ABSTRACT

This research study takes place the Impact of Customer Relationship Marketing Strategy (CRMS) and Customer Loyalty on Financial Products and Services offered by Financial Institutions with reference to Chennai, Tamil Nadu. Marketing has made a paradigm shift from transactional approach to relational approach. We are living in a globalized world, where competition has become an unavoidable element of business and customers have become scarce. This has led to a situation where all the firms in the same industry are trying to attract the same customers in various ways, even while offering similar products and services. They are using relationship marketing approach to ensure that the customers remain loyal and come back to them for the same products and services.

Today, financial institutions can no longer rely on these committed relationships or established marketing techniques to attract and retain customers. As markets break down into heterogeneous segments, a more precisely targeted marketing technique is required, which creates a dialogue with smaller groups of customers and identifies individual needs. This situation coupled with the pressures of competitive and dynamic markets has contributed to the growth of Customer Relationship Marketing in the Financial Service Sector. This study also studies the impact of various
demographic variables of the respondents in association with marketing variables, on customer loyalty.

The aim of this Ph.D., research is to understand the impact of Customer relationship marketing on Customer loyalty on Financial Products and Services offered by Financial Institutions. This research was specially studied in Banking, Life Insurance and Mutual funds, how they are offering relationship marketing. And to study, this customer relationship marketing strategies are create any impact in the Chennai Urban customer’s mind to create good customer loyalty regarding their selected financial institutions.

This study was carried out total of 900 customers, out of 300 in Public and Private Sector Bank account holders, 300 in Public and Private Life Insurance account holders and 300 in Public and Private Mutual fund account holders in Chennai City. A pilot survey of each sector 30 respondents was conducted to test validity of the questionnaire. A structured questionnaire was used for this complex research project. The target respondents are in each sector account holders. The research analysis was performed using SPSS Statistic 17.0. The statistical techniques applied for drawing statistical inferences and conclusions about the study may include descriptive statistics, one sample t test, one way ANOVA, reliability test, multiple regression analysis and discriminant Analysis. More interestingly, all respondents were understands all the relationship marketing factors and given good responds
about the Trust, Employees, Communication, Security, Service level, Service level, Customer focus, Customer prestige and Customer’s word of mouth factors.

The results of this study clearly revealed that the Customer relationship marketing strategy is framed based on Demographic factors. The Demographic factor influences the Customer Loyalty of the Products. The CRMS directly impact on Customer Loyalty. From the Discriminant analysis, Private Sector banks maintaining better relationship marketing approach comparatively Public Sector Banks. Likewise, in Life Insurance sector, Public sector (LIC of India) is better than Private sector Life Insurance companies, and in Mutual fund Private Sector is better than Public sector.

From the study, it was witnessed that both Public and Private Banks, Life Insurance and Mutual fund sectors were continuously identified, practiced and implemented Customer Relationships strategies. One of the main objectives of this study was the impact of Customer Relationship Marketing strategy and Customer Loyalty. Based on the results of this study, the following managerial implications are drawn by the researcher.

- The Private sector Banks continuously identify the Customers needs in services, compare with Public sector Banks the services what they offered, especially Customer focus Communication factors.
• The Public sector Life Insurance company offering good services and continuously identify the Customer needs and increase the confidence level in the customers mind comparatively Private sector Life Insurance companies, especially customers are trusted, feel secured, Employee service, and communication factors.

• In Mutual fund, customers are trusted more, employee’s services and knowledge, Security and focusing customer groups in Private mutual fund comparatively Public sector.

• In financial market Customer Relationship Marketing strategies are highly correlated with Customer’s Loyalty in Chennai.