different dimensions of customer relationship management among the respondents.
3. There is no significant difference in the factors influencing customer relationship management among the respondents.

4. There is no significant difference in problems relating to customer relationship management among the respondents.

5. There is no significant difference in the perception about different dimensions of customer relationship management practices in relation to the profile of the respondents.

6. There is no significant difference in the factors influencing the customer relationship management among the respondents.

7. There is no significant relationship between factors influencing the customer relationship management practices and profile variables of the respondents.

8. There is no significant relationship between factors influencing the customer relationship management practices and perception about customer relationship management.

9. There is no significant difference in respect of problems relating to customer relationship management among the respondents.

1.11 RESEARCH METHODOLOGY

Research methodology is the way of systematically solving the research problem. It is a science of studying how research is conducted. The research methodology enlightens the methods to be followed in research activities starting from investigation to the presentation of the research report. The present study is a descriptive study based on the primary data collected from the respondents.
1.12 PUBLIC SECTOR BANKS IN THE STUDY AREA

The Table 1.1 shows the public sector bank branches functioning in Tirunelveli district as on 31st March 2015.

Table 1.1

Number of Public Sector Banks in Tirunelveli District

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Public Sector</th>
<th>Rural</th>
<th>Semi-Urban</th>
<th>Urban</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SBI</td>
<td>05</td>
<td>12</td>
<td>08</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>SBT</td>
<td>05</td>
<td>06</td>
<td>02</td>
<td>13</td>
</tr>
<tr>
<td>3</td>
<td>Allahabad Bank</td>
<td>01</td>
<td>01</td>
<td>01</td>
<td>03</td>
</tr>
<tr>
<td>4</td>
<td>Andhra Bank</td>
<td>-</td>
<td>01</td>
<td>02</td>
<td>03</td>
</tr>
<tr>
<td>5</td>
<td>Bank of Baroda</td>
<td>-</td>
<td>01</td>
<td>03</td>
<td>04</td>
</tr>
<tr>
<td>6</td>
<td>Bank of India</td>
<td>01</td>
<td>01</td>
<td>02</td>
<td>04</td>
</tr>
<tr>
<td>7</td>
<td>Canara Bank</td>
<td>17</td>
<td>07</td>
<td>11</td>
<td>35</td>
</tr>
<tr>
<td>8</td>
<td>Central bank of India</td>
<td>04</td>
<td>03</td>
<td>04</td>
<td>11</td>
</tr>
<tr>
<td>9</td>
<td>Corporation Bank</td>
<td>03</td>
<td>01</td>
<td>03</td>
<td>11</td>
</tr>
<tr>
<td>10</td>
<td>Indian Bank</td>
<td>6</td>
<td>9</td>
<td>9</td>
<td>24</td>
</tr>
<tr>
<td>11</td>
<td>Indian Overseas Bank</td>
<td>30</td>
<td>26</td>
<td>13</td>
<td>69</td>
</tr>
<tr>
<td>12</td>
<td>Punjab National Bank</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>13</td>
<td>Syndicate Bank</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>14</td>
<td>Union Bank of India</td>
<td>-</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>15</td>
<td>Uco Bank</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>16</td>
<td>Vijaya Bank</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>17</td>
<td>IDBI</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>18</td>
<td>Dena Bank</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>19</td>
<td>Bank of Maharastira</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>20</td>
<td>United Bank of India</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>75</strong></td>
<td><strong>78</strong></td>
<td><strong>70</strong></td>
<td><strong>223</strong></td>
</tr>
</tbody>
</table>

1.13 SAMPLING PLAN OF THE STUDY

The study is confined to account holders of the public sector banks in Tirunelveli district. There are 223 branches for the public sector banks in Tirunelveli district. Out of 223 branches of the public sector banks, four public sector banks namely State bank of India is having 25 branches, Canara bank is having 35 branches, Indian bank have 24 branches and Indian overseas bank has 69 branches. The leading four public sector banks which are having 153 branches were taken for the study. From each of the 153 branches 4 customers were selected randomly. In total 612 sample customers were selected from the major public sector banks.

Table 1.2
Sampling Distribution of the study

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Location of banks</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Semi urban</td>
</tr>
<tr>
<td>No. of branches from four major banks (SBI, IOB, IB &amp; Canara) as on 30-09-2014</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>Sample selected per branch</td>
<td>04</td>
<td>04</td>
</tr>
<tr>
<td>No. of sampled customers</td>
<td>224</td>
<td>224</td>
</tr>
</tbody>
</table>

1.14 DATA COLLECTION

The present study highly rests on the primary data. The required primary data for the study was collected with the help of structured interview schedule. The interview schedule was divided into four important parts. The first part covers the profile of the customers and their banking operations. The second part of the schedule includes the customers’ view on the customer relationship management and the factors influencing the customer relationship management. The third part of the schedule focuses on the customers’ view about the problems relating to customer relationship
management. The relevant variables related to the above said aspects were collected and operationalised with the help of review of previous studies.

1.15 PILOT STUDY

A pilot study was conducted among 50 customers in four major banks namely, Indian Overseas Bank, Indian Bank, State Bank of India and Canara Bank. Based on the feedback from the pilot study, certain modifications, additions and deletions have been carried out to prepare a final draft of the interview schedule. The final draft of the interview schedule was used to collect the data from the respondents.

1.16 FRAMEWORK OF ANALYSIS

The collected data had been processed with the help of appropriate statistical tools. The statistical tools were selected on the basis of the objectives of the study and also the nature of data included for the analysis. The details of statistical tools and its relevance of application are summarized below:

1.16.1 ANOVA

ANOVA test is used by the researcher to find the significant differences existing among the three or more sample groups in relation to a variable. The total variance in a set of data is divided into variation within groups and variation between groups.

The ANOVA technique is based on the concept of sum of squared deviations from a mean. Corresponding to the total variance and its two components, we have the total sum of squares (SS), between groups sum of squares (SS_b), within groups of squares (SS_w) is obtained by combining the sum squares i.e., the squared deviations of every raw score from its sample mean.
The formula used is

$$SS_w = \sum_1^5 d^2 + \sum_3^4 d^2 + \sum_5^n d^2 + \ldots + \sum_1^n d^2$$

Where d = a deviation of every raw score of a category from its sample mean.

Between groups sum of squares ($SS_b$) is by calculating the difference between each sample mean and the total mean. The squared difference is multiplied by the sample size in the concerned category and these quantities. The formula is

$$SS_b = \sum [(x-x_1)^2 \times n]$$

Where,

- $X$ = any sample mean
- $X_1$ = the total mean
- $n$ = the number of scores in any sample
- $SS_b$ = the between groups sum of squares

The total sum of squares ($SS_1$) is equal to a sum of within and between groups sum of squares.

$$SS_1 = SS_b + SS_w$$

Mean Square

The value of the sums of squares tends to become larger as variation increases and also as sample size increases. The mean square (or variance) is obtained by dividing $SS_b$ or $SS_w$ by the appropriate degrees of freedom.

$$MS_b = \frac{SS_b}{df_b}$$
$$MS_w = \frac{SS_w}{df_w}$$
Where,

\[ MS_b = \text{the between - groups mean squares} \]
\[ MS_w = \text{the within – group mean squares} \]
\[ df = \text{the degrees of freedom} \]
\[ df_b = k-1 \]
\[ df_w = n_1-k \]

Where,

\[ k = \text{the number of samples (groups)} \]
\[ n = \text{the total number of scores in all samples combined.} \]

In the study, the one-way analysis of variance has been administrated to find out the association between the profile of customers and their views on services offered by the public sector banks factors influencing customer relationship management practices in banks and problems faced by the respondent in respect of CRM in banks services.

1.16.2 ‘t’ Test

‘t’ test is used to study the significant differences among two groups of samples with respect to a variable. It is also used to test the significance of a correlation coefficient calculated among two variables. In the study for the latter purpose ‘t’ test is employed. Theoretical work on t-distribution was done by W.S. Gosset in the early 1900. The “t-statistic” is defined as:

\[ t = \frac{x - \mu}{S} \times \sqrt{n} \]

Where, \[ S = \frac{\sqrt{\sum(x - x^2)}}{n - 1} \]

The t-distribution is derived mathematically under the assumption of a normal distribution as:
\[ f(t) = C \left( 1 + \frac{t^2}{v} \right)^{-\frac{v+1}{2}} \]

Where,

\[ t = \frac{(x - \mu)}{s} \sqrt{n} \]

\[ C = \text{a constant required to make the area under the curve equal to unity.} \]

\[ v = \text{n-1, the number of degrees of freedom.} \]

To test the significance of the correlation coefficient the following formula is used:

\[ t = \frac{r}{\sqrt{1 - r^2}} \times \sqrt{n - 2} \]

Where, \( t \) is based on (n-2) degrees of freedom.

If the calculated value of \( t \) exceeds \( t_{0.05} \) for (n-2), d.f., the value of \( r \) is significant at 5% level. If \( t < t_{0.05} \) the data are consistent with the hypothesis of an uncorrelated population.

**1.16.3 Garrett ranking technique**

As per this method, respondents were asked to assign the rank for all factors and the outcomes of such ranking were converted into score values with the help of the following formula:

\[ \text{Percent position} = \frac{100(R_{ij} - 0.5)}{N_j} \]

Where,

\[ R_{ij} = \text{Rank given for the } i^{th} \text{ variable by } j^{th} \text{ respondents} \]

\[ N_j = \text{Number of variables ranked by } j^{th} \text{ respondents} \]
With the help of Garrett’s Table, the percent position estimated was converted into scores. Then for each factor, the scores of each individual were added and then total value of scores and mean values of score were calculated. The factors having highest mean value was considered to be the most important factor.

In the study Garret ranking method has been administrated the preferred services of the public sector banks.

1.16.4 Multiple Regression

In this multiple regression applied for finding out the determinants of financial literacy among rural women. Multiple regression analysis is a powerful technique used for predicting the unknown value of a variable from the known value of two or more variables- also called the predictors.

More precisely, multiple regression analysis helps to predict the value of Y for given values of X_1, X_2, …, X_k.

By multiple regression, we mean models with just one dependent and two or more independent (exploratory) variables. The variable whose value is to be predicted is known as the dependent variable and the ones whose known values are used for prediction are known independent (exploratory) variables.

In general, the multiple regression equation of Y on X_1, X_2, …, X_k is given by:

\[ Y = b_0 + b_1 X_1 + b_2 X_2 + \ldots + b_k X_k \]

The impact of respondent’s perception about customer relationship management on the factors influencing customer relationship management practices in public sector banks.
1.17 LIMITATIONS OF THE STUDY

The researcher is conscious of limitations which are likely to be confronted with in the course of the present study. They are:

- The primary data was collected from the respondents from Tirunelveli district so the findings from the study may not be applicable to the other places.
- The study covers only Public Sector banks. So the results are applicable only for the Public sector banks.
- As the respondents gave all the information based on their experience and understanding about the services of the public sector banks.
- In spite of these limitations, the researcher is keen on rendering the study quite unique and scientific in every respect.

1.18 CHAPTER SCHEME

The report of the present study is presented in seven chapters in the logical sequence and for the neat and clear presentation. The contents of each chapter are summarized below.

The first chapter ‘introduction and design of the study’ includes need for the study, statement of the problem, objectives of the study, hypotheses, methodology, plan of the analysis and chapterisation.

The second chapter deals with review of literature. The previous studies related to banking services, factors influencing the customer relationship management practices in public sector banks are presented in this chapter.

The fourth chapter deals with ‘profile of the respondents and the services of the public sector banks’. It exhibits the profile of respondents, their banking activities and sources of awareness about banking services.

The fifth chapter deals with customers’ perception towards the customer relationship management practices in public sector banks factors influencing the customer relationship management practices.

The sixth chapter presents the problem relating to customer relationship management practices in public sector banks.

The final chapter deals with summary of findings and suggestions based on the analysis and interpretation of the study.

1.19 SUMMARY

Indian Banks have recorded a phenomenal growth in the past decade with the initiation of Economic Reforms. The Public sector banks have transformed themselves into profit-oriented business organizations besides playing a developmental role in the economy. In an attempt to be more profitable, the banks have become competitive and more customer - oriented. This new orientation has compelled them to take a more pragmatic approach for conducting the business. The CRM is one such strategy which helps in meeting the customer’s expectations according to their changing needs.