Chapter – II

Review of Literature
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REVIEW OF LITERATURE

2.1 INTRODUCTION

A literature review is a text of a scholarly paper, which includes the current knowledge including substantive findings, as well as theoretical and methodological contributions to a particular topic. Literature reviews are secondary sources, and do not report new or original experimental work. Most often associated with academic-oriented literature, such reviews are found in academic journals, and are not to be confused with book reviews that may also appear in the same publication. The review of literature between 2000 to 2016. Literature reviews are a basis for research in nearly every academic field. A narrow-scope literature review may be included as part of a peer-reviewed journal article presenting new research, serving to situate the current study within the body of the relevant literature and to provide context for the reader. In such a case, the review usually precedes the methodology and results sections of the work. This part of the study reviews the previous studies related marketing strategies adopted by the banking. This part of the study helps to know the research gap of the study analyses the factors influencing effecting marketing strategy for banking services.

2.2. VALUE ADDED SERVICES related Reviews of Literature

Nwaeze Chinweoke et.al (2016) investigating the impact of marketing of banking services on the profitability of Nigerian banks for the period 1990-2013. Secondary data sources from the CBN Statistical Bulletin were used. The Ordinary Least Square Technique (OLS) involving multiple regression analysis were used in the study. Earnings Before Tax and Interest (EBIT) was adopted as the dependent variable while Demand Deposit, Time Deposit and Savings Deposit were adopted as the independent variables. The empirical results show that
Demand deposit has an insignificant impact on the profitability of Nigerian banks (P>0.05), while both time deposit and savings deposit exerted significant impacts on bank profitability (P>0.05). It is recommended amongst others that interest paid to depositors on the different bank accounts should be enhanced to encourage more patronage. Banks should also engage in relationship marketing and should be encouraged to be more customer-focused and embrace relationship marketing rather than transaction marketing.

**Uppal.R.K (2011)** compared three banking groups, public sector, private sector and foreign banks in respect of e-channels services under different socio-economic profile of the customers. Study traced out the importance of e-channels in different areas like creating social relations, fulfilling all requirements in e-age, to improve quality, to face global competition and to manage transformation. It also reveals that the customer of Indian private sector and foreign banks are more delighted than their counterparts due to their e-channel services. The author suggested in using few strategies, particularly to PSBs in enhancing their service quality.

**Savithri.R (2011)** studied the performance of bank branches in Tamil Nadu from different locations like rural, semi urban, urban and metro by using profitability ratio, productivity ratio, deposits per branch, business per branch, deposits per employee, advances per employee and business per employee as well as a growth rate of deposits and advances for three years duration. The study reveals that urban branches have excelled in their performance as compared to rural and semi urban bank branches. Morale of the staff working in rural and semi urban is very poor. The researcher suggested them to improve the working conditions of banks and thereby to increase deposit portfolio and CD ratios.

**Khattak and Rehman (2010)** analyzed the customer's satisfaction and awareness level towards the Islamic Banking Industry of Pakistan. It has investigated the relationship between different demographic variables and the satisfaction and awareness of customers. A sample of 156 respondents from
different cities of Pakistan was selected. For the analysis, the Kruskal-Wallis, one-way ANOVA ‘f’ test was adopted to check the relationship between demographic variables and satisfaction and awareness. The respondents expressed their satisfaction to some of the services and expressed dissatisfaction with few. The customers indicated that they are aware of different products but do not adopt these products.

Selvakumar.M and Ramar E.L. (2010) in their article, “Customer Relationship Management in Banking Sector” concluded that the banks should provide the service at the right time, the use of innovative method creation of a large customer base, installation of a simple and customer friendly system, and welcoming customers complaints to ensure a better life-long relationship with the customer.

Selvaraju.R and Vasanthi.G (2009) examined that in classical marketing literature only 4ps. are necessary but in bank marketing due to strong presence of human factor 7P’s such as product, price, place, promotion, people, procedure and physical evidence of marketing mix are very much essential to provide quality services. Further, author covers the importance and effective role of each component in the marketing mix of banking services. But while using all these 7P’s in bank marketing what type of practical problems has going to face by the banking industry are yet to cover.

Usha Priva.T (2009) in her research paper, “The Influence of Employee’s Attitude on CRM Strategies in Banks” found that there is a positive & significant relationship between employee attitude and the effectiveness of customer relationship management strategies in banks. She also concluded that the challenges faced by the banks and their customers are many but the solution lies in de-mystifying complex financial relationships. The population of this research consisted of selected branches of Commercial banks which operated in the city of Chennai.
Dave Kartik (2009) observed that banks put into practice several relationship marketing strategies which serve to enhance the service quality of the banks. He suggested that relationship pricing strategies encourage customers to have multiple accounts and services with the bank. Customers of ICICI and SBI banks also feel a sense of pride as, when they are given preference and personal attention; their special needs are acknowledged duly in time and also provided prompt services.

Kapoor Neha (2009) found that the respondents were more satisfied from the private sector banks due to their better services provided by them in terms of speedy transactions, fully computerized facilities, more working hours, good investment advisory services, efficient and co-operative staff and better approach to Customer Relationship Management. 95% respondents favored that private banks are providing better services than nationalized banks. It suggested that the bank staff should be co-operative, friendly and must be capable of understanding the problems of customers.

Uppal.R.K (2009) compared the customer service regarding time public sector, private sector and foreign banks in Amritsar (Punjab). It was found that there is significant difference among three groups. E banks were found to be more efficient regard to time factor. This was found to be very important factor in shifting of customers in e-banks.

Texak and Kaur (2009) in their study compared customer satisfaction in public and private sector banks in India. They found the customers of public sector banks to be more satisfied with the traditional banking services such as ATM, demand draft and cheque book facility and bank accounts as compared to customers of private sector banks whereas private bank customers were more satisfied with counter services such as cash deposits, cash payment, issue of drafts, cheque payment and cheque deposit. Public sector banks provided better services to customers than private sector banks.
Uppal (2006) in his study entitled Indian Banking Industry and Information Technology explored the bank customers’ satisfaction levels regarding the use of information technology in banking services provided by banks in Punjab. It was concluded that due to the adaptation of information technology, the efficiency of the banks had increased and had definitely affected the productivity and profitability of these banks.

Madhumathi. R and Kumar Lakshmi (2003) in their research study “Multifactor Evaluation and Forecasting of Bank Performance in India” studied the performance of 18 banks in terms of financial ratios published by RBI for the period of 2000-2002 and concluded that, most of the public sector banks although having wider access to customers, should go for investment in IT based infrastructure. All the private sector and foreign banks, although putting more emphasis in customer focus and quality, should spread their service branches geographically.

Bhat and Gani (2003) compared the customers’ expectations & perceptions regarding service quality in public sector, private sector and foreign banks. They found foreign banks providing better quality services than Indian banks as they were backed by state of art technologies. Indian banks were behind as far as the physical facilities and up-to-date equipment were concerned. Only PNB and J&K Bank were providing the service quality which was somewhat near to the service quality provided by foreign banks to the customers.

Kittiwat Uchupalanan (2000) conducted the study on competition and IT Based innovation in banking services, this article examines the dynamic relationships between competitive strategy and information technology based products and process innovations in financial services. The study draws on detailed case studies of five IT based innovations inter branch online service, automated teller machine service, credit card service and electronic fund transfer at point of sale service.
2.3. LEVEL OF SATISFACTION *related Reviews of Literature*

*Subbiah, R.Praveena (2010)* identified various risks lies in e-banking like operational risk, credit risk, market risk, legal risk, strategic risk, reputation risk, and the precaution through which such risks can be managed. They opined that due to large number of benefits and new business opportunities, there is still a need to establish greater harmonization and co-ordination in the field of e-banking. Therefore, by understanding the impact of ebanking on the conduct of economic policy, the policy makers need a solid analytical foundation without one; the markets will provide the answer, possibly at a high economic cost.

*Dangwal. R.C et al. (2010)* added that due to advancement of IT, the whole world has become global village and ushered revolution in the banking industry. IT tools like MICR and Optic Character Recognition, (OCR) RTGS, Credit cards, Debit cards, Structured Financial Messaging System (SFMS), Society of Worldwide Interbank Financial Telecommunication (SWIFT), ATM, Biometric ATM, No Frills Accounts and Kiosks are supporting bankers to provide quality and speedy services to their customers. Advantages and risk lies in e-banking operations are also covered.

*Ashok Kumar M. and R. Rajesh (2009)* made an attempt to identify whether today’s customers are satisfied? Due to globalization bankers are striving to increase the quality of services by adopting technical collaboration. Customers are becoming more and more demanding, dominant and selective one. Some important areas to satisfy the customers’ needs has been traced out like staff behavior towards the customers, modern technology, core banking services, customer redresal cell, phone banking and e-banking services (ECS, EFT, RTGS). Suggested to introduce modern customized products, tax advisory service, cash management service, technological upgradation and innovations.

*Vidhyaa M.J. (2009)* study to find out the customers satisfaction and preference among ICICI and SBI Banks. The target population in this research referred to the bank customers who were having an account in ICICI and SBI
banks due to the convenience in collecting the data. Information collected from respondent was through questionnaire. It was found that the respondents chosen the SBI bank because the bank provided more ATM facility and good customer service. The reasons for chosen ICICI bank stated by the respondents were good customer service, efficient complaint handling and more reliable to the customers. It has been realized that there is no significant relationship between the occupation of the respondents and the type of service they preferred the most. It suggested that the banks can post demo of all the services in their bank website so that the customer get knowledge and be aware about the services.

With the current change in the functional orientation of banks, Kumar (2008) observed that the main driver is changing customer needs and expectations. Customers in urban India no longer want to wait in long queues and spend hours in banking transactions. This change in customer attitude has gone hand in hand with the development of ATMs, phone and net banking along with availability of service right at the customer's doorstep.

Rajani Sofat and Preeti Hiro (2007) conducted a comparative study on Creativity and Innovations in retail banking - A comparative analysis of financial product offered by ICICI & HDFC bank. Results suggest that now challenge for banking sector in the current scenario is to design and innovative the financial products which are convenient to use & continuously meet financial goals of the customers.

Dwivedi, R. (2007) explained that finance functions are important but not as important as the marketing functions. Friction between the marketing and finance functions would be detrimental to the smooth development and functioning of any business organization. Finance objectives like value maximization to shareholders are integral parts of any new strategy adopted by the organization. But this objective seems to have been lost amidst the flurry of marketing activities focusing on market share. Conscious efforts must be taken to avoid the missing core objective and for sales growth.
Goerge J. Avlonitis and Kostis A. Indounas (2005) conducted the study on Pricing objectives and pricing methods in the services sector, the findings of the study reveal that the objectives, which are pursued, are fundamentally qualitative rather than quantitative in their nature with a particular emphasis given on the company’s customers. The pricing methods, which are adopted by the majority of the companies, refer to the traditional cost-plus method and the pricing accounts to the market’s average prices.

Debashish and Mishra (2005) analyzed & measured the customer satisfaction in branch services provided by nationalized banks in northern India. They found the customer satisfaction to be strongly influenced by computerization in banks, accuracy in transactions, and attitude of staff and availability of staff at respective bank counter. The least impacting factor was promotion and highest impacting factors were awareness of customers regarding bank charges, banks innovativeness in new services and efficiency, role of staff in rectifying errors quickly.

Dhanajayan (2005) observed that the growing demand for service excellence gives an opportunity to service providers to emerge as leaders in their chosen field. ICICI bank has emerged as the leader in new-age banking, despite competition from the old and established banks, foreign banks, and the emerging new banks in the private sector. This is due to their standard in banking service along with a large distribution network achieved in short time, and impeccable delivery at all their touch points.

Joshia and Koshi (2005) in their study evaluated & compared the service quality in old & new generation banks in Karnataka. They found that new generation banks customers were satisfied on reliability, empathy and price and for rest of the dimensions, negative gap between expectations and perceptions was 6-7 times smaller than old banks and hence new generation banks were performing better than old generation banks.
Ronald T. Rust et al. (2004) conducted the study on - Return on marketing: using customer equity to focus on marketing strategy, their framework enables what if evaluation of marketing ROI, which can include such criteria as return on quality, return on advertising, return on loyalty program and even return on corporate citizenship given a particular shift in customer perceptions.

Gurumurthy N. (2004) asserts that technology today is claimed to be a ‘leveler’ and not a ‘differentiator’. After the ‘wow’ feelings die down, technology would become a must for most clients. Banking products can be easily copied and replicated by competitors unlike manufactured products. It is also not a viable model for marketers to compete on price. The solution, therefore, would lie in effective application of marketing strategies.

Liang et al (2004) argued that the service quality attributes are of two types one is product related, and the other one non-product related. These two types of attributes may create the perception of functional benefits, symbolic benefits and experiential benefits among customers. The empirical research shows that there is no positive association between experiential benefits and customer satisfaction. But, the results of the study strongly highlighted the fact that customer satisfaction positively affects customers’ trust and commitment on service provider, which in turn affects customers’ behavioural loyalty. There are many effects on customer satisfaction and repurchase intentions.

George and Hegde (2004) put much more emphasis on employee-customer contact in Banks, particularly those in the frontline. According to the researchers, human capital is among the most major drivers of service performance. Employee satisfaction indirectly affects the customers’ value perception about the overall quality of the product and the reliability of the service provider, thus giving clues to future transaction behaviour as well as relationship building.

Sachdev (2004) observed that because of increasing competition in Indian banking industry, customers now have a choice among various service providers
by making a trade-off between relationship and economics, trust and products, or service and efficiency.

Ravi Dhar and Stephen M. Nowlis (2004) conducted the study on to buy or not to buy: Response mode effects on consumer choice, this article extends research on evaluation differences in response modes to situations in which the no-choice option is available. Prior research on choice deferral has presented the no-choice option as another response option (i.e. an unconditional brand choice response mode), which has its primary focus on the selection decision.

Harish Kumar (2004) conducted the study on - A comment on customer satisfaction measurement in banking services - Business perspectives. The private banks, specially the foreign ones have been giving the nationalized banks a run for their money. Banks like ICICI, UTI, HDFC, IDBI And Kotak Mahindra Bank have made spectacular growth both in terms of volume of business generated and customer services by launching various innovative banking products which were hitherto unheard in Indian economy at least. Entry and / or expansion of such foreign banks as City Bank, American Bank, Standard Chartered Bank, HSBC Bank Etc. have all along been leading the way both in terms of innovative approach to tap potential customer base and introduction of imaginative products and services in the Indian market.

Dixit V.C. (2004) concludes that for successful marketing and to make it more effective, identify the customer needs by way of designing new products to suit the customers. The staff should be well equipped with adequate knowledge to fulfill the customer’s needs. We should adopt long-term strategies to convert the entire organization into a customer-oriented one.

Sharma et al. (2004) in their studies found that in the regional rural banks, customer satisfaction refers to the customer judgment on marketing of bank products/ services in rural settings by comparing pre-purchase expectations with accumulated experience with the banks having maximum transactions. The customers having low income residing in rural areas are showing “just
satisfactory” attitude towards all the rural banking services, where as those having higher income show “above average”. In both the cases the level of satisfaction goes in descending order concerning to 4p’s of marketing mix, viz. product, place, price and promotion respectively. The study suggests five steps of strategic action for rural banks, namely identification, measurement, creation, maintenance and monitoring customer satisfaction by keeping higher level of rating in measurement scale.

**Gain and Bhatt (2003)** conducted a survey on banks in India in the area of customer expectations and perceptions in relation to service quality dimensions. The study gave the idea that the service quality of foreign banks figures high while as the service quality of Indian banks is comparatively low. Each bank has to match the expected service and the perceived service to each other so that customer satisfaction is achieved.

**Madhumathi R and Kumar Lakshmi (2003)** in their research study “Multifactor Evaluation and Forecasting of Bank Performance in India” studied the performance of 18 banks in terms of financial ratios published by RBI for the period of 2000-2002 and concluded that, most of the public sector banks although having wider access to customers, should go for investment in IT based infrastructure. All the private sector and foreign banks, although putting more emphasis in customer focus and quality, should spread their service branches geographically.

**Robert A.W. Kole and BAS Hillebrand (2003)** conducted the study on what makes product development market oriented? Towards a conceptual frame work, author presents a conceptual frame work detailing the elements of market oriented product development and the relationship between these elements.

**Suresh Chandar et al. (2002)** concluded that the operationalization of customer satisfaction in banking sector is somewhat hazy, and it should be operationalized along the same dimensions that constitute service quality. The study was conducted by taking two types of hypotheses, one is about the existence
of distinctiveness of service quality and customer satisfaction with respect to all the dimensions and the other one is concerned with the correlation between these two. The results showed that these two are different constructs which can be distinguishable from the customers’ point of view. It also showed a high correlation between these two constructs. In this context, the service providers should try to continuously improve both service quality and customer satisfaction to be remained in intense competition.

**Roy (2001)** articulated that customer loyalty management program must be a vital part of relationship marketing exercise should be undertaken at the bank branches. He found that, customer loyalty is a useful tool in retail banking. Further he suggested that bank should develop ATM usage; financial institutions should review basic banking services as customer loyalty is a function of more than one variable.

**Marisa Maio Mackay (2001)** examined whether differences exist between service and product markets, which warrant different marketing practices by applying ten existing consumer based measures of brand equity to a financial services market. The results found that most reassures were convergent and correlated highly with market share in the predicted direction, where market share was used as an indicator of brand equity. Brand recall and familiarity, however, were found to be the best estimators of brand equity in the financial services market.

**Walfried M. Lassar et al. (2000)** in their paper entitled “Service quality perspectives & satisfaction in Private banking” examined the effect of service quality on customer satisfaction from two distinct methodological perspectives. The study utilizing a sample of international private banking customers concluded that in banks service quality is operationalised via two distinct & well- known measures: survival and technical functional quality. Their study examined the potential utility of employing separate measures for customer satisfaction from the perspectives of both technical and functional aspects of the service delivery
process. The data was collected from USA and South American private banks. Their findings proved to be important for service managers to identify efficient and effective approaches for improving quality in banks.

**Trivadi I.V (2000)** conducted a study to assess the level of satisfaction of the customers of Indian Banks. The study revealed that the customers are dissatisfied with various services and there exists a mismatch between the time schedule for different transactions as displayed and actual time taken. The customers are not able to access information within a short period of time. The study recommended that ATMs might be introduced in all branches of the bank depending upon the volume of transactions in order to provide non-stop banking to customers.

2.4. BRAND OF BANKING related Reviews of Literature

**Duygu Kocoglu and Sevcan Kirmaci (2012)** studied to determine the importance attached by ZiraatBankası (a state owned bank in Turkey) to customer relationships and to reveal the effect on customer loyalty of its importance to customer relationships. Their research results show that not only collecting data about the customers but also giving information to them arouses customer loyalty, arousing in him the sense that he is valued. The customer report that they are not kept waiting for long. The fact that banking procedures are fast and customers are not kept waiting much are rather important for customer loyalty. The personnel’s knowledge of banking and mastery of the subject accelerate the speed of the service given, so any attempt to train the personnel is necessary for customer loyalty.

**Rajash D. and K. Basavraj (2012)** studied growth and evolution of RRBs in terms of number of branches since its inception to 2010, as per year and district wise in Karnataka. They opined that RRBs are much better than the commercial banks or co-operative banks in meeting the needs of rural area and thereby to solve the problems of poverty, unemployment and other social economic backwardness.
By taking the sample of Pragati Gramin Bank critical examination of priority and non-priority sector loans, short term and long term loans have been analysed where the result shows that there was a significant difference in the performance of PGBs regarding priority sector and the non-priority sector loans. On the contrary, there found a high degree of positive correlation between short term and long term loans.

**Shamsher Singh (2010)** observed that the internet banking services provided by private sector banks have been more customer-friendly as compared to public sector banks. It was suggested that the banks should increase the necessary awareness and convert the non-users to the user category. This will reduce the cost of banking transaction & provide comfort and faster customer access technique to their accounts for multiple purposes.

**Som Aditya Juyal and Sameekisha Uniyal (2010)** in their study focused on stress related issues among HDFC, ICICI, PNB and SBI Banks across mid and low hierarchies and genders. The population selected for this particular study was employees of PNB & SBI (Public Sector Banks) and HDFC & ICICI (Private Sector Banks) from Dehradun. Working conditions are assumed to be comparatively unfavourable at private banks than public banks. The same was comprehended earlier but here the differences are indicatively significant among SBI & PNB and HDFC & ICICI Banks. Also, executives at HDFC and PNB find it difficult to express themselves to their seniors and the difference it has is somewhat significant to what executives feel at SBI & ICICI Banks.

**Uppal R.K. (2010)** selected public sector, private sector and foreign bank branches and studied their deposits, loans and other innovative products with some important marketing approaches like identifying customers’ needs, pricing the services, advertising and forecasting. Further, performance of these three banking groups are compared in respect of their deposits, advances, interest income, other income and profits, which indicates that private and foreign banks are much better than PSBs in their performance. Challenges of bank marketing like technology,
untrained staff, rural marketing, customer awareness and trust are also highlighted by suggesting few 24 effective marketing strategies such as forming saleable product scheme, emphasis on deposits, effective branding, advertising, customer convenience, trained staff and e-delivery channels.

Edwin Theron and Nic S. Terblanche (2009) studied Dimensions of relationship marketing in business-to-business financial services. The Analytic Hierarchical Process (AHP) method was used to identify the most important dimensions. An initial pool of 23 dimensions of RM was identified in the marketing literature, and this pool of dimensions was reduced to 10 after the empirical study. The study found that particular dimensions are more important than others when relationships are established, and that trust, commitment, satisfaction and communication are the most important dimensions. Further dimensions identified as important in the B2B financial services industry are competence, relationship benefits, bonding, customization, attractiveness of alternatives and shared values. The findings were valuable for the continual management of marketing relationships with customers.

Rajasekhara (2008) in his article “Assessment of Effectiveness of Marketing communications mix elements in Ethiopian Service Sector” stated that creative effective communication with customers is most important aspect in services marketing. He evaluates the effectiveness of advertising and personal selling practices of Ethiopian service sector in communicating with its customers with the aim of finding solutions to improve the existing communication and customer satisfaction. He found that marketing communication mix elements viz. Advertising and personal selling are moderately effective in providing information, creating awareness and changing attitude whereas ineffective in building company image and enforcing brand loyalty.

According to Mohanrani A.S and Mahavi.C, (2007) conducted an empirical study on, Product related characteristics, Promotion and Marketing Mix are key tools in determining Purchase Behavior of Purchase Decision by
Teenagers. Results suggest that teenagers are influenced by updated information of the product and hence they go for information search, collect information from different dealers on various aspects like price, technology etc. They are also influenced by peer compulsion of sales talk of the dealers. Teenager's employees two strategies, Emotionally convincing & logically convincing to convince their parents. Logical teenagers give importance to sales promotion factors like offers & schemes, while emotional teenagers gives importance to aesthetic appearance, color, brand value, popularity & social image on selecting the products.

Godara R.L. and Gupta S.L. (2007) conducted the study about, Awareness, Expectation and Acceptances levels of the Customers with respect to the Use and Effectiveness of the New Techniques in Banking in India. Result of the study reveals that the hectic lifestyle of the people where time is a scarce resource is the main factor which is compelling customers to use new techniques in banking. Thus in spite of being a relatively new introduction, it is quite surprising to find from the survey, the kind of popularity that new technology gadgets have achieved.

Sharma and Sharma (2006) in their study measured the customers delight in urban consumer banking. They found that the customers were satisfied with loan facilities, bank environment, routine work procedures, location, interest rates and deposit schemes of the banks and dissatisfied with loan formalities and promotion through media. Seventy three percent of respondents had shown average level of customer satisfaction on attitude of staff.

Patnaik U.C. and Chhatoi B. (2006) assess the marketing efforts of the Staten Bank of India, which enjoy the status of premier bank in India. He also concludes that banks have a wide network of branches for delivery of products. It has taken up some measures to improve the quality of its employees and customer service at branches. But, its pricing are wilting under competition without any regard to costs and it is yet to give due emphasis to its promotional measures.
Raul and Ahmad (2005) in their study investigated the customer services in public sector banks in three districts of Assam. They found that customers were dissatisfied with management, technology and interactive factors and high service charges. Communication gap was the root cause of poor service quality. There was a wide gap in rendering services in urban and rural areas.

2.5. SERVICE QUALITY related Reviews of Literature

Dr. Madhu Jasola and Shivani Kapoor (2015) underlined the significance of CRM in Indian Banking Sector. Customer Relationship Management has emerged as a popular business strategy in today’s competitive environment. It is a discipline which enables the companies to identify and target their most profitable customers. CRM involves new and advance marketing strategies which not only retain the existing customers but also acquire new customers. It has been invented as a unique technique capable of remarkable changes in total output of companies. While the concept of relationship marketing was formally introduced in early 90s when financial services, airlines and other service institutions stated to ‘reward to retain’ the existing customers by introducing loyalty programs, CRM is only a product of the late nineties. The purpose of this paper is to find the differences in an organization’s services employing CRM vis a vis others, as perceived by the customer. It also tries to find out the relationship between perception and satisfaction, commitment and loyalty.

Isabelle Brun et al. (2014) explored the e relationship marketing and identified the elements that are predominant to ensure the success through internet. The exploratory Cognitive mapping technique was employed on the three types of respondents banking experts, online customers and academic experts. Authors found the similarity of traditional relationship marketing and e relationship marketing.

Dr. Narinder Kaur (2013) studied the concept of Trust and its impact on customer relationship marketing in banking sector in India in post liberalization
era. The research methodology was based on the empirical data collected from Public Sector Banks, Private Sector Banks and foreign Sector banks in India for the study. The study had shown that the trust is very strong in Foreign Sector Banks (FSB). This has been developed because of their consistent delivery of quality service. Where as in Private Sector Banks (PVT SB) the quality of service is also improving but the cost of delivering the services are far more as compared to the actual service. Public Sector Banks (PBSB) stood nowhere in trust because of poor delivery of quality service.

Catalina Chirica (2013) highlighted best practice in relationship marketing because of adjusted companies’ strategies in a turbulent, unstable, and dynamic economic environment. He analyzed that by best practice, we understand specific marketing tools and strategies built upon real needs and heterogeneous consumer preferences, addressed directly in a relevant way, aiming at clients’ long-term retention. We should also take into consideration the highly competitive market, with rapid changes in purchase and consumption behavior, while the ever increasing degree of technology changes fundamentally not only the speed, but also the information content. Since past years we can talk about consumer behavior analysis based on multiple criteria, including the emotional or moral components, consumers’ expectations, and life style, as understanding such variables is the main pillar of relationship marketing. The main objectives rely upon building long-term relations, client retention, and loyalty. As part of marketing efforts, the communication component has an increasingly important role, approaching niches with tailored messages, inviting clients to open dialogue. Economic changes, extensive use of technology, migration towards online and optimization of communication channels opened the doors for digital era, when relationship marketing and client relationship management (CRM) represent not a merely working premise, but an essential ground. Best practice in relationship marketing proves that this cannot be applied in any way and at any time, as this
article highlights the main components of building and implementing such a system.

Venkatesh.R (2013) examined the long term effects of present day relationship marketing by analyzing various customer friendly programmes that companies dish out and the reactions of the customers to these relationship building programs in last six years. They concluded that the organizations will have to come out long term strategies to keep their regulars for a long time. Otherwise, all these contemporary marketing schemes would remain temporary. As of now, the contemporariness in having long term relations seems to be in maintaining great quality and catering to different generations (their habits, interest and wants) of regular customers.

Sanjay Kanti Das (2012) reviewed the literature on the use of CRM in the banking sector. They studied the comparative perception of SBI customers with other nationalized banks customers in the issue of CRM practices. It is observed that the approach of CRM by SBI and other nationalized are to some extent the same, but their reach is quiet distinguishable. It is due to the profile, their capability and the strategy of CRM in making it and reaching down to customers. On the contrary, it can also be asserted that the background of both banks also found as a big cause for reaching the top CRM. Hence, concluded that CRM is an inevitable tool of marketing that can be considered as Critical Responsibility of Market with regard to Banks in present context.

Mihir Dash and Vineetha Rajshekhar (2012) analysed the customer perceptions of relationship marketing in public & private sector banks in India. They further explored various barriers to the implementation of Relationship Marketing in Indian Banking Sector. It was observed that Relationship Marketing in both public sector and private sector banks has to go a long way to go to become effective. There was found to be a significant gap between expectations and perceptions in the Bonding, Communication and Conflict-handling aspects of
Relationship Marketing. Further, Communication and Conflict-handling aspects were found to be significant drivers of overall Customer Satisfaction.

**Joseph Vella et al. (2012)** resulted that the human behavior plays an important role in adoption of CRM strategy as the CRM is relationship between the employees and the customers and both are carrying human characteristics. The attitude of both employees and customers is responsible for the success or failure of the CRM strategy.

**Parviz Hajizadeh et al. (2011)** invented that the CRM practices contribute to a significant lowering of the transaction costs and also to a reduction of the marketing communication asymmetries. Basically, CRM is an accelerator, which facilitates establishment and maintenance of mutually beneficial relationship between banks and customers. CRM applications, or e-CRM applications, are hardware and software solutions that utilize various marketing and communication strategies and resources to meet business, public administration, social and other needs. The relationship between banking and CRM practices is such that nowadays it is almost impossible to think of the former without the latter.

**Rujirutana Mandhachitara and Yaowalak Poolthong (2011)** developed a model of customer loyalty and corporate social responsibility. He examined the roles of corporate social responsibility (a non service-related concept) and perceived service quality (a service-related concept) in determining the attitudinal and behavioral loyalty of customers in the retail banking sector in Bangkok, Thailand. The study was quantitative in nature using the responses of 275 bank customers who answered a survey questionnaire. Data analysis was performed using Partial Least Squares (PLS), a variance-based structural equation modeling method. The results of the study demonstrated that Corporate Social Responsibility (CSR) has a significantly strong and positive association with attitudinal loyalty. Perceived service quality mediated the relationship between CSR and repeat patronage intentions (behavioral loyalty). Direct effects were reported between perceived service quality and both attitudinal and behavioral
loyalty. A positive relationship between attitudinal and behavioral loyalty was demonstrated. He demonstrated an empirical operationalization of CSR initiatives measured from the customers’ point of view, and from which banks could learn for corporate strategy development.

Mehta (2010) in his article “Personal Selling-A Strategy for promoting Bank Marketing” reported that there is lack of Marketing Communication in Indian Banks. He suggested for adopting banks suitable marketing promotion strategies for better business. He emphasized that on adoption of personal selling as a strategy for marketing promotion in Banks the banking business can improve considerably.

Kola and Akinyele (2010) in their article “Evaluation of Effectiveness of Marketing Communication mix element in Nigerian Service Sector” state that creating effective communication with customers is the most important aspect in services marketing. The effectiveness of advertising and personal selling practices of Nigerian service sector in communicating with its customers with the aim of finding solutions to improve the existing communication and customer satisfaction was accessed. Five parameters 1) Providing Information 2) Creating Awareness 3) Changing Attitude 4) Building company Image 5) Enforcing Brand Loyalty were considered in the study. The research revealed that both these elements are moderately effective in providing information, creating awareness and changing attitude whereas ineffective in building company image and enforcing brand loyalty.

Kee. FT and Taap (2009) in their study “Determining the Relative Importance of Critical Factors in Delivering Service Quality of Banks: An Application of Dominance Analysis in SERVQUAL Modal” have attempted to find out relative importance of different dimensions of service quality in the minds of the customers of commercial banks. The researchers have concluded that reliability is most sought in banking services while tangibility has smallest important in the minds of customers. The authors have further argued that gap in
service quality in commercial banks is largely due to poor performance of the service provider on the reliability front.

**Nukpezah and Nyumuyo (2009)** established that the competitive pricing as well as company image contribute to customer satisfaction and that service quality along a number of pathways drives customer loyalty and profitability thus: service quality, customer satisfaction, customer loyalty, market share and profitability. The results among other things reveal that, whilst service quality and bank image and reputation are important instigators of customer satisfaction and loyalty, competitive pricing showed a weak linear relationship with customer satisfaction and loyalty.

**Hugar S.S. and Nancy H.Vaz, D'Costa, (2009)** declared that India is on the threshold of a stark global competition, especially so for the banking sector with the likelihood of the economy opened for global banks soon. The Indian public sector banks, which have come face-to-face with competition just since last decade, are found wanting both with regard to performance as well as their customer orientation. The CRM practices of the banks can help them in retention of their existing customers in the competitive market.

**Khan et al. (2009)** in their study evaluated the service quality of internet banking services from the customers’ point of view in India. They found customers to be satisfied with reliability but dissatisfied with user’s friendliness. Two dimensions, i.e. ‘privacy/security’ and ‘fulfillment’ were not found to be significantly related with overall service quality. High percentage of young generation having computer literacy showed that internet banking was going to be very crucial in India.

**Uppal R.K (2009)** traced out the trends and growth of retail banking in public sector, private sector, new private and foreign banks with different parameters like CD ratio, deposit patterns and lending system. Retail portfolio of banks such as, housing loans, consumer durables, credit card receivables, auto loans and other personal loans have also been covered and suggested few
strategies like advanced technology, skilled manpower, market research and e-banking. But comparative study between the sectoral deployment of fund and retail lending quantum of loans have not covered.

**Kallol Das et al. (2009)** explored the association between CRM practices and customer loyalty. The study comprises two parts. The first part called the CRM best practices survey. The second part viz. case study research involves the use of embedded customer loyalty survey. The results of literal and theoretical replication done by using pattern matching technique indicates no strong association between deployment of CRM best practices in scheduled commercial banks and loyalty levels of both high and medium relationship value retail customers. The results also imply that going for CRM deployment may not be a profitable strategy for retail banks, particularly in the Indian context.

**Iftikhar Hussain et al. (2009)** researched in selected banks of Pakistan. The study explored and analyzed the strategic implementation of CRM in selected banks of Pakistan, identified the benefits as well as the success and failures factors of the implementation and develops a better understanding of CRM impact on banking competitiveness as well as provided a greater understanding of what constitutes good CRM practices. It was found that CRM still needed to be active agenda in Pakistan.

**Gupta P.K (2008)** in his study examined consumer’s behavior with respect to internet banking vis-à-vis conventional banking. He found internet banking to be easier and speedier than conventional banking and trust was found as most important factor followed by accuracy and confidentiality. But on safety, the rating in case of conventional banking system was found to rise with the movement to higher income levels.

**Mark G Durkin and Barry Howcroft (2008)** explored the perception of senior bankers in UK, Sweden and USA with regard to internet as relationship marketing tool. There was agreement that internet had key role in relationship
management but there was less agreement about rate of customer adoption and extend to which it is influenced by bank strategies.

**Gupta and Mittal (2008),** in their article “Comparative Study of Promotional Strategies of Public and Private Sectors Banks in India” stated that a well - designed promotional strategy is very important to promote banking services effectively . They studied that the promotional strategies of private and public sector banks are almost similar. Both types of banks take the help of almost all type of media to promote their services. The major difference in the promotional strategies adopted by banks is in the two techniques of the promotion and they are “Personal Selling” and “Direct Marketing”. The difference is that public sector banks do not adopt the strategies of promotion as personal selling and direct marketing; on the other hand the same are adopted by private sector banks.

**Mobarek (2007)** found that, it difficult to compete on price and need to look at other ways to retain customers. After conducting this research, it is clearly seen that delivery channels are lacking in meeting the demands of the 50 customer by not making them aware of e-banking and using obsolete or not very up-to-date technology. It was experiential that there is a relationship between age group, occupation type and some aspects of e-banking.

**Jaiswal.K.S and Nitu Singh (2007)** conducted a study on Retail Banking: Indian Scenario. Results suggest that changing face of Indian consumers in term of no. of households & their income class, building an affluent middle class are factors of opportunity & retention of customers, indebtness & information technology are challenges for retail banking in India.

**Krishnaveni R. and Divya Prabha D. (2004)** conducted a survey among corporate customers of banks to know the perceptions of clients about banks’ service quality. The six dimensions of the service quality taken for the study were: competence, convenience, customer- oriented, and promptness of service, modernization and communication. The results revealed that the service quality
still has to be improved and customers expect more monetary concessions in service charges. Customers would feel happier if any improvement in the service is made.

**Raj Kumar et al. (2004)** conducted the study on - A customer life time value framework for customer selection and resource allocation strategy, the analysis suggests that there is potential for improved profits when managers design resource allocation rules that maximize CLV. Managers can use the authors frame work to allocate marketing resources efficiently across customers and channels of communication.

**Sivaloganathan.K (2004)** conducted the study on Relationship marketing in banking services: the need of hour, he conducted the study on customer services should be personal and professional. However with a rapidly increasing customer population and the parallel growth of demand for qualitative and competitive services, a lot still remains to be desired. In fact, banking sector reforms will be meaningless if they do not improve customers’ perception of banking services.

**Agboola (2003)** viewed that, investment in information technology has become an important component in the overall strategy of banking operations to ensure competitive strength. It continues to change the way relationship between banks and customers. Banking automation occasioned by the breakthrough in information technology has brought about various innovations that now dictate the pace for banking activities. This has far reaching effects on both the customers and the personnel requirements.

**Mallya Prita D. (2003)** conducted a study on branch performance measurement system and found that around eighty percent of the banks studied were implementing the standardization and comparison concept in their performance measurement system. Most of the banks are giving more importance to the routine process component of the service. Public sector banks need to redefine the customer services parameter in order to compete with the new private sector banks.
Kohli (2001) have discussed the various aspects such as manual banking to computerized banking, stage of automation in nationalized banks, new private sector Indian banks and foreign banks. Kohli has found out that the advancement in computing and telecommunications has revolutionized the financial industry, and banking on the net is fast catching on. As e-commerce gets transformed into m-commerce with the increasing use of technologies, banking business is in for a major overhaul.

The study by Ali Yakhlef (2001) found that as more and more of the transaction processing load is taken over by technology, banks are concentrating on strengthening their marketing approach and re-inventing their business model. Traditional bank branches, with an infrastructure supporting transaction processing, were being transformed into an open-space interface within which bank experts engage intimately with their customers, delivering specialized, advisory services with more focus on retail banking.

Andersen P.H (2001) studied marketing communication using three classical theatrical elements, and found communication process as developing an understanding of the communicator's intentions and qualities (ethos) and the communication climate (pathos). Both (oi) factors are necessary for engaging in constructive dialogues with customers (logos). On this basis, the study outlined a model for integrating practices of marketing communication with relationship building and illustrated the model using a case study from a Danish bank as a reflective device.

Mehta (2001) in his study examined the lack of marketing in banks. He suggested banks to adopt marketing promotional strategy for better business. He preferred personal selling as a strategy for marketing promotion in banks.

James F Devlin (2000) studied as to how attempts can be made to add value when offering services exhibiting increased complexity, intangibility and impalpability in the eyes of most consumers. It was found that the features and quality of the core service provided are judged by managers to be more important
in adding value to more complex services; as are organizational factors such as image and reputation. In addition, price is perceived to be significantly more important in adding value to more simple, rather than complex, offerings.

2.6 CONCLUSION

The review of literature part explains the research background. The review part gives an overview of research problem and its importance. The present study is an attempt to know the marketing strategies adopted for banking services. This part of the study are classified in different headings like product mix, price mix, place mix, process mix, people mix, customer satisfaction, customer relationship management etc. No researches have been conducted in Tiruchirappalli district. That is the reason for chosen the topic.