A STUDY ON THE RELATIONSHIP MARKETING ORIENTATION OF COMMERCIAL BANKS IN KERALA

THESIS SUBMITTED TO THE
UNIVERSITY OF CALICUT
FOR THE AWARD OF THE DEGREE OF
DOCTOR OF PHILOSOPHY
UNDER THE FACULTY OF
COMMERCE AND MANAGEMENT STUDIES

By

RAMYA KRISHNAN M.

Under the Supervision and Guidance of

Dr. M. A. JOSEPH
Associate Professor

DEPARTMENT OF COMMERCE AND MANAGEMENT STUDIES
SCHOOL OF BUSINESS STUDIES
UNIVERSITY OF CALICUT
KERALA - 673 635

AUGUST 2015

DECLARATION

I hereby declare that this thesis entitled **A STUDY ON THE RELATIONSHIP MARKETING ORIENTATION OF COMMERCIAL BANKS IN KERALA** submitted to the University of Calicut, for the award of Degree of Doctor of Philosophy under the Faculty of Commerce and Management Studies, is an independent work done by me under the supervision and guidance of Dr. M. A. JOSEPH, Associate Professor, Department of Commerce and Management Studies, School of Business Studies, University of Calicut.

I also declare that this thesis contains no material which has been accepted for the award of any other degree or diploma of any University or Institution and to the best of my knowledge and belief, it contains no material previously published by any other person, except where due references are made in the text of the thesis.

Calicut University Campus
August 2015.

RAMYA KRISHNAN. M

DEPARTMENT OF COMMERCE AND MANAGEMENT STUDIES
SCHOOL OF BUSINESS STUDIES
UNIVERSITY OF CALICUT

Dr. M. A. JOSEPH
Associate Professor

Calicut University (P. O.)
Kerala, India 673 635.

August 2015

CERTIFICATE

This is to certify that the work reported in this Thesis entitled **A STUDY ON THE RELATIONSHIP MARKETING ORIENTATION OF COMMERCIAL BANKS IN KERALA** that is being submitted by **Smt. RAMYA KRISHNAN. M,** for the award of the Degree of Doctor of Philosophy, to the University of Calicut, is based on the bonafide research work carried out by her under my supervision and guidance in the Department of Commerce and Management Studies, School of Business Studies, University of Calicut. The results embodied in this Thesis have not been included in any other Thesis submitted previously for the award of any degree or diploma of any other University or Institution.

Dr. M. A. JOSEPH
(Supervising Teacher)

Acknowledgements

This thesis would not have been possible without the inspiration and support of a number of wonderful individuals — my thanks and appreciation to all of them for being part of this journey and making this thesis possible.

I owe my deepest gratitude to my supervisor Dr. M. A. Joseph, Associate Professor, Department of Commerce and Management Studies, University of Calicut, for his enthusiasm, encouragement and support without which this thesis would not have been possible.

I am thankful to Dr. B.Vijayachandran Pillai, Associate Professor and Head, and all other faculty members and members of the non-teaching staff of the Department of Commerce and Management Studies, University of Calicut for their co-operation and inspiration which highly helped me in successfully completing this work. I am also thankful to Late Prof. (Dr.) V.K. Janardhanan, former Head of the Department of Commerce and Management Studies, University of Calicut for his inspiration.

I express my profound gratitude to Dr.K.K.Balachandran Nair, my teacher and former syndicate member of Calicut University for his support and inspiration without which I could not begin this journey of research.

I am grateful to University Grants Commission, India for the award of junior research fellowship during the period. Also I thank the College Development Council and Directorate of Research, University of Calicut, for their timely help during the period of study.

I have immense pleasure to express my sincere gratitude to Dr.Chacko.V.M, Assistant Professor, Department of Statistics, St. Thomas College, Thrissur, for his invaluable assistance in the analysis of primary data. I express my profound gratitude to Mr. Habeeb Koya Thangal, Librarian of Department of Commerce and Management Studies and Dr. Vinod V.M, Assistant Librarian, University Library, University of Calicut *for helping me in getting a large volume of articles and books related to my research area.*

I express my profound gratitude to the branch officers and staff of the SBT, SBI, SIB, FEDERAL BANK, CANARA BANK and ICICI BANK without whose valuable help it would not have been possible for me to collect the data for the study. I don't dare to name any one of them for fear of leaving out others.

I remember with gratitude, section officers and members of non-teaching staff, of Department of Commerce and Management Studies, University of Calicut, for providing me, the necessary facilities and help during my research period. I also express my fondest gratitude to my fellow research scholars for their support and encouragement.

I place on record my sincere thanks to the librarians and officers of Department of Commerce and Management Studies, University of Calicut, C.H.M.K. Library, University of Calicut, Centre for Development Studies Thiruvananthapuram, University of Kerala, Indian Institute of Management Kozhikode, Cochin University of Science and Technology, Mahathma Gandhi Uuniversity Kottayam, Delhi University, Indraprastha University Delhi, Indian Institute of Technology Delhi, Indian Institute of Management Delhi, JNU Delhi, Indian Institute of Foreign Trade Delhi, Indian Institute of Finance Noida, various other institutes in Delhi, Goa Central university, Goa institute of Management studies, University of Madras, IIT Madras, Mysore University and Dharward University.

My parents always wanted to see me to achieve heights in education. I don't like to thank my Achan (Sri.Gopala Krishnan P.) and Amma (Smt.Jalaja M.) by means of just few words. Today I bow down in front of them for everything. My study would not have been completed successfully without the support of my beloved husband, Dr.Sajith. His endless love, continuous help, inspiration and everything made all this possible. I also thank my son Prayaan (Kannan) for the sacrifices he made. My heartfelt gratitude to my Valiyachan (Late. Koralikkattu Narayanan Nair), Ammamma (Smt.Suseelamma), sister Reshma, brother

Rahul and other Relatives for their much needed support and encouragement in every possible way.

I express my sincere thanks to Baluvettan and Sreejith of M/s Bina Photostat, Calicut University campus, who were executed the editing, printing and binding work of this thesis neatly and promptly.

Above all, the endless thanks go to Lord Almighty for all the blessings he has showered onto me, which has enabled me to write this last note in my research work.

Ramya Krishnan M.

Dedicated

to

my family

which is

the raison d'etre

for everything…

CONTENTS

LIST OF TABLES

LIST OF FIGURE

LIST OF MATRIX

LIST OF CHARTS

ABBREVIATIONS

ANOVA	:	Analysis of Variance
ATM	:	Automated Teller Machine
B2B	:	Business To Business
CLV	:	Customer Lifetime Value
CPV	:	Customer Perceived Value
CRM	:	Customer Relationship Management
IT	:	Information Technology
NPO	:	Non Profit Organization
PG	:	Post Graduation
RBI	:	Reserve Bank of India
RM	:	Relationship Marketing
RMO		Relationship Marketing Orientation
RQ	:	Relationship Quality
SBI	:	State Bank of India
SBT	:	State Bank of Travancore
SD	:	Standard Deviation
SIB	:	South Indian Bank
SSLC	:	Secondary School Leaving Certificate
TM	:	Transaction Marketing

CHAPTER 1

INTRODUCTION

Ramya Krishnan M.”A study on the relationship marketing orientation of commercial banks in Kerala” Thesis. Department of Commerce and Management Studies,University of Calicut,2015

CHAPTER I

INTRODUCTION

CHAPTER I

1.1. INTRODUCTION

Relationships are like sand held in your hand. Held loosely, with open hand, the sand remains where it is. The minute you close the hand and squeeze tightly to hold on, the sand trickles through your fingers. You may hold on to some of it, but most will be lost. A relationship is no different, because when held loosely, with respect and freedom for the other person, it is likely to remain intact. But hold too tightly, too possessively, and the relationship slips away and is lost.

Many firms, particularly in the financial services sector, have overlooked the importance of understanding customers accurately because they fail to focus on customer relationships. They tend to fixate on acquiring new customers as assets they need to nurture and retain. By concentrating on new customers, firms can easily fall into traps of short-term promotions, price discounts or catchy advertisements that bring customers in, but are not enough to bring them back. By adopting a relationship philosophy, on the other hand, companies begin to understand customers over time and in great depth, and are better able to meet their changing needs and expectations.

1.2. THEORETICAL FRAMEWORK

For making an in-depth study of the relationship marketing orientation of commercial banks, it is imperative to explain the various concepts under the subject and their working definitions. The following pages are devoted for clarifying the meaning of some theoretical terms used in the study.

1.2.1. Major benefits of developing relationships in business

In the opinion of Sarah Dougan (2004)[1], "the four key benefits associated with the retention of existing customers and the developments of long-term satisfying relationships" are those outlined below.

Long-term profitability

Many customers are unprofitable in the initial stages of the buyer-seller relationship. Students, for example, are unprofitable while at university. After graduation, they may enter careers, take out mortgages and start savings, and their profitability to their financial institution increases, thereby increasing the need to attract and maintain their custom even while they are not 'financially stable'.

Lower costs

There is often substantial start-up cost associated with attracting new customers. These include advertising, sales commissions and operating costs of setting up an account. Sometimes, these costs can outweigh the revenue expected from the new customer in the short term.

Repeat customers often cost less to service

Repeat customers are more likely to be familiar with the company and its products and may make fewer demands on the time of employees.

Opportunities for cross-selling

Over time, business customers grow larger and may need to purchase in larger quantities. Individuals may purchase more products as their families grow or as they become more affluent. Both types of customers may decide to consolidate their purchases with a single supplier who provides high quality service. Another advantage of an increase in cross-sale is the corresponding effect on the organisation's share of the customer's total consumption in the particular market. This is referred to as an increase in the *share of wallet* and is simply a measure of the consumer's expenditure with the organisation as a percentage of his/her total expenditure in that market.

Defection less likely

Satisfied customers will be less susceptible to the pull of competition. Moreover, when customers trust a supplier, they may be willing to pay higher prices in return for the assurance of quality service.

Employee retention

An indirect benefit of customer retention is employee retention. The stress associated with dealing with the customers who are unhappy with products and services can lead to high employee turnover and poor quality. Conversely, customer satisfaction can improve employee morale and encourage them to remain with the firm.

Family influence

One of the key factors determining the product choice of young people is parental influence. Hence it is assumed that building a relationship with one member of the family will have an impact on the other members, too.

Satisfied customers provide referrals and may be willing to pay a price premium

Satisfied customers generate positive word of mouth and provide free and credible advertising for the institution. Referral markets have various names within different industry sectors -- such as intermediaries, connectors, multipliers, third-party markets, agencies, networks and referral sources. In the case of a bank, the key referral sources could be accountants, financial journalists, financial advisers and existing customers. The present and future importance of these sources of referrals should be identified and a specific plan developed to determine the appropriate levels of marketing resources that should be devoted to each of them. Additionally, a cost benefit analysis should be conducted to evaluate the results of the marketing activities. While a highly focused pilot scheme can sometimes suggest where the greatest benefit can be obtained, it should be emphasised that the development of these relationships takes time.

1.2.2. Relationship Marketing

Relationship Marketing is an old idea, but a new focus now at the forefront of services marketing practice. The impetus for its development has come from the maturing of services marketing with emphasis on quality, increased recognition of potential benefits for the firm as well as the customer, and technological advances. The key to success in service business now lies with concentrating on and retaining existing customers.

The phrase ‘Relationship Marketing’ appeared in the service marketing literature for the first time in 1983 in a paper by Berry, who defined it as “attracting, maintaining and – in multi service organisations – enhancing customer relationships”. “The process of attracting new customers should be viewed only as an intermediate step in the marketing process. Solidifying the relationship, transforming indifferent customers into loyal ones and serving customers as clients also should be considered as marketing”.

Relationship marketing emphasizes long-term relationships between providers and customers, rather than individual transactions. Relationship-based marketing and resulting long-term retention of customers’ attention lead to significantly improved financial and market performance. Relationship marketing represents a new opportunity for organisations to gain a competitive edge in the turbulent business environment. It is characterized by reciprocal, interdependent, committed, and long-term relationships between sellers and buyers.

The role of relationship marketing is to identify, establish, maintain, and enhance relationships with customers and other stakeholders at a profit so that the objectives of all other parties involved are met, which is done by mutual exchange and fulfilment of promises.

1.2.3. Relationship Marketing in Banks

Relationship marketing within a banking industry is becoming increasingly important. In particular, competition is driving banks to look at forms of defensive marketing strategies rather than offensive marketing. Maintaining and enhancing relationships with customers is one way banks have sought to use defensive marketing and increase customer retention. For the past ten years, relationship marketing has been advocated as the most relevant strategy for banks to achieve some growth in a fast-changing environment. The term ‘Relationship Banking’ is often used to denote relationship marketing in banks.

1.2.3.1. Benefits of Relationship Banking to Customers

- Greater assurance that credit will be available when needed
- Reduced risk of purchasing unsuitable services
- Special treatment and free services
- Quick response to funding needs and other services
- Priority treatment in any conflict-of-interest situation
- Lower costs of banking services due to relationship pricing

1.2.3.2. Benefits of Relationship Banking to Banks

- Customer loyalty: Increased customer satisfaction should result in customer loyalty and hence improved profitability.
- Lower cost: Cross selling of multiple services should result in reduced costs.
- A competitive advantage in the market place
- Higher margins: The customer is less price sensitive, which results in greater and more stable profits.
- Privileged information: Information from relationship clients can be used for product development

1.2.4. Relationship Marketing Orientation

A Relationship Marketing Orientation (RMO) is generally assumed to create a competitive edge for an organisation and to have a positive impact on organisational performance. Here, the effect of RMO is measured with the help of eight variables such as ‘Customers felt that their bank is dependable’, ‘The bank has high integrity’, ‘The bank can be trusted completely’, ‘The bank is highly competent’, ‘The bank is very responsive to customers’, ‘Customers have developed a closer relationship with this bank than other banks’, ‘Customers want to remain with this bank because they enjoy their relationship with the bank’ and ‘The relationship with the bank is something that the customer intended to maintain for a long time’.

1.2.5. Relationship Quality

To develop a set of relationships with qualified service providers that strengthen the competitive position, the customers must be able to recognise important differences between the service providers. Relationship quality can be used by the service providers as a basis for developing programmes that help recognise a different experience to the customers.

The concept of relationship quality arose during research in the field of relationship marketing. The ultimate goal of relationship quality is to strengthen customer relationships and thereby create a sense of loyalty among the customers. High relationship quality means that customers can rely on service providers' integrity and can be confident of their future performance because their past performance was consistently satisfactory.

In the present study, the relationship quality scale has been developed by the researcher to measure the relationship quality in banking sector. It is a modification of 'The RELQUAL Scale' developed by Carmen Lages, Cristiana Raquel Lages and Luis Filipe Lages.

The new relationship quality scale includes Twenty Nine variables, which are: 'The most important aspect of the bank is satisfying customer needs', 'They offer all the services including e-banking facility which the customers need', 'They always take speedy actions to solve problems', 'They make the customers feel special', 'On special occasions, they greet the customers by sending a message/card or making a call', 'They arrange customers' meets regularly', 'They address the customers by their names', 'They regularly identify new needs of the customers', 'They regularly enquire about the welfare of the customers and their families', 'They inform the customers about newly launched schemes/services', 'They always provide reliable information', 'They remind the customers politely when instalments are due in their loan account', 'They encourage the customers to tell them if things are not right', 'They intimate the customers in advance the date of maturity for Fixed Deposit', 'They listen to the customers and speak in the language that the customers can understand', 'The employees of the bank are willing and able to provide services in a timely manner', 'The employees are approachable and easy to contact', 'The employees are courteous and polite', 'The employees provide services reliably and consistently', 'The employees show concern in resolving the complaints of the customers', 'The employees show empathy towards the customers and their families', 'They behave in such a manner that the customers feel they are also part of the bank', 'They help the customers in all possible ways to solve their non-banking problems also', 'The customers are highly satisfied with their bank's services', 'The customers are highly satisfied with the communication quality of their bank', 'The customers' complaints are always addressed in fair manner', 'The customers are highly satisfied with the behaviour of their bank employees', 'According to the past relationship with the bank', 'The customers think that they are trustworthy', and 'Relationship of the customer with the bank has been a highly successful one'.

The determination of relationship quality with a service provider is an important thing when the customer decides whether or not to develop and maintain a long-term relationship with that service provider.

1.2.6. Customer Loyalty

Loyalty is a deeply held commitment to re-buy or re-patronise a preferred product or service in the future in spite of situational influences. In the present study, customer loyalty is measured by using nine variables such as 'willingness to consider the bank as the first choice for any financial needs', 'willingness to do more business with the bank in the coming years', 'willingness to remain with the bank even if the charges are comparatively higher', 'willingness to recommend the bank to anyone who seeks advice', 'willingness to never complain to other customers and outsiders even if there is a problem with the bank', and 'willingness to stay with the bank even if there is a problem with the bank'.

1.2.7. Customer Satisfaction

Anderson and Narus (1984)[2] define satisfaction as "a positive affective state resulting from the appraisal of all aspects of a firm's working relationship with another firm". Customer satisfaction is defined by Oliver (1997)[3] as "a pleasurable level of consumption-related fulfilment. It is understood as the customer's emotional reaction to the perceived difference between performance appraisal and expectation". According to Yi (1990)[4], "customer satisfaction is generally conceptualized as an attitude-like judgement following a series of purchases or consumer-product interactions". In the present study, the overall customer satisfaction is measured by considering the satisfaction of customers with regard to Deposit schemes, Loan schemes, Interest rate charged, Employees' behaviour, Physical facilities, E-banking services, Complaint Redressal System and Customer Awareness Programmes.

1.2.8. Markov Chain Analysis of Switching Behaviour

Most of the studies of probability have dealt with independent trials and processes. According to Aypar Uslu (2008)[5], "these processes are the basis of classical probability theory and much of statistics". In classical probability, sequence of chance experiments forms an independent trials process, the possible outcomes for each experiment are the same and occur with the same probability. Further, knowledge of the outcomes of the previous experiments does not influence the predictions for the outcomes of the next experiment. Modern probability theory studies chance processes for which the knowledge of previous outcomes influences predictions for future experiments. In principle, when we observe a sequence of chance experiments, all of the past outcomes could influence our predictions for the next experiment. For example, this should be the case in predicting a student's grades on a sequence of exams in a course. But to allow this much generality would make it very difficult to prove general results.

The basic concept of Markov Chain Method was introduced by Russian mathematician Andrey Andreyevich Markov in 1970. Since then, many mathematicians have conducted research on Markov Matrix and have helped it develop. Markov Chain Method is used intensively for research conducted on such social topics as brand selection of customers, income distribution, immigration as a geographic structure, occupational mobility etc. In marketing, Markov Chain Model is frequently used for topics such as 'brand loyalty' and 'brand switching dynamics'. Although it is very difficult to convert marketing problems into mathematical equations, Markov Chain Method is considered as the primary and the most powerful technique in predicting the market share a product will achieve in the long term, especially in an oligopolistic environment, and in finding out the brand loyalty for a product.

Markov Chain Method can be described as follows:

There is a set of states, $S = \{s_1 , s_2 ,..., s_r \}$. The process starts in one of these states and moves successively from one state to another. Each move is called a step. If the chain is currently in state s_i, then it moves to state s_j in the next step with a probability denoted by p_{ij} and this probability does not depend upon which states the chain was in before the current state. That is, 'p_{ij}' is the probability that the Markov Chain is at the next time point in state 'j', given that it is at the present time point at state 'i'. The matrix P with elements 'p_{ij}' is called the transition probability matrix of the Markov Chain. Note that the definition of 'p_{ij}' implies that the row sums of P are equal to 1.

The probabilities 'p_{ij}' are called transition probabilities. The process can remain in the state it is in, and this occurs with probability 'p_{ij}'. An initial probability distribution, defined on S, specifies the starting state. Usually, this is done by specifying a particular state as the starting state.

Suppose X_n with $n \in N_0$ denotes random variable on discrete space S. The sequence $X = (X_n : n \in N_0)$ is called a stochastic process. If 'P' is a probability measure of X such that,

$P(X_{n+1}=j/X_0=i_0\ldots,X_n=i_n)=P(X_{n+1}=j/X_n = i_n)$, for all $i_0,\ldots i_n$, $J \in S$ and $n \in N_0$, then the sequence X is a Markov chain on S.

The probability measure P is the distribution of X, and S is the state space of X. If the conditional probability $P(X_{n+1} = j/X_n = i_n)$ are independent of time index $n \in N_0$, then the Markov chain X is homogeneous and denoted by $P(X_{n+1} = j/X_n = i) = Pij$ for all i,j in S. 'Pij' describes the probability of movement from state 'i' to state 'j' during a specified or discrete time interval.

$$
Pij = \begin{array}{c} \\ S1 \\ S2 \\ \cdot \\ \cdot \\ \cdot \\ Sn \end{array}
\begin{pmatrix}
S1 & S2 & \cdots & Sn \\
P_{11} & P_{12} & \cdots & P_{1n} \\
P_{21} & P_{22} & \cdots & P_{2n} \\
\cdot & & & \\
\cdot & & & \\
\cdot & & & \\
P_{n1} & P_{n2} & \cdots & P_{nn}
\end{pmatrix}
$$

Where $Pij = 1$, $Pij \geq 0$ for all i,j and $S_1, S_2, \ldots S_n$ are discrete states. However, if a Markov chain has initial probability vector $X_0 = (i_1, i_2, \ldots i_n)$ and transition matrix P_{ij}, the probability vector after 'n' repetition is $X_0 . P^n{}_{ij}$.

1.3. RELEVANCE OF THE STUDY

In a period of dynamic changes in the environment of business organisations, the companies concentrate more and more on the customers. The problem faced by the organisations nowadays is not only acquiring new customers, but keeping the existing customers. This customer orientation is reflected in a switch from transaction marketing to relationship marketing. So, it is not enough for organisations to just have transactions with their customers, but they should build a long-term relationship with the customers in order to be able to keep them.

Like any other business, the success of banking business depends solely on the quality of the product or service and the customer-organisation relationship. The customers' attitude is also essential as the quality of the service depends upon the customers' disclosure of his/her exact requirements, co-operation, prompt decision and action in every stage. Banks have to respond in a desired manner to the recurring changes in the attitude and perception of the customers. It can be possible through a relationship-oriented approach. Today, banks have realised the need to change their focus from transaction marketing to relationship marketing and many of them are following the relationship-oriented marketing strategy to increase customer base. But the question is whether the present strategies are effective to build customer loyalty and thereby reduce the defection rate. The present study is more relevant as it tries to assess the effectiveness of the current relationship marketing-oriented approach of commercial banks, satisfaction level of their customers, level of customer loyalty and the quality of the relationships maintained by commercial banks. The study also tries to analyse the switching behaviour of bank customers and the reasons (if any) for their switching. In addition to these, the study also strives to predict the most preferred type of commercial bank, i.e., public sector or private sector, by the customers in the future. Markov Chain Model is used for the prediction.

1.4. SCOPE OF THE STUDY

The present study is limited to Kerala, particularly the individual customers of public sector and private sector banks. The scope of the study is confined to an in-depth analysis of variables such as general banking habits, customer satisfaction, customer loyalty, relationship quality, relationship marketing orientation, switching behaviour etc. of bank customers in their perspective. The general banking habits of customers are analysed by way of evaluating their association with their respective banks and the frequency of usage of various banking services. Even though so many commercial banks are operating in the state, the present study is confined to six banks, three from the public sector and three from the private sector.

1.5. STATEMENT OF THE PROBLEM

A dramatic increase in the competition among banks along with a decline in customer loyalty has been acknowledged by practitioners and researchers in services marketing. Today, making a loyal customer is the biggest challenge to any bank and banks have realised that it is possible only through a relationship-oriented approach. So, now they are concentrating more on relationship-oriented marketing. The problem to be reviewed in the study is to analyse whether the relationship-oriented approach presently followed by the commercial banks in Kerala is effective or not. The study also aims to obtain answers for the questions: whether the customers are satisfied? What is their level of loyalty towards their banks and what is the level of relationship quality perceived by the customers of commercial banks in Kerala.

1.6. OBJECTIVES

The main objectives of the present study are:

1. To examine the level of satisfaction of customers of commercial banks in Kerala.
2. To find out the level of customer loyalty in commercial banks in Kerala.
3. To analyse the level of relationship quality perceived by the commercial bank customers and the role of relationship quality in building customer loyalty.
4. To examine the perception of bank customers towards the effectiveness of relationship marketing orientation.
5. To analyse the switching behaviour of bank customers and to identify the reasons for their switching, if any; and
6. To predict the most preferred type of commercial bank, i.e., public sector or private sector, by customers in the long run and to make suitable suggestions for the improvement of their performance.

1.7. HYPOTHESES

Based on the objectives set, the following hypotheses have been formulated and tested in this study.

1. There is no significant difference in the level of customer satisfaction according to the type of the bank in which they maintain account, their age, education, occupation and income.
2. There is no significant difference in the level of customer loyalty according to the type of the bank in which they maintain account, their age, education, occupation and income.

3. There is no significant difference in the relationship quality perception of customers according to the type of the bank in which they maintain account, their age, education, occupation and income

4. There is no association between relationship quality and customer loyalty.

5. There is no significant difference in the effectiveness of relationship marketing orientation according to the type of the bank in which they maintain account, their age, education, occupation and income.

1.8. RESEARCH METHODOLOGY

This section explains the research design, sources of data, sample design, tools of data collection, variables used, scaling techniques followed, result of reliability analysis, method of contact, details of the pilot study and pre-testing carried out, sample size and its determination, classification of data and the tools of data analysis.

1.8.1. Research Design

This study is designed as a descriptive one based on both secondary and primary data.

1.8.2. Sources of Secondary Data

The secondary data used for the study have been collected from various published sources such as reports of the Reserve Bank of India (RBI), State Bank of India (SBI), various commercial banks, newspapers, magazines, business journals, e-journals and websites of the RBI and other banks operating in Kerala.

1.8.3. Sources of Primary Data

The study is mainly based on primary data, which have been collected from the people of Kerala who have a bank account in any of the selected public sector or private sector banks operating in the state. Since the number of customers having a bank account is very large, a population survey is not possible. Hence the researcher has opted for a sample study. The primary data have been collected from 300 sample customers of selected commercial banks operating in Kerala using a structured and pre-tested questionnaire. A good deal of information was also collected through direct personal interviews with some officials of commercial banks in Kerala. Besides, discussions were held with scholars and experts in the field.

1.8.4. Sample Design

The Multi-stage Sampling Technique is used for selecting sample respondents. In the first stage, the whole state is divided into three geographical regions, namely south, central and north. The southern region consists of five districts, namely Thiruvananthapuram, Kollam, Alappuzha, Pathanamthitta and Idukki. The central region covers four districts, namely Kottayam, Ernakulam, Thrissur and Palakkad. The northern region comprises the districts of Malappuram, Kozhikode, Wayanad, Kannur and Kasaragod. One district was randomly selected from each region by applying the lottery method. From the northern region, Kannur district was selected. From the central region Thrissur district and from the southern region, Thiruvananthapuram district were selected.

In the second stage, the commercial banks operating in each district were divided into two groups such as public sector banks and private sector banks. From each group, one bank was selected using the simple random sampling technique applying the lottery method. Accordingly, from the northern region, SBI and ICICI Bank were selected. From the central region, the Canara Bank and SIB were chosen and from the southern region, SBT and the Federal Bank were selected.

In the final stage, 50 customers were chosen randomly from among each bank branch.

1.8.5. Tools of Data Collection

The primary data needed for the study were collected from the customers of various commercial banks by a structured questionnaire. Initially, a draft questionnaire that covers all aspects of the study was prepared in consultation with experts in the field. The draft questionnaire was modified in the light of the experience gained from the pilot study and pre-testing.

1.8.6. Variables Used in the Study

The variables used by the researcher to fulfil the objectives of the study are given in Table 1.1.

Table 1.1
List of variables analysed

Sl. No.	Purpose	No of variables	Name of variables
1	To prepare the profile of the respondents	6	Region, Gender, Age, Education, Occupation and Annual Income
2	To analyse the banking habits of the respondents	2	Period of association with their respective banks and their frequency of usage of various banking services
3	To analyse the satisfaction level of customers	8	Deposit schemes, Loan schemes, Interest rate charged, Employees' behaviour, Physical facilities, E-banking services, Complaint Redressal System and Customer Awareness Programmes

Sl. No.	Purpose	No of variables	Name of variables
4	To analyse the level of customer loyalty	7	Willingness to consider the bank as the first choice for any financial needs, Willingness to do more business with the bank in the coming years, Willingness to remain with the bank even if the charges are comparatively higher, Willingness to recommend the bank to anyone who seeks advice, Willingness to never complain to other customers and outsiders even if there is a problem with the bank, and Willingness to stay with the bank even if there is a problem with the bank
5	To analyse the relationship quality	29	The most important aspect of the bank is satisfying customer needs, They offer all the services including e-banking services which customer needs, They always take speedy actions to solve the problems, They make customers feel special, On special occasions, they greet customers by sending a message/card or making a call, They arrange customers' meets regularly, They address customers by their names, They regularly identify new needs of customers, They regularly enquire about the welfare of customers and their families, They inform you about new schemes/ services, They always provide reliable information, They remind customers politely when instalments are due in their loan account, They encourage customers to tell them if things are not right, They intimate customers in advance the date of maturity for Fixed Deposit, They listen to customers and speak in the language that customers can understand, The employees of the bank are willing and able to provide services in a timely manner, The employees are approachable and easy to contact, The employees are courteous and polite, The employees provide services reliably and consistently, The employees show concern in resolving the complaints of customers, The employees show empathy towards customers and their families, They behave in such a manner that customers feel they are also part of the bank, They help customers in all

Sl. No.	Purpose	No of variables	Name of variables
			possible ways to solve their non-banking problems also, Customers are highly satisfied with their bank's services, Customers are highly satisfied with the communication quality of their bank, Customers' complaints are always addressed in fair manner, Customers are highly satisfied with the behaviour of their bank employees, According to the past relationship with the bank, customers think that they are trustworthy, and Relationship of the customer with the bank has been a highly successful one
6	To analyse the effectiveness of the relationship marketing orientation	8	Customers felt that the bank is dependable, The bank has high integrity, The bank can be trusted completely, The bank is highly competent, The bank is very responsive to customers, Customers have developed a closer relationship with this bank than other banks, Customers want to remain with this bank because they enjoy their relationship with the bank and The relationship with the bank is something that the customer intended to maintain for a long time.
7	To analyse the switching behaviour of customers	2	Past switching behaviour and future switching intentions
8	To identify the reasons for bank switching	9	Poor quality of service, Lack of proper communication, Discourtesy of employees, Lack of e-banking services, Difficulty in accessing bank branches, Poor Customer Awareness Programmes, Poor complaint redressal system, Lack of personal attention and Higher fees and other charges

1.8.7. Scaling Techniques

Since most of the information collected from the customers is qualitative in nature, it becomes necessary for the researcher to use scaling techniques to quantify the qualitative information. For this purpose, Lickert's five-point scaling technique is followed by keeping neutrality in the middle for quantifying the various qualitative aspects of the study such as the Level of Satisfaction, Level of Loyalty, Relationship Quality and Effectiveness of Relationship Marketing Orientation. The researcher has also used ranking scale for identifying the important reasons for switching.

1.8.8. Reliability Analysis

In order to check the internal consistency of the scaled statements, reliability analysis using Cronbach's Alpha Reliability Test was done. Cronbach's Alpha for the scaled statements was 0.943 which is higher than the standard Cronbach's Alpha of 0.7. Hence it is proved that internal consistency of the scale as a whole is high and the questionnaire can be considered as highly reliable.

1.8.9. Method of Contact

For the purpose of collection of primary data an undisguised personal interview method is followed. The researcher has personally contacted the informants and collected the necessary data needed for the study.

1.8.10. Pilot study and Pre-testing.

To test the reliability, variability and efficiency of the research instrument developed, a pilot study and pre-testing. was conducted among 50 select customers of various banks. In the light of the experience gained, the questionnaire has been revised thoroughly.

1.8.11. Determination of Sample Size

In this study, sample size is determined on the basis of the following equation:

$$n = \frac{z^2\sigma^2}{e^2}$$

Here,

n = Size of sample.

Z = The value of standard Normal Variable at a given confidence level (It is 1.96 for 95% significance level) ,

σ = Standard deviation of the population (Here standard deviation of the variable which has the greatest variance has been taken),

e = Acceptable error (it is assumed as 0.017), and

n = $(1.96)^2(1.14)^2/ (0.017)^2=293.68$.

Therefore the total sample size is taken as 300.

1.8.12. Classification of Data

The collected primary data have been classified on the basis of the type of the bank in which the customers maintain account, their age, education, occupation and their annual income.

1.8.13. Tools of Analysis

Simple mathematical tools like mean and standard deviation, percentages and averages etc. have been used for summarizing the classified primary data. To test the statistical differences, chi-square test, independent samples t-test and Analysis of Variance were used. Factor analysis was conducted to identify the basic components of relationship quality and important reasons for changing the present bank by the customers. Regression analysis was used to identify the role of relationship quality in building customer loyalty. Markov Chain analysis was also applied to find out the most preferred type of commercial bank by the customers in the long run.

1.9. PERIOD OF THE STUDY

This study covered a period of six years from 2009-10 to 2014-2015. Primary Data collection period was from September 2012 to May 2013.

1.10. LIMITATIONS OF THE STUDY

The study has the following limitations.

1. The respondents of the study include only individual customers of the commercial banks. The study does not include institutional customers.

2. The study concentrates only on commercial banks. Cooperative banks and regional rural banks were excluded from the study. Foreign banks were also not considered.

3. Even though a large number of commercial banks are operating in the state, only three banks from the public sector and three banks from the private sector have been selected for the study.

4. Only Six bank branches of the selected commercial banks were chosen for the present study. However, care has been taken to ensure representativeness of the three regions of the state as well as two categories of the commercial banks.

5. Majority of information required for the study is qualitative in nature and collected by using appropriate scales in the questionnaire. So, all the limitations of scaling technique will be there; and

6. All the limitations of multi-stage sampling technique and random sampling technique will be there.

However, efforts have been taken by the researcher to reduce the effect of the limitations on the findings.

1.11. CHAPTERISATION

The chapters in the study have been arranged in the following manner:

Chapter 1: Introduction

Chapter 1 deals with the major benefits of developing relationships in business, Relationship Marketing in banks and its benefits, Significance of the study, Research Problem, Objectives, Hypotheses, Research Methodology and Limitations of the study.

Chapter 2: Review of Literature

Chapter 2 deals with a review of the literature in Relationship Quality and Relationship Marketing, Customer Satisfaction and Customer Loyalty. The chapter also reviews the literature in Switching Behaviour of customers.

Chapter 3: Relationship Marketing – A Theoretical Overview

Chapter 3 provides an overview of the concept of Relationship Marketing, Customer Loyalty and Customer Satisfaction, different approaches to Relationship Marketing, Factors influencing the development of Relationship Marketing, Factors influencing Customer Loyalty, types of Customer Loyalty etc. The chapter also includes the details of the present scenario of Indian Banking System.

Chapter 4: Customer Satisfaction and Customer Loyalty

Chapter 4 deals with the analysis of the primary data with regard to the General Banking Habits of the Customers, Customer Satisfaction and Customer Loyalty. This chapter is divided into three sections. Section-A deals with the Profile of the Respondents. Section-B is devoted for the General Banking Habits of the Respondents. Section-C deals with the Level of Customer Satisfaction and Customer Loyalty among the Respondents.

Chapter 5: Relationship Quality and Relationship Marketing Orientation

Chapter 5 is divided into three sections. Section A deals with the Relationship Quality maintained by the Commercial Banks in Kerala. Section B deals with the Effectiveness of the Relationship Marketing practices of Commercial Banks. Section C deals with testing of the Role of Relationship Quality in building Customer Loyalty in Commercial Banks by using Regression Analysis.

Chapter 6: Switching Behaviour of Bank Customers

Chapter 6 deals with the analysis of the Past Switching Behaviour and Future Switching Intentions of customers and the important Reasons for Switching (if any). This chapter also deals with the Results of the Prediction of the most preferred type of Commercial Bank, i.e., public sector or private sector, by the customers in the future with the help of the Markov Chain Model.

Chapter 7: Summary, Findings, Suggestions and Conclusion

Chapter 7 deals with the summary of the present study, major findings of the study, suggestions put forward by researcher and conclusion. Scope for further research is also given at the end of this chapter.

References

1. Dougan, Sarah. *Customer Relationship Management Strategies in Financial Services:Achieving high performance and profiting from CRM.* Business Insights Ltd, 2004.
2. Berry, L.L., Relationship Marketing, in Berry, L.L., Shostack, G.L. and Upah, G. D. (eds), *Emerging Perspectives on Services Marketing*, Chicago, IL: American Marketing Association, 1983.
3. Anderson JC, Narus JA. "A model of the vdistributor's perspective of distrobutor - manufacturer working partnerships." *Journal of Marketing*, 48 (1984): 62-74.
4. Oliver, Richard L., *Satisfaction: A Behavioural Perspective on the Consumer*, New York: McGraw Hill, 1997.
5. Yi, Youjae.. *"A Critical Review of Consumer Satisfaction."* in Review of Marketing. Ed. Valarie A. Zeithaml. Chicago: American Marketing Association, 1990.
6. Aypar Uslu and Tuncay Cam. Analysis of brand loyalty with markov chains. School of Economic and Administrative Science, Turkey.

CHAPTER 2

REVIEW OF LITERATURE

Ramya Krishnan M.”A study on the relationship marketing orientation of commercial banks in Kerala”Thesis. Department of Commerce and Management Studies, University of Calicut,2015

CHAPTER II

REVIEW OF LITERATURE

CHAPTER II
REVIEW OF LITERATURE

2.1. Introduction

A large volume of research studies are available on Relationship Marketing Orientation, Relationship Quality, Customer Loyalty, Customer Satisfaction and Switching Behaviour of bank customers. Some of these studies are conducted in India while others are overseas studies. Very limited studies are available in the Kerala context. A brief review of available studies in the area is given in this chapter. Here the studies are classified in to different groups such as Customer satisfaction and loyalty, relationship marketing, relationship quality, and switching behaviour.

2.2. Customer Satisfaction and Loyalty

Christopher Selvarajah and Hanoku Bathula (2001)[1] observed that, banks need to provide quick and flawless service for maintaining a profitable ongoing relationship with their clients. They pointed out that the customer would evaluate their banks on its current performance rather than on past performance. They also pointed out the need for providing other non-core services such as insurance, advisory services and stock broking to their customers.

Mahadevan (2001)[2] described how customer loyalty, expectation and reliability in various Indian banking sector related to customer satisfaction. It revealed that public expectation from banking sector and consequential demands on banks especially at operating levels have been growing. The findings of the study were based on nine dimensions of quality which includes reliability, response, reputations, durability etc. On the basis of the results of the study they developed a customer satisfaction model which highlighted the need of training of employees so that they can give the best possible service.

Leanne H. Y. Too et.al (2001)[3] conducted an exploratory study of clothing store managers and their customers. They observed that customer loyalty is increasingly seen to be crucial to the success of business organisations, with the growing realisation that attracting new customers is far more expensive than retaining existing ones. It has been suggested that a way of increasing customer retention is through secure relationships between buyers and sellers. Findings of their study revealed that customers' perceptions of clothing stores' relationship marketing efforts are crucial to enhance commitment and loyalty.

Peter C. Verhoef (2002)[4] examined the effect of relationship perceptions and relationship marketing instruments on customer share development. He also studied the interaction effect of these instruments with behavioural loyalty and relationship perceptions. The empirical results of the study showed that commitment positively affects customer share development. The results further showed no effect of satisfaction on customer share development. He cannot find an effect of payment equity. Thus price perceptions do not impact customer share development over time. This might imply that true customer loyalty is not created with price instruments. One of the possible reasons for an absence of an effect of satisfaction is that customer relationships are dynamic. The research provides some important implications for the management of customer relationships. First, it shows that within these types of industries customer share changes are achieved by enhancing commitment among customers. Commitment is the only relationship perception that makes a difference in the long run. Second, their results show that both the loyalty programme and direct mailings are tactics that can be used to enhance customer share. However, from a business point of view, one also needs to consider the costs of these tactics before applying them. Finally, he suggested that the behaviour members of the loyalty programme is less affected by satisfaction, companies offering a loyalty programme can probably pay less attention to quality among this group of customers. The study showed some preliminary evidence for a moderating effect of behavioural loyalty on the effect of the loyalty programme.

Kristof De Wulf et al. (2003)[5] were investigated “the relationship between two outcomes of relationship marketing – affective commitment and behavioural loyalty – and consumers’ unethical behaviour. The main objective of the study is to assess whether affective commitment and behavioural loyalty to a store translate into more ethical behaviour towards that store, controlling for the variables of age, gender, and ethical beliefs. The results provide support for their hypothesis that affective commitment is indeed negatively correlated with consumers’ unethical behaviour. The same conclusion could not be drawn for the relationship between behavioural loyalty and consumers’ unethical behaviour. No significant relationship was detected, not even in situations where affective commitment was high. The results hold major implications for retailing practice. The results from their analysis clearly show significant correlations between affective commitment to a store and all measured aspects of ethical behaviour towards that store. Highly committed customers reported less unethical behaviour in terms of 'actively benefiting from illegal activity' (e.g., shoplifting behaviour), 'passively benefiting at the expense of others' (e.g. getting too much change and not saying anything), 'actively benefiting from questionable behaviour' (e.g., accidentally damaging something and not saying anything) and even ‘no harm/no foul’ behaviour (e.g., trying on clothes for two hours and not buying any) than lowly committed customers. Even when controlling for overall ethical beliefs, age, and gender these results hold. Between behavioural loyalty and ethical behaviour no significant correlations were found, not even when affective commitment is high. Apparently, affective commitment is far more important in explaining ethical behaviour than behavioural loyalty".

The empirical study conducted by Parimal Vyas (2004)[6] tried to measure customer satisfaction considering the prevalent state of IT adoption among selected branches of nationalized, private, co-operative and foreign banks located at Baroda. The total sample size of the study was 121 customers of above categories of banks. The major finding of the study was that there was effective implementation of e-banking services in case of private banks and foreign banks where as nationalized banks were found to have lesser degree of computerization. It also revealed the fact that, without IT the banking sector would not be able to serve the changing needs of the market.

The study conducted by Lam, Yin, Shun (2004)[7] examined the mediating role of customer satisfaction in the impact of customer value on customer loyalty and explore reciprocal effects of customer satisfaction and loyalty on each other. It also aimed to empirically analyse a conceptual frame work considering customer value, satisfaction and switching costs on customer loyalty in a bank to bank context. The study found that the effect of customer satisfaction on the tow loyalty dimensions viz., recommendation and patronage are not significantly stronger than the effects of switching costs on these constructs.

Velouston, Cleopatra (2004)[8] reported the relative role of certain drives of bank loyalty. It examined the links between image, perceived quality, satisfaction, commitment and loyalty in the Greek retail banking sector. The data were collected from a sample of 216 retail bank customers of five different banks in Greece. It found that image has a positive impact on perceived quality and satisfaction and perceived personalization of the service provided has a positive relations with customer satisfaction, which is the key factor that leads to loyalty.

Selvam,M (2005)[9] conducted a study titled ‘Customer satisfaction of banking service an overview’ to assess the measurement criteria and to evaluate customer satisfaction of banking services. The study selected 50 customers via, quota sampling method from five branches of 42 banks operating in the Tiruchirappalli city. One of the findings of the study is that the ATM facility is contributed relatively maximum to the ultimate satisfaction. The study revealed that technology adaptation process is slow in banks of that area.

M.Thirulogachander (2006)[10] pointed out that the differentiating factors among various banks have become minimal and customer loyalty has emerged as a competitive advantage in the commoditized market. He described the benefits of customer loyalty programmes in banks and highlights the strategies adopted by different banks in building relationship with customers through their loyalty programmes.

Michael.T.Capizzi and Rick Ferguson (2006)[11] identified the five key loyalty marketing trends for the 21st century that could serve as guideposts to create, expand and revamp loyalty strategies. The five key trends are ubiquity of the loyalty programmes, the technology used in designing them, the need for coalition with other companies, customer analytics and factors involved in blending hard and soft loyalty benefits. The article emphasizes the importance of soft benefits (recognition), personalization and leveraging partners in designing the loyalty programmes.

Steven Howard (2006)[12] focused on the strategies to build customer loyalty, to earn customer loyalty, to reward customer loyalty and to keep customers loyal. In his opinion understanding customer requirements, making policies that are flexible and adaptable to customer needs, engaging customers through interactions and commitment to quality control will help in building customer loyalty. He also pointed out that keeping up its promises, ensuring service delivery consistently, anticipating consumers' needs, finding solutions for future consumers' needs and cultivating a long-term customer relationship will help the company to keep its customers loyal.

Subhashis Nath (2006)[13] correlated the customer behaviour and attitude with loyalty programmes by providing a behaviour-attitude loop. In his opinion understanding the behavioural patterns of customers will help companies in designing an effective loyalty programmes. In his article he analysed the two different aspects of consumer behaviour i.e., rational switchers and promiscuous consumers.

Wayde Fleener and Mark Oedekoven (2006)[14] highlighted the purpose of the loyalty programmes which are identifying key customers, protecting key customers from competitors, attracting new customers and capturing more share of wallet from current customers. They also identified the factors which influence the design of loyalty programmes such as redemption rates, shift in consumer spend, the retailer's margins, point earning, impact on customer churn and increase in customer acquisition.

Saju Eapen Thomas (2006)[15] identified the critical issues involved in loyalty programmes. This article brings out the differences between loyalty programmes and promotional programmes and presents the strategies to design loyalty programmes for mass based products for enhancing its brand value. In his opinion a problem with the loyalty programmes is that the customer might get accustomed to receiving rewards every time he or she buys something. When a loyalty programmes fails to differ from its competitor it will not generate the desired results.

Jalal Alamgir and Michael.F.Maltese (2006)[16] described the misconception prevailing in the retail industry about loyalty programmes that building a loyalty programme will make customer more loyal; price is the strongest lever to retain retail customers; incremental revenue is all that matters in the end; loyalty programmes are self-contained initiatives and that technology will be the silver bullet for the success of loyalty programmes.

Barbara R Lewis and Magdalini Soureli (2006)[17] focused on a study designed to investigate loyalty in retail banking. The research findings suggest that loyalty is the outcome of a cognitive rather than an affective process. They observed that the main antecedents of bank loyalty were found to be perceived value, service quality, service attributes, satisfaction, image and trust. In their opinion loyalty cannot be examined separately in relation to each potential factor: instead, each antecedent needs to be considered within a network of relationships where loyalty is the outcome of all these inter-relationships.

Yingzi Xu et al. (2006)[18] in their study proposed a mediation model that links customer perceived service value to customer loyalty via customer satisfaction. Psychometrically sound measures were selected and the study was conducted in Chinese Securities. Results of the study showed that customer satisfaction does play a mediating role upon the relationship between customer perceived service value and customer loyalty. Their study suggests that customer perceived service quality has a significant effect upon customer satisfaction; customer perception of relational benefits has a positive impact upon customer satisfaction, with trust being the most important indicator; customer satisfaction is positively related with loyalty in terms of positive word of mouth, willingness to pay more and to stay with the business. The results also indicated that the five dimensions as distinguished in SERVQUAL are compressed within two dimensions, such as, Information

Technology provision and service attitude. They concluded that, managers should initiate service policies aimed at securing improvement in customer satisfaction.

Inger Roos et. al (2006)[19] observed the relationship quality for customer-driven business development by taking the case of a housing mortgage company. The purpose of the study is to compare the company's perception of their business to the customers' dynamic view of their relationships with the same company. The data were analysed by using SPAT (switching path analysis technique) that divides the relationships into different parts with priority to their relevance for the strength of the relationships. The study revealed that the customers who experience triggers in their relationships evaluate their mortgage provider differently than those who do not. The construct that influences the dynamism and the differing evaluations is defined as the trigger function. Three trigger categories are identified and described: the situational, the influential, and the reactional. In order to further verify the dynamic aspect of the customer relationship, evidence of customers' dynamic evaluations and of how the company's own perceptions of the business differ from those of its customers is provided.

Vannnirajan (2006)[20] conducted a study to examine the impact of service quality dimensions on customer satisfaction. It revealed that the important services offered by banks are traditional services, non-traditional services, tangibles, reliability, responsiveness, assurance and empathy. It also found that reliability and non-traditional services affect more on the customer satisfaction level. The study concluded that the private sector banks and associates of State Bank of India are better in providing services to the customers than the nationalised banks and co-operative banks.

Edward Malthouse, and Frank Mulhern (2007)[21] proposed a model to relate the two concepts such as Loyalty and Customer value, in their study.

They discussed how these concepts are measured. They derived the aggregate-level estimates of Customer Long-term Value for the contractual setting, maximum likelihood estimates of retention rates, and give an example for a non-contractual setting. Strategies for increasing loyalty and customer value are also discussed in their study. The study recommended the joint analysis of both attitudinal loyalty and behavioural loyalty, as it relates to customer value. As firms increasingly use databases to measure customer value, there is a need to better coordinate traditional market research measures of brand loyalty with the data-driven metrics of customer loyalty and lifetime value. They concluded that doing so would lead to greater efficiency in marketing spending.

Spiros P. Gounaris et al. (2007)[22] explored “the relationships of Customer Perceived Value, satisfaction, loyalty and behavioural intentions. The study provided a conceptual as well as empirical investigation of CPV (Customer Perceived Value) as a formative construct and also offers an insight regarding the role of CPV in influencing, through satisfaction and loyalty, the behavioural intentions of word of mouth, repurchase intention and cross-buying. Furthermore, the potential moderating role of social pressure in the relationship between satisfaction and loyalty is also examined. It is found that delivering superior customer value enables a firm to achieve favourably behavioural intentions. Another important finding is that social pressure does not appear to moderate the relationship between satisfaction and premium loyalty. The study also reveals that, firms should not focus exclusively on the building and delivering functional utility to the customers, since other dimensions, such as emotional value, are equally important in terms of Perceived value. Managers should also be very cautious when it comes to services that accompany high-involvement products. While Procedural value appears to be a satisfaction driver, the satisfaction of the buyers of such products is unrelated to the value they perceive they derive from the company's first-line personnel. Finally, another important implication pertains to the lack of a moderating effect from social pressure to the relationship between Premium loyalty and Satisfaction. Consistently with relationship marketing theory, managers producing high-involvement products need to work on building customer satisfaction to deliver premium loyal customers".

Vijay Shrimali and Mehtab Kathwala (2008)[23] in their study concluded that the customers are very particular about the safety and security of their funds and also about the popularity of the banks in which they are securing their funds. This loyalty has been seen to be more towards ATM services while least towards fixed deposits. They also reported that brand loyalty exists amongst the customers in relation to banks but it can be lost on account of irresponsible employee behaviour and poor customer facilities.

Istavan Szuts and Zsolt Toth (2008)[24] explain that while some retail banks have been successful in implementing loyalty programmes based on products or services, the nature of retail banking is an argument for establishing relationship based programmes instead. In addition to providing assistance in meeting cross-selling goals, a relationship focus in loyalty programmes can also preclude communication mistakes that result from one product group within the bank not knowing the true value of a customer's total relationship with the bank.

Dhruv Grewal et al. (2008)[25] have examined about building store loyalty through service strategies. They admitted the fact that customer service represents a key element of retail strategy for maintaining a sustainable competitive advantage, even during difficult economic times. They have the opinion that the customers are becoming more demanding about the services they expect from retailers both online and in person. In light of the importance of customer service the authors propose a frame work to refine insights into several retail strategy components – such as availability of service personnel, responsiveness to customers, personalisation, pro-activeness, and loyalty programmes. They concluded with the remark that, the retail strategies should generally accommodate the specific retail format being used (e.g.. physical store, physical and online, or pure online).

Sandra Rothenberger et al. (2008)[26] explored the role of five drivers of loyalty. They are customer usage level, service pricing, service quality, membership in the firm's loyally programme and satisfaction with complaint handling. The effects of these drivers may differ for customers who complain versus those who do not complain, as well as for satisfied complainers versus dissatisfied complainers. Testing the proposed models with customers of a large airline, the authors found that satisfaction with complaint handling was key to consumer recommendation of the service to others. The results of the study revealed the importance of service quality and service pricing as the determinants of customer loyalty. They concluded with the finding that, service quality and service pricing emerged as the two most important drivers of customer loyalty. The results of the study emphasized that the service firms should incorporate appropriate value-based strategies to balance service quality with service pricing when they hope to acquire and retain customers and thereby generate appropriate profits.

Heiner Evanschitzky et al. (2008)[27] explored the dimension of satisfaction in retail settings. To measure customer satisfaction, the usual practice prevailing all over the world is to use a single global measurement item. They are of the opinion that "instead of using a global measurement item, there should be separate measuring methods across different fields. Such global evaluation items are imperfect measures of satisfaction in complex settings. A retail setting contain multiple cues that produce diverse emotional responses and have confirmation/disconfirmation effects on consumer expectations, measures of satisfaction in a retail setting must measure customer satisfaction for each pertinent dimension of that retail setting. The results from the study reported that different dimensions of retail satisfaction have differing impacts on overall satisfaction. From a managerial perspective, the evaluation of different dimensions of satisfaction provides diagnostic insights that are not possible with global measures of satisfaction. Results show that consumers are not satisfied with store access and transactions in the stores. The empirical results of the study demonstrate that (a) consumer satisfaction with retail stores has six key dimensions, (b) the suggested dimensions of retail satisfaction predict overall satisfaction, and (c) the dimensions of retail satisfaction have a greater effect on overall satisfaction than SERVQUAL dimensions. They concluded with the remark that, the predictive power of the dimensions of retail satisfaction is still fairly low, thereby requiring the necessity of academic research in this direction".

Xiaoyun Han, Robert J. Kwortnik Jr. and Chunxiao Wang (2008)[28] derived a model that links dimensions of customer loyalty such as cognitive, affective, intention and behavioural with a system of determinants. They highlight the complexity of service loyalty and the need to measure and manage more than just satisfaction. They proposed six key loyalty determinants such as customer satisfaction, commitment, service fairness, service quality, trust and commercial friendship. In their opinion attention should be paid to each of the constructs because each influences the loyalty response.

Aîda Mimouni-Chaabane and Pierre Volle (2009)[29] investigate various perceived benefits of loyalty programmes using a multi-benefit framework based on utilitarian, hedonic, and relationship literature. In their opinion the five dimensions of perceived benefits such as monetary savings, exploration, entertainment, recognition, and social benefits have different impacts on satisfaction with the programme, loyalty to the programme, and perceived relationship investment of the firm. This study represents a step forward in understanding how perceived relationship investments, through loyalty programmes, affect the relational performance of the firm (i.e., satisfaction, trust, and commitment), as well as potential purchase behaviours.

Nelson Oly Ndubisi, et.al (2009)[30] analysed the relationship marketing, customer satisfaction and customer loyalty from an Asian perspective. In their opinion, by building quality relationships with customers, based on effective communication and conflict handling, practicing banks can satisfy customers better than competitors and in turn keep them loyal. By furnishing timely and reliable information, useful information on new services, communicating and fulfilling promises, and giving accurate information, customer satisfaction can be attained. Customer satisfaction can also be delivered through proactive and reactive conflict-handling mechanisms. By pre-empting potential sources of conflict banks can create customer satisfaction. Reactively, by ensuring that manifest problems are discussed openly and solutions offered that would eliminate or minimize customer losses and inconveniences, banks can also deliver customer satisfaction.

Alina Filip and Laurentiu-Dan Anghel (2009)[31] explain the customer loyalty and its determinants in a banking service environment. They state that customers remain in relationships with banks due to the existence of both favourable attitudes or positive motivations and constraint factors or inertia. They observe that the level of loyalty stated by customers is supported not only by the level of satisfaction, but also by factors like bank’s attitude towards its own customers, the level of customer trust toward the organisation or its employees in ensuring the financial interests of clients, and also by the level of customer commitment. They also point out that, in majority cases, customer switching behaviour is determined by the high level of dissatisfaction toward the bank's policy of price.

Sandip Ghosh Hazra and Dr.Kailash B.L. Srivastava (2009)[32] examined the strength of association among the service quality perception and customer satisfaction, customer loyalty and customer commitment. The results show that customers value four dimensions of perceived service quality: assurance-empathy, tangibles, security and reliability. All the above dimensions of service quality tend to have a strong impact on customer satisfaction depending on the quality of performance. The results also shows significant differences between public and private sector banks with regard to customer satisfaction, commitment and two dimensions of loyalty namely, loyalty to company and willingness to pay. The authors suggest that public sector banks should focus on assurance-empathy, tangibles and the private sector should focus on providing reliable services.

Leslier M. et.al. (2010)[33] emphasized the importance of ethical reputation for firms operating in today's competitive environment. Ethical reputation can be a badge of honour cloaking the firm in a favourable light. For buyers, firm's ethical reputation provides the reassurance that dealings are above board thus making these suppliers desirable business partners to conduct business. While both the customer and the firms understand the need for the continued relationship, buyers often are concerned about the appearance of impropriety with respect to accepting gifts and special treatments particularly if the firm has a questionable ethical reputation. This is because lack of ethics can breed suspicion about supplier's motives as well as make them wary about associating themselves with the supplier. When the suppliers' ethical reputation is high, buyers trust the supplier to be above board and inducements are seen as token of appreciation thus strengthening the commitment to the supplier. In their opinion this positive attitude of the buyers will help the suppliers to develop loyalty.

Monica Bedi (2010)[34] investigated about the relationship between service quality, overall customer satisfaction and behavioural intentions across public and private banks in India. The findings indicated that service quality is a significant determinant of customer satisfaction in Indian banking industry irrespective of public and private sector banks. The study also revealed the existence of seven-quality dimensions that influence customer satisfaction in Indian banking sector. The results with respect to customer perception suggest that the service offered by private sector banks has a more favourable influence on actual perceptions of service quality received than in the case with the service from banks in the public sector. The evidence suggests that banks in the public sector do not manage the factors influencing quality perception as well as banks in the private sector, and hence the lower level of perceived service quality received. The study concluded with the suggestion that banks should look carefully at each one of the dimensions where customers perceive receiving a different service than expected and consider the extent to which they should work on influencing expectations or both.

2.3. Relationship Marketing

Christian Grönroos (1994)[35] observed that the globalization of business and the evolving recognition of the importance of customer retention and market economies and of customer relationship economics, among other trends, reinforce the change in mainstream marketing. In his opinion marketing mix management with its four Ps is reaching the end of the road as a universal marketing approach and relationship marketing will develop as a new approach to managing marketing problems, to organising the firm for marketing, and to other areas as well.

Jagdish N. Sheth and Atul Parvatiyar (1994)[36] traced the history of marketing practices and illustrated how the advent of mass production, the emergence of middlemen, and the separation of the producer from the consumer in the Industrial era led to a transactional focus of marketing. Now, due to technological advances, direct marketing is staging a comeback, leading to a relationship orientation. The authors contended that with the evolution of Relationship Marketing, the hitherto prominent exchange paradigm of marketing will be insufficient to explain the growing marketing phenomena of collaborative involvement of customers in the production process. An alternate paradigm of marketing needs to be developed that is more process rather than outcome oriented, and emphasizes value creation rather than value distribution.

Robert M. Morgan and Shelby D. Hunt (1994)[37] explore the nature of relationship marketing, its conceptualization, forms and requisites for success. They develop a model of relationship marketing with relationship commitment and trust as key mediating variables. The commitment-trust theory maintains that those networks characterized by relationship commitment and trust engender cooperation in addition to acquiescence a reduced tendency to leave the network. It will enable firms and their networks to enjoy sustainable competitive advantages over their rivals and their networks in the global market place.

Inge Geyskens et al. (1996)[38] examined the joint impact of the dealer's perceptions of the channel interdependence structure and its trust in the supplier on affective and calculative commitment. They opined that depending on the type of commitment examined, the magnitude and the direction of the effects of trust and interdependence structure may differ depending on the type of commitment. Calculative commitment is affected more strongly by the interdependence structure of the relationship than is affective commitment, while trust has a stronger effect on affective commitment than calculative commitment. They suggested that those managing channel relationships should strongly cultivate the affective over the calculative commitment. Building trust should therefore be of higher importance than altering the dependence structure.

Soonkwan Hong and Yong J. Wang (2009)[39] observe that relationship marketing may become a more powerful tool if the aforementioned concerns can be addressed by the lines of research. First, despite the versatility of the relationship marketing paradigm, it has to be reconsidered in terms of its application to different contexts. In particular, differences between network-based (interorganisational) and market-based (consumer-firm) relationships must be revealed so that more appropriate conceptualizations and measures can be elaborated for both research streams. In order to accomplish this, the similarities and differences between consumer-firm relationships and organisational relationships should be investigated in light of current advances in technology. Second, consumers' technological opportunism should be explored further because of the prospective in-depth explanation of the dynamics between tech-savvy consumers and responsive companies. Lastly, relationship synergy, an apparatus that can replace transaction-specific assets and hold parties in relationships, needs to be conceptualized. The authors argue that the success of relationship marketing seems disproportionately dependent upon these attempts.

Line Ricard and Jean Perrien (1999)[40] identify both explanatory and normative factors of relationship marketing and its successful implementation. In their opinion the main contingency factors are related to salesperson’s knowledge of the customer, the existence of an atmosphere of trust and, the presence of a customer-oriented culture in the supplier company. Dimensions of relationships important for relationship marketing are relationship length, the customer’s ability to adapt within the relationship, as well as the perceived fairness of the relationship, and this is reflected in findings where durability, adaptability, and equity explain supplier performance as measured by their client's satisfaction and recommendations. The authors confirm that the relationship approach is a great deal more than a way of selling and it represents a strategic choice with serious managerial implications.

Lawrie Drysdale (1999)[41] opined that there are three key messages that relationships marketing can offer a school such as build and maintain relationships over the long term, pay as much attention to keeping current customer as to attracting new customers and finally recognise that there are a number of markets which require attention. The author also opined that the school administrators should recognise that relationships marketing is not just the domain of an individual, small group or committee within the school, but is everybody's business. The most effective from of relationships marketing is where there is a culture of respect and concern for building genuine relationships where the needs of people become paramount.

Isabelle Prim (1999)[42] in her paper analysed the service quality and service encounters through relational norms. She opined that the directors or treasurers of companies often recognize that their relationship is with the bank account manager, rather than with the bank. This is the reason why the role played by the service provider as the individual who manages the relationship between the firm and the buyer is of special importance. She tried to analyse long-term relationships through a new framework to get a better understanding of how customers evaluate service quality, service encounters, and on how they decide whether or not to re-patronize. The study also aimed to extend and develop the understanding of service quality perceptions and development. The content analysis as well as the consideration of the literature has allowed the researchers to build a general framework for the long-term relationship. In this framework, the service encounter is, for the first time, presented as a mediator. The service encounter mediates the relationship between price, products, and competitors, and the evaluation of the relationship which in turn determines whether or not the customer remains in the relationship.

Patricia Sorce (2002)[43] conducted a study to understand the impact of relationship marketing strategy on the demand for customized communication through printing. An exploratory study was conducted by the author to determine customers' preferences for common relationship marketing tactics such as receiving mail from businesses they patronize, getting e-mail notices of sales, joining frequent buyer programmes, and use of customer service phone lines. The results indicated that catalogues and direct marketing were viewed very favourably by the respondents. Commercial e-mail messages were viewed somewhat less favourably. There was not a high level of interest in frequent buyer programmes. A factor analysis revealed that these preferences combined to form four dimensions representing the different forms of media to communicate with customers: printed mail, e-mail, telemarketing, and face-to-face service. The author opined that relationship marketing strategies will be successful if customer communication preferences are part of the customer profile database of a firm.

Richard W. Brookes et al. (2004)[44] investigated about the perception of managers towards the impact of information technology on contemporary marketing practices. They are of the opinion that "the Information technologies (ITs) are increasingly seen as ways to not just improve current marketing practices, but to enhance or even transform them, thereby creating new avenues for relationship building. However, research in this area tends to show a cautious approach to the adoption of new ITs, such as IT-enabled interactivity, where the emphasis is on ITs that reinforce the current marketing situation and practices. In their paper, they studied about the combined cognitive-affective perceptions of mid-level managers towards the roles that IT-enabled interactivity, in particular, have on their organisational and marketing practices, including relationship building. The results of the study revealed that no one view prevails in the study area. For some firms, the Internet may have changed everything; for some it may be a tool and a channel; for others, IT-enabled interactivity may mean that while the “rules of the game” are changed, the context is critical. The study showed that only a small proportion of firms consider themselves to be high users of technology, and few see themselves as having reached a higher level of IT-enabled business transformation. The managers in their study were able to categorize their own firm’s investments in ITs according to the three categories such as, the organisation’s intent for ITs, the nature and purpose of IT investment, and organisational characteristics change for each category”. The results of the study revealed that most companies are currently not jumping on the bandwagon of information technology transformation. The firms are cautious in their investments in Information Technology. The findings of the study have important managerial and theoretical implications for developments in internal and external relationship marketing, and change management.

Manfred Bruhn and Astrid Frommeyer (2004)[45] evaluated about antecedents and consequences of customer satisfaction in a business-to-business environment to identify the development of relationship marketing over time. “Long-term customer relationships are of greater importance to companies. It is therefore essential to identify and analyse the relevant constructs in order to manage such relationships. They developed a model based on a project involving an IT service provider in the business-to-business sector. It describes the measurement of customer satisfaction its antecedents and consequences that are appropriate for an effective control and management of relationship marketing”. The study also analysed the development of customer satisfaction, its antecedents and consequences over time and during the course of the customer relationship life cycle. The study revealed that a customer relationship management effort must address each customer or customer group differently in order to handle the special needs inherent in the various groups. “To manage customer relationships one has the option to apply these factors to direct customer satisfaction and retention. The measurement of customer satisfaction and retention enables the identification of actions to improve the company’s capabilities to provide services. The study suggests that an action portfolio can be developed to determine the need for measures and as a guide to the initial direction of instrument strategies in the future. Therefore, in order to generate satisfaction to a significant extent, it is particularly important for IT service companies in the business-to-business sector to have a suitable degree of empathy supplemented by a comprehensive offer of core services for its customers. They also pointed out that, emphasis should also be placed on the equally significant role of dialogue, especially when designing relationship management efforts targeted at customer retention”.

Keith MacMillan, Kevin Money, Arthur Money and Steve Downing (2004)[46] explain the application of commitment-trust theory of relationship marketing in the not-for-profit sector. They developed measures for the antecedents of both commitment and trust and posit five outcomes. In the NPO context, these outcomes would be: Acquiescence: the degree to which a funder accepts or adheres to the NPO's requests. Propensity to leave: the perceived likelihood that the funder will leave the NPO relationship in the (reasonably) near future. Cooperation: the NPO and the funder working together to achieve mutual goals. Functional conflict: relates to how disputes are resolved, whether amicably and responsibly, or negatively, i.e., dysfunctionally. Decision-making uncertainty: the extent to which the funder has enough information to make key decisions, can predict the consequences of these decisions, and has confidence in those decisions. The model further explains 52% of the variance in the commitment of funders to continue funding a NPO through the key constructs of nonmaterial benefits and shared values. NPOs would, therefore, be well advised to engage in strategies that develop nonmaterial benefits, since it is this factor that is the major driver of commitment.

Lisa O'Malley and Andrea Prothero (2004)[47] present an empirical study of UK consumers' perceptions and experiences of their relationships with commercial firms. They consider how the relational strategies pursued by organisations have led to a deterioration of consumers trust. They suggest that relationship marketing has had the unintended consequence of increasing consumer distrust of organisations' activities and motives. Relationship marketing may have failed in promoting a more positive image for marketing. While it is demonstrably simple to appropriate relational language to convey cooperation, mutuality, and trust between a firm and its consumers, delivering on such promises is difficult, particularly in an environment where shareholder demands and profit maximization drive business.

Leo Y.M. Sin et. al (2005)[48] describe the conceptual and measurement issues related to the study of relationship marketing orientation (RMO). It first reviews the concept of relationship marketing orientation and its important components. It then reports on the construction and psychometric assessment of a measure of relationship marketing orientation. Six multi item scales are developed by them showing strong evidence of reliability and validity in samples from firms in Mainland China and Hong Kong. Further their analysis provides evidence supporting scale invariance across the two samples. They claim that their study is the first one to provide a comprehensive, psychometrically sound, and operationally valid measure of a firm's relationship marketing orientation.

Gopalkrishnan R. Iyer et al. (2006)[49] suggested the strategies for the development of relationship equity in international markets. They have the opinion that, one fundamental premise driving relationship marketing theory and practice is that a firm's relationships with its customers enhances their satisfaction and loyalty to the firm and that such loyalty contributes to higher profitability for the firm. They suggested that relationship equity can be developed through both personal relationships and consistent processes and outcomes. The study concluded with the remark that the managers must, carefully examine their international context and tailor relationship marketing strategies to account for contextual differences. At the same time, they need to be aware that relationship equity strategies successful in one country may not be easily portable to another country. Moreover, the specific emphasis on relationship equity either the development of close personal relationships or development of trust in the firm's value delivery–needs to be matched to the specific international context.

Bryan Lilly et.al (2007)[50] examined the effects of using customer terminology ("customer" vs. "guest" vs. no language) on two loyalty behaviours: commitment and repurchase intention. The results of their study underline the importance of providing excellent service. However, using customer terminology did not significantly affect loyalty. The implication is that service firms may not gain the loyalty benefits they seek when using non-"customer" language. Another possibility is that firms gain benefits in some other manner when using non-"customer" language, meaning the language effects something other than loyalty behaviours. Thus, organisations that have adopted customer terminology as a relationship marketing instrument may not be realising their expected gains.

Daniel L. Sherrell and David Bejou (2007)[51] conducted a study to assess the connection between relationship marketing and marketing productivity. The primary conceptual linkage between these two topics lies in the concepts of customer equity and brand equity. Relationship marketing has begun to develop effective knowledge on how to influence customer equity. But the commonly used marketing productivity metrics do not have the capability to accurately value customer equity and brand equity. Consequently, marketers' ability to demonstrate their contributions to firm performance is limited to indirect measures (e.g., satisfaction, commitment, etc.). Finally, the authors provide a research agenda focused on issues that can most effectively improve our knowledge of marketing productivity metrics for relationship marketing efforts.

Robert P. Bush et al. (2007)[52] examined the relationship marketing research literature and identify three schools of thought regarding relationship marketing. The Inter-organisational, customer relationship, and customer valuation research perspectives are described and representative studies are discussed. The predominant conceptual approaches to marketing productivity in the research literature are identified and described. The shareholder value model is selected as the most useful conceptual framework linking relationship marketing and marketing productivity. The linking constructs of customer equity and brand equity are identified as the critical conceptual connections between relationship marketing and marketing productivity. Finally a research agenda is suggested by the authors, covering both conceptual and operational issues for further development of both relationship marketing and marketing productivity.

Arun Sharma (2007)[53] has evaluated the metrics of relationships, by measuring satisfaction, loyalty and profitability or relational customers. In the last two decades, it has been suggested that the marketing discipline is undergoing a paradigm shift from a transactional perspective to a relational perspective. At the same time, there has been a call for the discipline to focus on accurate measurement of the outcome of marketing activities. Extant research in this area has predominantly examined the sales and profitability of relationships through customer life time analysis or examined attitudinal measures such as satisfaction and loyalty. The author attempts to combine both streams of research by examining the profitability, satisfaction and probability of switching associated with transactional customers, relationship customers (less than five years of relationship) and deep relationship customers (more than five years of relationship) in three business to business industries. The results demonstrate the transactional customers are most profitable followed by relationship and deep relationship customers. The results also suggested that transactional customers were more likely to switch than deep relationship customers. But, the high probability of switching would suggest that firms need to monitor their customer behaviours. The probability of switching was in the reverse direction of profitability and there were no difference in satisfaction measures.

Josee Bloemer and Gaby Odekerken-Schroder (2007)[54] in their study tried to assess the psychological antecedents of enduring customer relationships in a bank setting. They are of the opinion that, "despite the extant literature on customer relationships, it is recognized that the psychological processes behind commitment and customer loyalty are still ill understood. Therefore, the primary objective of their study is to assess the impact of three psychological antecedents (such as; position involvement, volitional choice and informational complexity) on affective, calculative and normative commitment to a bank. In turn, they assessed the impact of an individual difference variable (consumer relationship proneness) on these three psychological antecedents. And finally, the consequences of affective, calculative and normative commitment on loyalty in terms of word of mouth, purchase intention, price insensitivity and complaining. The results of this study clearly show that affective commitment is the most important determinant of word of mouth, purchase intentions, price insensitivity and complaining behaviour. Affective commitment deals with having a sense of belongingness to the bank, being happy of being a customer of the bank, feeling emotionally attached to the bank and feeling part of the family of the bank. Moreover, it deals with having a comfortable and reliable relationship with the bank. Improving these aspects of affective commitment exceeds a positive influence on loyalty. A bank, therefore, should make sure that a customer is treated as a true individual in which the bank is really interested and cares for. This can be achieved by, among others, actually personalizing the communication efforts of the bank, and by showing attachment and by being of personal meaning to each and every individual customer. In turn, affective commitment can best be explained by position involvement. Finally, the study shows the possible danger of the role of calculative commitment as this has a negative impact on loyalty. Moreover, calculative commitment seems to function as an exit barrier as long as the benefits of the current bank exceed the costs of switching".

Maria Saaksjarvi et al. (2007)[55] evaluated the different relationship levels as predictors of customers commitment. They proposed "a relationship continuum, in which the customer advances from having a relationship with a product to having one with the firm, leading to commitment towards the firm. By targeting the right type of customers, relationship strategies become enhanced, and firms can recognize the motivations customers have for engaging in a relationship with them. The study revealed that, relationships at different levels require a different type of treatment, and should be nurtured for relational tactics to be efficient. Customers in a passive relational mode do not need to be catered to; they will contact the firm if they need something. Thereby, targeting these customers with relational tactics may backfire, as they do not wish to be pushed into a relationship, or bombarded with marketing messages. There are customers who never reach beyond this stage, and do not wish to have intimate relationships at any level. They can be compared with lifelong bachelors who never have the desire to engage deeply into something or commit to one particular product. Customers in an active relational mode already wish to have a deeper level of intimacy with the firm, and would be open towards relational tactics and marketing messages. They are happy if their preferences are known by the firm, and do not mind being connected to it. To continue buying, they demand a constantly high quality and impeccable service. Finally, the most intimate group of customers can be likened with firm champions, who prefer a firm's products across different brands to those of the competition. These customers want to be connected to the firm, and take pride in doing so. However, firms have to be careful in reciprocating these customers. They should be treated as assets of the firm, and cared and tendered for. If these customers do not feel that they are privileged, they may leave, or even worse, becoming an anti-firm campaigner who spreads negative word of mouth about the firm".

Fang-Ming Hsu et al. (2007)[56] analysed the causal relationship framework of the relationship enhancement activities, relationship commitment, and relationship learning. The study proposed a framework among relationship enhancement activities, relationship commitment, and relationship learning in the information industry. The study employed three-dimension commitment to examine the causal relationship between relationship enhancement activities and relationship learning. Experimental results also showed that regular associate activities had no link to affective commitment. Previous studies in relationship marketing found that commitment was a mediating variable between regular associate activities and retention. This study also determined that dissemination of association messages positively affected affective commitment, and was consistent with organisational socialization. Furthermore, members had strong commitment towards the organisation, if they were interested in the organisation's culture, goals, and so on. Notably, when associations increase their marketing activities, they increase member commitment. Through this relationship, associations may promote learning. The results demonstrated that regular associate activities were not positively correlated with affective commitment, but it directly affected relationship memory. Finally, the study also discovered that marketing activities would enhance members' commitment and increase members' willingness to learning.

Joao F. Proenca et al. (2008)[57] conducted a historical analysis of relationship marketing. They discussed "the roots and the directions of relationship marketing that were considered relevant: their origins, the Industrial Marketing and Purchasing group (IMP) approach to business relationships, the Nordic approach to services relationships and, the managerial and Customer Relationship Management (CRM) approach of relationship marketing. They highlighted that the boundaries of relationship marketing as defined in contemporary literature have been permeable and elastic. Relationship marketing consists of a fragmented collection of different approaches, partly independent partly overlapping, inspired by different theories, with a multitude of aggregation levels and several units of analysis. They clarified the scope of this domain and presented a number of critical issues that remain unresolved. They tried to answer the questions such as, is the concept of relationship marketing ubiquitous and can it be applied to every context? Are relationships alike whatever the market considered? Do they describe the same phenomena or are they different phenomena resulting from different contexts? etc. after a thorough discussion, they concluded that the RM has reached a critical juncture. The historical analysis of the concept shows that there are different underlying bases and various RM approaches. These approaches are so discrepant that is difficult to see any unification into a "general theory of relationship marketing". They analysed relationships in industrial, services and consumer setting, and they argued that the application of the concept to consumer markets requires care and may not entirely appropriate in all contexts. They further continued that, it is possible to database market direct mail to consumers, but does it necessarily mean that all consumers desire to establish relationships with their supplier? And does this truly constitute a genuine “relationship”? Or is this only in the mind of the seller? Is the traditional interpersonal concept wholly applicable? What are the basic relationships behind relationship marketing? Their study revealed that there are still many questions unanswered. Drawing on research from industrial, services and consumer marketing, they have presented a historical analysis and a discussion about RM, a concept that represents only a part of a broader issue: relationships”.

J S Prasad and A R Aryasri (2008)[58] examines the influence of relationship marketing attributes such as trust, commitment, communication, empathy, and conflict handling on attitudinal outcomes like relationship quality and behavioural outcomes like customer loyalty from an empirical analysis in the context of changing trends of food retailing in India. They observe that focusing on trust, commitment, communication and empathy, modern retail outlets likely to nurture quality relationships and retain customer loyalty and commitment and trust drive relationship quality and customer loyalty more than the rest.

Arun Sharma (2008)[59] has the opinion that the relationship marketing has traditionally emphasized individual relationships with customers. He enquired about the response of the firm to the customers who do not contribute relationships through their conscious and unconscious behaviours. Catering to customers who do not contribute to relationships increases a firm’s financial, customer service, and employee costs. He concluded with the suggestion that firms should undertake customer intervention for customers who do not contribute to relationships and look at separating customer segments, increasing prices for certain customer activities, outsourcing customers, or even firing customers. He concluded with the suggestion that the firm should undertake customer intervention which will lead to enhanced customer service and profitability.

Robert W. Palmatier et al. (2009)[60] assessed the role of customer gratitude in relationship marketing. Most of the theories in relationship marketing emphasize the role of trust and commitment in affecting performance outcomes; however, a recent meta-analysis indicates that other mediating mechanisms are at work. The authors studied about the role of customer gratitude in relationship marketing. The relationship marketing investments generate short-term feelings of gratitude that drive long-lasting performance benefits based on gratitude-related reciprocal behaviours. The authors identified a set of managerially relevant factors and tested their power to alter customer perceptions of relationship marketing investments to increase customer gratitude, which can make relationship marketing programmes more effective. They concluded with the finding that gratitude plays an important role in understanding how relationship marketing investments increase purchase intentions, sales growth, and market share of the organisations.

Victor Danciu (2009)[61] evaluated the opportunities in marketing for the improvement of the performances of the banking institutions. His research pointed out that “the banks should practice relationship marketing rather than transaction marketing. He has also worked out and implemented a model which shows the particulars of the operations in every stage of the lifecycle of the relationship between the bank and the customer. By means of this theoretical model he has identified the current situation of the relationship between the local banks and their customers. At the same time he suggested some ways for the improvement of this relationship within the framework created by the objectives of attraction and maintaining of the banking customers. He pointed out that the attraction and especially maintaining of the customers depends on the new philosophy concerning the higher satisfaction of the banking customer. This new philosophy has supported the improvement of the relationship between the bank and the customer within the relationship life cycle. He has analysed the relationship development in two stages. Firstly, he pointed out the characteristic and the current situation of the relationship banks have with their customers. Secondly, he suggested some improvement means. The customers should become an asset of the bank the value of which depends on their satisfaction. In this way, both partners could obtain high advantages throughout the entire life cycle of the mutual relationship. He concluded with the remark that the banking customer should be understood, differentiated, selected and a customized offer for him under the form of a specific customer marketing mix should be developed. Such an approach offers the banking institutions a big opportunity for using the marketing as an important tool for their market goals achieving by increasing customer satisfaction and delivered value".

Yang Gregoire, Thomas M. Tripp and Renaud Legoux (2009)[62] analyse the effects of time and relationship strength on the evolution of customer revenge and avoidance in online public complaining contexts. The authors examine whether online complainers hold a grudge–in terms of revenge and avoidance desires-over time. They find that time affects the two desires differently. The authors examine the moderation effect of a strong relationship on how customers hold this grudge. They find that firm's best customers have the longest unfavourable reactions. Specifically, over time, the revenge of strong-relationship customers decreases more slowly and their avoidance increases more rapidly than that of weak-relationship customers. The authors explore a solution to attenuate this damaging effect-namely, the firm offering an apology and compensation after the online complaint. Overall, the authors find that strong-relationship customers are more amenable to any level of recovery attempt.

Nagasimha Kanagal (2009)[63] analysed the role of relationship marketing in competitive marketing strategy. In author's opinion the role of relationship marketing in competitive marketing strategy includes: guide moments of truth, improve profitability, build partnering, address 'Customer Better', buy in of customer attention, protect emotional well being, understand consumer psyche and build trust with customer. Relationship marketing is a tool of furthering the customer understanding and interactive processes. Relationship marketing outputs can thus be usefully used, as inputs in product design and development, want identification, improving selling systems, pricing strategies. It is one of the supports to systematic action setting in competitive marketing strategy.

Parimal Bhagat (2009)[64] has analysed the relationship development by tracking the formation of relationship commitment in a controlled setting. Conventional wisdom would suggest that the process of relationship development can be assessed only over long period of time. This study tries to capture the dynamics of relationship development over a very short period and after only a few interpersonal interactions. The influence of attitudinal trust, subjective norms, and intrinsic commitment in a relationship on relationship strength is studied here. The results indicate that the initial level of the strength of the relationship was dependent on the baseline attitudinal trust and subjective norms of the partner. The subsequent (interim) measures of the variables were dependent on the prior antecedents. Finally, the level of commitment at the end of the experiment was dependent on earlier levels of relationship strength and commitment. The study concludes with the result that the formation of trust and commitment in relationship development can take place over a short period of time and influence the outcomes of negotiations. Buyers and sellers should take each contact seriously.

Mustafa Karadeniz (2010)[65] analysed the role of relationship marketing approach to constitute customer and brand loyalty in retailing management. He observed that fast changing competitive features are forcing business firms to find more creative and flexible means for driving competition. In his opinion the importance of product based approach has vanished and instead, customer based approach became more important, creating a new era with customer satisfaction. Companies started to develop different strategies to gain loyal customers by customer focused marketing strategies which give importance to customer satisfaction and brand.

Oana Preda et al. (2010)[66] evaluated about the relationship banking marketing in Romania. They opined that "the transformation of the European Union in accordance with the objectives proposed by the Lisbon strategy in the most competitive and dynamic economy based on knowledge, able to provide jobs, sustainable development and ensuring social cohesion, involved the development of various institutions of personalized relationships with customers aiming for their loyalty. It shapes such relationship marketing which has the main purpose to develop long term relationships with the clients in order to retain them and therefore attract new ones. The study confirmed that, Marketing has had a phenomenal evolution, by passing from trade to relation. This implies a careful and constant monitoring of clients' preferences expressed by customers' buyer behaviour and the buying evolution in time, to properly understand how customers perceive and individualize any inconveniences before interrupting any relation with the bank. The study revealed that, in Piraeus Bank, transactional marketing is based on a linear process and market survey therefore it personalizes customer needs, market segmentation surveys and market positioning of the existing supply, while relationship marketing is based on a circular process , meaning to the customers' individualization, building their awareness of the bank value for gaining customers' loyalty. Transactional marketing in Piraeus

Bank involves several indicators such as bank volume of sales, bank market share, the strong investment in the development of existing products and launching other new products, while relationship marketing is based on other indicators such as customer-centred value, the ability to convince customer to buy more banking products together with an intensive communication with the customer. The study concludes that, to achieve these objectives relational marketing, Piraeus Bank is willing to maintain a price premium on most products and manages to reduce costs by keeping old customers in order to attract new ones therefore being cost efficient. Benefits of using relationship marketing at Piraeus Bank: both customers and the bank employees become more satisfied with the quality of service, maintain old clients' loyalty because of the strong personal relation with bank, old clients become true promoters of the bank because they have experienced in an excellent way their services and on the long term they became part of Piraeus Bank family".

Habibollah Doaei et al (2011)[67] investigated about the Relationship Marketing (RM) tactics impacts on loyalty due to Relationship Quality (RQ). "The Relationship Marketing tactics under investigation were tangible reward, interpersonal communication, preferential treatment, and direct mail. The result of the study indicated that, among used tactics, preferential treatment tactic had not significant influence on Relationship Quality, thereupon, it can be concluded that Relationship Quality variable don't perform a mediating role. Moreover, a refined understanding was provided for cognizing interplay between organisation and customers due to implement the Relationship Marketing tactics. The study revealed that the nature of relational system is sensible and obvious on management and customer attitudes and, moreover, a manager not only will not neglect but also will have positive viewpoint about relationship issue in marketing. The data from this research showed that, the Relationship Quality did not play essential role to create a loyal customer and the Relationship Marketing tactics have influence on loyalty several times as much as Relationship Quality does. It indicates that using the factors of motivating had a great effect in retaining a customer and creating a loyalty in competitive environments such as Insurance Institute. Because the Relationship Marketing tactics will be identified and presented rapidly by rivals, therefore, positive potential of this tactics do not is perpetual; thus, prospect is that this factor will convert to motivating factor after a while. A customer reacts to changeable factors such as price, service quality and quantity, advertisement, image and so on; thus, will be acquainted by communicating with one another and other representations. Therefore, the creation and optimization of Relationship Quality concept rapidly and accurately is necessary. In other words, only by identifying valid factors to create and keep a loyal consumer, a company will impart from the Relationship Quality effects".

2.4. Relationship Quality

Shankar Ganesan (1994)[68] observed that long-term orientation in a buyer/seller relationship is a function of two main factors: mutual dependence and the extent to which they trust one another. In his opinion dependence and trust are related to environmental uncertainty, transaction-specific investments, reputation, and satisfaction in a buyer/seller relationship. The results of his study indicated that trust and dependence play key roles in determining the long-term orientation of both retail buyers and their vendors. The results also indicated that both similarities and differences exist across retailers and vendors with respect to the effects of several variables on long-term orientation, dependence, and trust.

Kaj Storback et al (1994)[69] observed the dynamics of relationship quality for managing customer relationships for profit. It is said that service quality has a positive correlation with satisfaction, which in turn would lead to increased purchase loyalty. They have the opinion that "there is a lack of studies investigating customer relationship economics, i.e. the link between perception measures (service quality, satisfaction, intentions) and action measures (purchase loyalty, purchase volume, word-of-mouth behaviour and long term customer relationship profitability). The purpose of the article is to discuss factors affecting customer relationship economics and customer profitability in light of the current service quality and customer satisfaction paradigm. They have pursued such a dynamic relationship quality perspective by linking together the concepts of service quality, customer satisfaction, relationship strength, relationship longevity and relationship profitability as well as related constructs. The study serves mainly two purposes. First, it adds the dynamic perspective to service quality which has been called for by service quality and customer satisfaction researchers for some time now. Second, it ties service management and its notion of perceived service quality to relationship marketing. This is an important step, because as successful relationship marketing to a large extent depends on the capability of firms of adding value, through various types of service, to the core solutions offered to customers and clients, a relationship marketing strategy cannot be implemented without a thorough understanding of service management".

Thorsten Hennig-Thurau and Alexander Klee (1997)[70] opined that "the customer satisfaction with a company's products or services is often seen as the key to a company's success and long-term competitiveness. In the context of relationship marketing, customer satisfaction is often viewed as a central determinant of customer retention. The few empirical investigations in this area indicated that a direct relationship between these constructs is weak or even nonexistent. The overall purpose of their article is to develop a conceptual foundation for investigating the customer retention process, with the use of the concepts of customer satisfaction and relationship quality. They critically examined the satisfaction–retention relationship, and the development of a more comprehensive view of the customer's quality perception. A conceptual model has been presented by them which postulate that the relationship between satisfaction and customer retention is moderated by the 'relationship quality' construct and must be interpreted as 'nonlinear'. Relationship quality has been introduced as a three-dimensional variable that incorporates the customer's product- or service-related quality perception, the customer's trust, and his or her relationship commitment. Furthermore, they suggested that the traditional understanding of the customer's product- or service-related quality perception must be broadened for three aspects such as, (a) A competition-related perspective must be added, (b) The customer's level of involvement has to be considered and (c) The quality construct has to be differentiated on the basis of changes of the customer's internal expectation standard. They concluded with the hope that, the conceptual model of the satisfaction–retention link presented by them can be used as a theoretical basis for the development of appropriate measurement designs. This may also enable researchers as well as marketers to deliver more realistic estimations of the impact of satisfaction on customer retention".

Achim Walter, Thilo A. Muller, Gabriele Helfert and Thomas Ritter (2003)[71] provide "a thorough conceptualization of relationship quality and its possible antecedents, i.e., the direct and indirect functions of the relationship for the customer. They found empirical evidence that the supplier's fulfilment of direct and indirect relationship functions for the customer definitely matters for the customer's perception of relationship quality. The more a customer finds a given supplier to fulfil direct functions, like reducing purchasing costs, delivering quality, covering a large volume or serving as a safeguard, as well as indirect functions, like gaining access to the market by the supplier relationship, using the supplier's information base, inspiring innovation through the supplier or simply enjoying the social benefits of the relationship, the higher he or she will perceive the quality of this relationship. Perceived quality depends on functional inputs".

Carmen Lages et al. (2005)[72] “developed a new measurement scale (the RELQUAL scale) to assess the degree of relationship quality between the exporting firm and the importer. In an exporting setting, relationship quality refers to relationships developed beyond national boundaries. In an increasingly competitive global arena, exporting firms have to invest in relationships with their importers to ensure effective and profitable actions. Unlike relationships in the domestic market, relationships developed with partners in foreign markets are influenced to a higher degree by dissimilar cultural, economic and other environmental factors. They presented relationship quality as a high-order concept. Findings of the study revealed that a better quality of the relationship results in a greater (1) amount of information sharing, (2) communication quality, (3) long-term orientation, as well as (4) satisfaction with the relationship. The four multi-item scales show strong evidence of reliability as well as convergent, discriminant and nomological validity in a sample of British exporters. The study also revealed that relationship quality is positively and significantly associated with export performance”.

Timothy L. Keiningham et al. (2006)[73] examined the various approaches to measurement and management of customer value. “Determining and managing customer lifetime value is one of the most important strategic objectives of companies. The methods reviewed in the study include RFM and total revenue approaches to differentiating the value of customers. Although these methods have relative advantages, they have serious drawbacks that limit the ability of managers to accurately assess customer value. They also proposed an alternative model for the measurement and management of customer value. Customers are the preeminent assets of any firm: the source of all profits. They opined that, unfortunately, most of a firm’s customers do not produce an acceptable rate of return. Therefore, knowing which customers represent the best assets to the firm is critical to effective strategy development, and ultimately to maximizing profitability. Customer lifetime value (CLV) analysis provides the critical metric for correctly identifying a company's best customers. As such, CLV provides managers with the requisite information to ensure that their efforts to attract and retain customers pay real dividends. It is important to recognize that the methods for calculating CLV will continue to evolve (becoming ever more precise). But the current state of CLV analysis offers managers an unprecedented opportunity to fulfil the fundamental goal of all businesses: to satisfy customer needs and wants at a profit. They concluded with the remark that, by understanding customers' potential lifetime value, firms can nurture profitable, long-term relationships with customers by providing them with the level of service that they truly believe are worth what they are willing to pay".

Yany Gregoire and Robert J. Fisher (2006)[74] investigated about the effects of relationship quality on customers' desires to retaliate after service failures. They posit that the effects of RQ are contingent upon the attributions customers make about the firm's controllability over a service failure. Two competing hypotheses were examined and reconciled. The hypotheses were "love is blind" hypothesis and "love becomes hate" hypothesis. The study revealed that, the "love is blind" hypothesis posits that when low controllability is inferred, high RQ customers experience a lesser desire for retaliation than low RQ customers. On the other hand, the "love becomes hate" hypothesis specifies that when high controllability is inferred, high RQ customers experience a greater desire for retaliation than low RQ customers.

Papassapa Rauyruen and Kenneth E. Miller (2006)[75] provide a picture of how relationship quality can influence customer loyalty in the business-to-business (B2B) context. They propose relationship quality as a higher construct comprising trust, commitment, satisfaction and service quality.

They believe that these dimensions of relationship quality can reasonably explain the influence of overall relationship quality on customer loyalty. In addition, their study provides more insightful explanations of the influence of relationship quality on customer loyalty through two levels of relationship quality: relationship quality with employees of the supplier and relationship quality with the supplier itself as a whole. They suggest that a supplier should put its efforts into enhancing customer satisfaction and designing excellent service systems in order for the customer to make continuing purchases or stay with the supplier. They also observe that both trust and commitment factors that the customers might have with the employees do not play a significant in enhancing their loyalty to the supplier.

David L. Jones et.al (2007)[76] conducted a study that took a new look, with newly developed scales, at the antecedents and consequences of relationship quality in the hotel service environment to shed new light on the factors hotels have to deal with to achieve their objective of satisfied and loyal customers. Using a structural equation model, it was determined that the tangible and intangible factors of perceived value, timeliness, and hotel facilities are antecedents of hotel quality. Hotel quality, subsequently, is a determinant of both customer satisfaction and loyalty. The authors also analysed that customer satisfaction is not a guarantee of customer loyalty.

Kim-Shyan Fam et al. (2008)[77] evaluated the agency client relationship factors across different life-cycle stages. “When an individual or an organisation employs an advertising agency to assist in undertaking promotional activities, a number of factors are involved to ensure that the agency-client relationship runs smoothly. However, for the advertiser, as the relationship develops there can be changes in attitudes toward the advertising agency. They analysed the responses advertisers regarding different elements in the advertising agency-client relationship and compares them across four stages in the agency-client life cycle, such as, (a) Inception, (b) Development, (c) Maintenance, and (d) Dissolution. The results of the study provide some implications to assist in the understanding of agency-client relationships at different times of the life cycle". The results indicate that the people factor as the primary criterion for agency selection. The study found that for successfully working with an agency, trust, honesty, and commitment are conducive to build a long-term relationship. When correlating with relationship cycle, they found that trust, honesty, and commitment are more valued by clients during the "Development" and "Maintenance" stages. At the Dissolution stage, the forces such as, Closeness, Bonding, and Client Dependence (or rather, the lack of it), drives relationship failure.

Ryan Keams and Neil Hair (2008)[78] examined "the perceptions of consumers' relationships with commercial organisations in electronic environments. Perceptions of a range of common electronic business-to-consumer internet retailers were examined using personal construct theory operationalised by means-end chain analysis. These approaches have a long tradition of being used to identify personally meaningful constructs by tracing the common attributes of their online experience with their consequences and ultimately the personal values that they pertain to. The study reveals eight major themes that conceptualize consumers' perceptual orientations of their relationships with online retailers, they are: personalization, engagement and experience, convenience, design or ease of use, trustworthiness, ability to inform, reliability, and specificity or variety. The findings bear witness toward consumers' propensity to sustain relationships online based on site attributes. By grouping consumers based on orientations toward various attributes, marketers can enjoy a deeper understanding of individuals' needs and desires and promote their sites and products accordingly. In addition, by understanding how site attributes connect to personal constructs, marketers can tailor their sites to cater to certain perceptual orientations. The study concluded with the remark that marketers must be careful of consumers' perceptions under various situational contexts and maintain a balance of attributes to attract and retain customers when needs change”.

Amanda Beatson et al (2008)[79] investigated “relationship quality as a multidimensional meta construct comprising three dimensions; satisfaction, trust and commitment. The role of relationship quality in its nomological network with service orientation as an antecedent construct and consumers' positive behavioural intentions, perceived switching costs and activism as the consequences were explored. The study revealed that the service orientation affects relationship satisfaction and trust, and that the latter influences satisfaction and commitment. In turn, satisfaction, trust and commitment have a positive impact on positive behavioural intentions, trust a negative one on activism, and commitment a positive one on perceived switching costs”.

Kong Shin Yee (2008)[80] discussed in his research work how relationship quality can influence customer loyalty in the business-to-business (B2B) context. The study proposed a theoretical framework of relationship quality, customer perceived quality (using a modified Grönroos's model of bi-dimensional service quality theory involving both product and services aspects) as antecedent of relationship quality and business loyalty as ultimate dependent variable. The findings of the study suggest that customer satisfaction towards service provider can be improved by focusing on their perceived quality on both service and product. Consequently, customer loyalty and relationship quality can be enhanced by increasing customer satisfaction. Furthermore, his study reinforces the belief that relationship satisfaction has an important role to play in the manufacturing environment. It puts forward one possible causal explanation of the elusive link between satisfaction and relationship.

Vilte Auruskeviciene et al. (2010)[81] tried to identify the dimensions of relationship quality that enables professional services companies to establish long-term relations with their clients and fosters the loyalty of the client. The findings of the study revealed that the three variables such as, functional quality, trust, and commitment have a significant effect on IT services customer loyalty. Technical quality does not have significant impact on customer loyalty. Furthermore regression analysis revealed that functional quality impact on customer loyalty is more important than trust and commitment dimensions. The most important finding from this empirical study is that functional quality is the most important in building long-term relationship with customers in a professional service market. Regression analysis revealed the fact that communication effectiveness, social benefits and special treatment benefits almost never positively relates to client loyalty. Regression analysis also revealed the fact that technical quality of a service has no positive impact on client loyalty. Whereas functional quality of service has twice as strong impact on client loyalty if, compared with trust and commitment. They concluded with the comment that the functional quality construct is the most important in building long-term relationship with customers in a professional services market.

Jamil Bojei and Aryaty Alwie (2010)[82] examined the relationship between relationship quality and loyalty across service types (Credence services versus Experience Services). In their study, relationship quality dimensions consist of interpersonal factors (closeness, communication, communication quality and special care) and firm factors (commitment, trust and satisfaction). The findings revealed that relationship quality influenced the loyalty in both service types. Importantly, all dimensions of relationship quality have different magnitude of influence on relationship quality in both credence services and experience services; with "commitment" has the strongest influence and "communication quality" as the weakest dimension.

They summed up with their suggestion that, in developing good relationship quality, the service provider should focus on both firm factors as well as interpersonal factors.

Ching-Hsu Huang (2012)[83] enquired about the impact of relationship quality on customer loyalty. The purpose of his study is to provide a casual model to explain the effect of relationship quality on customer loyalty via mediating effect which night provided by customer satisfaction. A casual model of three variables was developed. Structure equation modelling was conducted to explore customer group homogeneously and examine the mediating effect. The results of the study indicate that relationship quality can result to customer loyalty via increasing customer satisfaction, thus affecting the firm’s relationship quality leading to customer intention through customer satisfaction. The subsequent multi-group analyses suggest that the research models are vary across different consumption patterns demographic segments, such as age, income and occupation.

Hamid Reza Alipour Shirsavar et.al (2013)[84] enquired about the effect of customer relationship system and state of relationship quality effect with customer life cycle. They opined that the competition is very intense in the banking industry. Banks need to elevate their services’ quality to attract more customers. In addition, for attracting more customers, banks require to maintain the loyalty of existing customers because the cost of acquiring new customers is almost five times the cost of maintaining old customers. As a result, customer relationship management (CRM) is now considered an important issue in all industries since customers can have an important role in the fate of a financial institution. They studied about the effect of customer relationship management system (CRM) on the relationship quality (RQ) such as customer satisfaction, trust and commitment in the banking industry is discussed and then how the relationship quality (RQ) effects on the customer life cycle such as levels of service use, loyalty, verbal advertising and desire to refer etc were examined. The study revealed that, the greater the customers' awareness on customer relationship management, the better their relationship quality and reciprocally when relationship quality was better, four aspects of the customer life cycle had higher level. Thus, more attention to customer relationship management in various branches of the Bank, the better their relationship quality. They opined that this had a significant effect on the image of mentioned branch particularly and Saderat Bank in general. Thus, customer's loyalty to the Bank increased. They concluded with the point that, by further customers' trust in bank, verbal promotions are increased unconsciously, so it causes a significant increase in the amounts of customers.

Yu-Chuan Huang and Dong-Jenn Yang (2013)[85] discussed the relationship among life insurance industry's service quality, relationship quality and customer loyalty. They have the opinion that, the life insurance industry should have a high degree of interaction with the customer contact industry. The agent of life insurance plays an important role between insurance company and customer relationship. But the high turnover rate of the life insurance market is highly competitive in salesman. It is significant to understand the loyalty tendency of customer for the life insurance industry. Exploring the relationship marketing could establish a quality relationship with customer and reduce the uncertainty faced by the customer. It is also to enhance the chances of customers purchasing again and get customer loyalty, in order to establish a competitive advantage of enterprises. The cognition of the customer service is affected by the degree of involvement. They have the opinion that, if customers are distinguished by involvement, limited resources would enable enterprises to maximize effectiveness.

Habibollah Salarzehi and Leila Rahmaninejad (2013)[86] explored how relationship quality and commitment influence customer loyalty. They started with the concept that, “relationship quality consists of two aspects: satisfaction and trust. So, along with how the above mentioned variables form loyalty in an insurance industry environment, the managers of the branches of private insurance industry are given the chance to design and perform effective and proper strategies leading to customer loyalty. The statistical populations of the research are the customers of private insurance industry and the data was collected using the questionnaire. The results of the research show the positive effect of the abovementioned variables on loyalty. The study revealed that, satisfaction with the insurance industry has the most amount of positive effect on customer loyalty in service business organisation. The variable of trust is of most positive effect after satisfaction and following this variable commitment is most effective on customer loyalty respectively. As a result, the supervisors and senior managers of private insurance industry can increase customer' level of loyalty by increase level of satisfaction, standardizing their insurance industry services, attempting to submit services of higher quality to customers and being placed in a position compared to the ideal situation of customers' expectations. They can also generate a positive mental image in customers as well as their trust to the insurance industry by decreasing their expert errors and mistakes, respectful treatment of the personnel with customers and increasing their personnel's specific level. They concluded with sharing their experience that, there is a direct relationship between the satisfaction of organisation personnel and that of customers. The personnel who are in direct contact with customers are at a position that can get aware of customers’ needs and wants and respond them properly”. They claimed that the personnel who are satisfied with their job have enough energy to empathize with customers.

Amin Motamedifar et. al (2013)[87] enquired about the relationship between relationship quality and customer loyalty. They opined that the customer loyalty can have many advantages to the stores which the most important of them includes reduction in advertising and related costs to attract new customers. Various factors influence the customer loyalty. But what most researches have mentioned is proper relationship between the organisation and customers that is referred to relationship quality (RQ). Accordingly, after reviewing the literature, the components of relationship quality (including trust, commitment, communication, conflict handling) were extracted, hypotheses were set and a conceptual model was constructed by them. The results of the study showed that there is a significant positive relationship with the correlation coefficient of 0.714 between relationship quality and customer loyalty.

2.5. Switching Behaviour

Athanassopoulos. A.D (2000)[88] evaluated the level of satisfaction of retail banking customers in Greece. An instrument of customer satisfaction has been proposed by him. The instrument includes the aspects such as convenience, price and innovation. Apart from these, the instrument involves service quality also. His findings are agreeing with the earlier results that customer satisfaction is a function of service quality (staff service and corporate image), price, innovativeness, and convenience. The study also revealed that the segments of business and individual customers exhibited statistically significant differences in the level of their satisfaction.

Kim. M et al (2003)[89] investigated about the switching costs in banking. They introduced a model to estimate this. The model is able to incorporate the customer specific information also. In order to estimate the switching costs for bank loans, this model is applied to a panel data of banks. The study revealed that the point estimate of the average switching cost is 4.1%, about one-third of the market average interest rate on loans. More than a quarter of the customer's added value is attributed to the lock-in phenomenon generated by these switching costs. They concluded that, the switching costs in the market for bank loans are quite substantial and constitute a significant portion of the value of a marginal customer to the average firm.

R. Bruce Money (2004)[90] enquired about the relationship between, word-of-mouth promotion and switching behaviour in Japanese and American business-to-business service clients. The Study enquired whether customers in Japan and the US who use referrals to find business-to-business services are more likely to remain loyal to their service providers or not. The study revealed that companies who used referrals to source their service providers switched less than those who did not. The study concluded that companies functioning in foreign environments (Japanese companies in the US and American firms in Japan) switched more than those operating in domestic environments.

Vanniarajan. T and Boopathi Manickam. P.S (2007)[91] made a comparative study about the level of bank switching behaviour shown by the Public sector, Private sector and Co-operative bank customers. They found that the switching rate is higher among the customers of Co-operative banks in comparison to other bank customers. Why customers switch their banks is due to the service failures from the part of their respective banks. The study revealed that, if a bank can develop effective service recovery programmes and proper pricing strategy, then their customers will be loyal.

Clemes. M.D et al (2007)[92] investigated from the customer’s perspective about the factor affecting bank switching in New Zealand. The results of the study revealed that, the factors such as customer commitment, service quality, reputation, customer satisfaction, young-age, and low educational level are contributing to bank switching. The study also revealed that considerable relationships exist between reputation, customer satisfaction, service quality, customer commitment, and switching behaviour.

The switching behaviour was most common with younger-aged and less educated customers. The study further reveals that price has a low impact on bank switching behaviour in New Zealand. This may be attributed to a somewhat low variability of bank charges, interest charges and interest paid in a sector that has been dominated by four Australian owned banks.

Marvri. M and Ioannou. G (2008)[93] enquired about the customer switching behaviour in Greek banking services by investigating the predictors of churn behaviour as part of customer relationship management (CRM). The findings of the study revealed that the quality of banking services in combination with the bank's brand name has a positive effect in the decrease of switching behaviour, while the demographical characteristics, (gender and educational level) have only limited impact. They concluded with the recommendation that, a bank needs to develop a customer relationship management (CRM) strategy to improve customer loyalty.

Yolanda Polo and F. Javier Sese (2009)[94] enquired about the level of influence exists between switching costs and marketing variables such as, price & advertising and relationship characteristics. They have developed a conceptual framework about the drivers of switching costs and test the framework empirically in the mobile phone industry using a hierarchical Bayes approach. The study revealed that by using price and advertising the firms would be capable of making the process of switching costly for customers.

Newby.L and Ward.T (2009)[95] investigated about the customer switching behaviour exists among the customers of Australian service industries. The authors have identified ten important reasons for switching in their questionnaire and the respondents were asked to identify them. The study revealed that, all of the ten causal categories included in the questionnaire had an impact on the cause of people switching service providers. ‘Core service failure’ was the most important reason for switching, which is followed by ‘competition’ and ‘price’ in the next respective positions. On an overall the study revealed that by preventing ‘Core service failure’ a service provider can retain his customers.

Matthews. C (2009)[96] investigated about the possible regulatory responses to the issue of switching costs in the New Zealand banking market. He opined that “though the switching cost is a recognised issue in banking markets around the world, but in many countries, regulators give them limited attention”. The findings of the study show that, the presence of switching cost discourages the customers from switching over. He recommended in the study that “banking regulators should pay more attention to the issue of switching costs, particularly in mergers and acquisitions. One of the categories of switching costs that is revealed is the time and effort involved in switching.” He concluded with the remark that, there are opportunities for the authorities to consider means of reducing switching costs and thereby enable greater levels of switching.

Matthews. C (2009)[97] assessed “ the linkage between family life cycle and banking relationship as well as the variation in perceptions of switching costs to the nature of the banking relationship. He opined that the switching costs generate customer inertia, locking customers in to their existing financial services provider. It is found that the perceptions of switching costs found to vary between life cycle groups. Three aspects of the banking relationship were considered: the size, the spread and the complexity”. The findings of the study revealed that, “both size and complexity of the banking relationship are found to be related to the family life cycle, while both spread and complexity are found to be associated with perceptions of switching costs”. He concluded with the point that the differences in complexity of the banking relationship associated with the family life cycle, helped to explain the differences in perceptions of switching costs.

Arvind Sahay and Nivedita Sharma (2010)[98] analysed "the brand relationships and switching behaviour for highly used products in young customers. They investigate the influence of peer, family and brand relationships on switching intentions amongst young consumers. The results of the study revealed that family has a relatively stronger influence than peers. While considering the impact of price changes on switching intentions in the context of brand relationships, they observe that consumers do compare price irrespective of how strong the brand relationship is".

Chaudhari Chetan (2010)[99] explains "the influence of demographic factors on brand switching behaviour of subscribers of mobile services. He pointed out that, in general, the brand switching behaviour of the subscribers of mobile services is significantly dependent on the demographic factors such as age, gender, educational background, occupation and the family income of the respondents. Although there are many reasons which initiate brand switching behaviour of the subscribers of mobile services, one cannot neglect the demographic background of the subscriber and the role played by it in brand switching".

Mallikarjuna. V and Krishna Mohan. G (2010) [100] analysed about "the factors affecting switching behaviour of mobile users. They identified that price escalation, changing needs of customers, core service failure, inconvenience, and voluntary reasons are the factors influencing the mobile customers to switch. In their opinion, service providers need to build relationship with the customers to understand their changing needs and design appropriate strategies to meet the changing needs. Data mining and CRM practices can be implemented to identify the specific requirements of the customers and customized plans can be delivered to enhance customer satisfaction and loyalty".

Awwad. M.S and AwadNeimat. B (2010) [101] conducted a study to identify the most critical factors affecting the customer switching behaviour for mobile service providers in Jordan. The study revealed that, all the independent variables (pricing, inconvenience, core service failures, service encounter failures, employee responsiveness to service failures, attraction by competitors, changes in technology, switching cost) had a significant effect on switching behaviour of mobile service users except change in technology and employee responsiveness to service failure. Since the Jordanian service providers used advanced technology with little differentiation among them, the change in advanced technology between service providers has no impact on customer switching behaviour. Again the Jordanian customers believe that the employee do the best for them, employee responsive to service failure has no impact on customer switching behaviour.

Mohsin. A et al (2011) [102] explored the determinants of switching behaviour in banking sector of Pakistan. The findings of the study showed that, satisfaction with banking services were negatively related with intention to switch. Convenience services had more influence on intention to switch. Dissatisfaction with Financial services is also predictor of intention to switch from one bank to another bank. He opined that, in Pakistani environment convenience factors are more important. Importance of services is also predictor of switching from bank. Mediation analyses of importance of services in the relationship satisfaction with financial, non financial and overall services with intention to switch proved the role of importance for defining satisfaction and switching relationship.

Ishaq. M (2011)[103] explored the impact of customer satisfaction on their behavioural responses in banking sector of Pakistan. The findings of the study showed that four dimensions of service quality have impact on behavioural responses of the banking clients. Convenience, physical evidence and product innovation create positive impact on behavioural response. It is found that the pricing will put negative impact on behavioural response. The research findings indicated that when the customer's satisfaction is high they will stay with their current service providers, engage in positive word-of-mouth communications and subdue negative behavioural intentions including switching intentions. Therefore, recognition of significant determinants of customer satisfaction could facilitate the higher management in adoption and implementation of their customer focus strategies more efficiently and effectively.

Teicher. T and Wagenfuhrer. D (2012)[104] are of the opinion that, the financial crisis of 2008 undoubtedly constituted a disruptive event in the worldwide financial markets, which impacted the relationships of consumers with their banks in various ways. Therefore, the effects of the financial crisis on customers' relationships were explored in their study. They found that a disruptive event can cause consumers to switch bank providers and that it opens up market potential for new entrants into the financial market. Even if there is no direct involvement into the financial crisis, subjective feeling of concernment affects consumers' loyalty. A disruptive event thus offers ways for new positioning strategies. New service strategies may be evaluated and new products may be launched to fit altered customer needs.

Kumaradeepan. V (2012)[105] evaluated the impact of service quality on customer switching in telecommunication industry of Sri Lanka. An analysis about why customers switch service providers?, would be helpful for the actions that must be taken by the service provider to retain its' customers. Hypothesis has formed as perceived higher level of service quality negatively correlated with switching behaviour. It was found that, there is a negative relationship between service quality and customer switching the producers. The agreed level of service quality would increase customer satisfaction, which leads to less level of switching the same producer. Also the results expressed that customers' attitude towards switching behaviour, customers' perceived control over switching costs and customers' perception of satisfaction with the service provider were strongly associated with customers' intentions to switch additional services provided by producers.

Subramaniam. R and Ramachandran. J (2012)[106] attempted to identify the factors influencing customers' Bank switching behaviour in Malaysia. The study revealed that, seven factors were identified as influencing the switching behaviour of customers in Malaysia. All earlier studies found that price, reputation, service quality, advertising, involuntary action, distance, cost, and other characteristics influences the customer switching behaviour. But contrary to the expectation, only price and reputation were seen as significant in predicting the customers' bank switching behaviour with p values less than 0.01. The study found that the factors identified by the past researchers explain the customers switching behaviour in Malaysia only to the extent of 7%. This indicated that there could be other factors like internet banking which might have deduced that distance, cost, advertising or involuntary action were not relevant for the respondents in making their decision. The study concluded with the recommendation that, in order to be competitive in Malaysian financial services market bankers have to identify the core reasons for customers' switching behaviour.

Kumaradeepan. V and Rajumesh. S (2012) [107] observed why customers switch producers in Service industry in Sri Lanka. They tried to evaluate, "to what extent service responsiveness will impact on customers switching. It was found that, there is a negative relationship between Service Responsiveness and customer switching the firm. Summarily in banking industry, higher levels of customer satisfaction should predict strong intentions to deal with the same service provider or sale person on their next purchase. The results showed that the satisfaction was related very strongly to the intention to switch off. One's subjective norms, one's perceived relevance of the service quality and perception of service quality offered by their banking industry were strong predictors of one's attitude towards switching. A customer's attitude towards switching appears to be an important determinant of a customer's intention to switch service provider, with higher levels of this factor being associated with a higher propensity to switch service providers. It was found that in the service sector, there has also been empirical evidence that customer satisfaction judgments are immediate antecedents to switching intention. Also results expressed that agreed level of Service Responsiveness would increase customer satisfaction, which leads to less level of switching the same producer. But the study revealed that there are some more factors such as empathy, tangibility, and assurance affects switching behaviour of customers".

Karimii. O et al (2012) [108] studied the effective factors on customer switching. They opined that, customer retention is one of critical aspects of routine strategies on marketing, particularly when customers of a business reach to their maximum, finding and retention of new customers significantly is difficult and costly. At such point of life cycle of a business, priority is more on customer retention with old value and prevention of their switching. The results showed that customer satisfaction, and customer trust has negative relationship with switching behaviour, and service failure has direct relationship with customers switching behaviour.

Ying Li C (2013) [109] examined the interrelationships among recovery satisfaction, relationship quality and repurchases intention. He also explored the moderating roles of switching cost, and inertia on the relationship between recovery satisfactions and repurchases intention. The study confirmed the interrelationship among recovery satisfaction, relationship quality, and repurchase intention. The recovery satisfaction exerts a strong indirect effect on repurchase intention mediated by relationship quality in addition to a direct influence. The study revealed that, the lost benefit switching cost moderates the relationship recovery satisfaction and repurchases intention. The lost benefit switching cost was regarded as an exit barrier for customers and thus influence customers repurchase decision. The study found that the Procedural switching cost does not moderate the relationship recovery satisfaction and repurchase intention. Procedural switching cost involves the time, effort, and hassle of finding and adapting to a new provider. The research results confirmed that the influence of recovery satisfaction and repurchase intention is subjected to the levels of attractiveness of alternatives. When customers are able to find alternatives online, recovery satisfaction becomes less important for repurchase intention. The results also revealed that recovery satisfaction plays a more important role for low inertia customers than high inertia customers.

2.6. Conclusion

Today, all the organisations have realised that in the highly competitive environment, success lies in the organisation's ability to attract and retain its customers. Review of literature revealed the fact that this is an area where a large number of studies had been conducted. A number of studies related to banking sector have conducted in Kerala also, but there exists a research gap, with regard to a comparative study of public sector and private sector banks about customer satisfaction, customer loyalty, relationship quality, relationship marketing orientation, customer switching behaviour etc. The reviewed literature includes studies relating to these aspects. The present study with the main objective to analyse relationship quality and relationship marketing orientation of commercial banks in Kerala is more appropriate because very few studies on these topics are available in the Kerala context. Hence this vital gap needs to be filled and this research study titled – Relationship marketing orientation of commercial banks in Kerala, was prompted by the necessity to bridge this gap.

References

1. Christopher Selvarajah, Hanoku Bathula. "Services marketing and customer loyalty: Relational factors in New Zealand Banking service encounter", *International Quarterly Journal of Marketing*, Vol.1, Nos. 2, 3&4, (2001).
2. Mahadevan.S, Balasubramaniam. "Need for Commitment to Quality and Customer Service Quality in Indian Banking Sector", *Indian Journal of Marketing*, Vol.31, No.9-10, (2001).
3. Leanne H. Y. Too, Anne L. Souchon, Peter C. Thirkell. "Relationship Marketing and Customer Loyalty in a Retail Setting: A Dyadic Exploration", *Journal of Marketing Management,* Vol. 17, (2001): 287-319.
4. Peter C. Verhoef. "The Joint Effect of Relationship Perceptions, Loyalty Programme and Direct Mailings on Customer Share Development", Erasmus Research Institute of Management (ERIM) Report Series Reference No. ERS-2002-27-MKT, (2002).
5. Kristof De Wulf, Patrick Van Kenhove, Sarah Steenhaut. "The relationship between consumers' Unethical behaviour and customer loyalty in a retail environment", Vlerick Leuven Gent Working Paper Series, Paper No. 2003/17, (2003).
6. Parimal Vyas. "*Measurement of Customer Satisfaction on Information Technology Adoption in Banking Services", Prestige Journal of Management and Research,* Vol.8, No.1-2, (2004).
7. Lam, Shun Yin. "Customer value, Satisfaction, Loyalty and Switching costs: An Illustration from a Business-to-Business Service Context", *Journal of Academy of Marketing Science,* Vol.32, No.3, (2004).
8. Veloutson, Cleopatra et al. "Are the determinants of bank loyalty brand specific?", *Journal of Financial Services Marketing,* Vo1.9, No.2, December, (2004):113-125.

9. Selvam,M. “Customer Satisfaction of Banking Services: An overview”, *SAJOSPS*, (2005).
10. M.Thirulogachander. “Customer Loyalty Programme in Banks: An Indian Perspective”, Customer Loyalty Programmes-Trends and Experiences, ICFAI University Press, Hyderabad, (2006).
11. Michael.T.Capizzi, Rick Ferguson. “Loyalty Trends for the 21st Century”, Customer Loyalty Programmes-Trends and Experiences, ICFAI University Press, Hyderabad, (2006).
12. Steven Howard. “Keeping Good Customers by Earning Customer Loyalty”, Customer Loyalty Programmes-Trends and Experiences, ICFAI University Press, Hyderabad, (2006).
13. Subhashis Nath. “Loyalty Programmes – Beyond Behavioural Loyalty”, Customer Loyalty Programmes-Trends and Experiences, ICFAI University Press, Hyderabad, (2006).
14. Wayde Fleener, Mark Oedekoven. “Retail Loyalty Programme Design”, Customer Loyalty Programmes-Trends and Experiences, ICFAI University Press, Hyderabad, (2006).
15. Saju Eapen. "Loyalty Programmes: Why Some of Them Fail”, Customer Loyalty Programmes-Trends and Experiences, ICFAI University Press, Hyderabad, (2006).
16. Jalal Alamgir, Michael.F.Maltese. “Beyond the Card: Shaping Next Generation Loyalty Programmes in Retail”, Customer Loyalty Programmes-Trends and Experiences, ICFAI University Press, Hyderabad, (2006).
17. Barbara R Lewis, Magdalini Soureli. “The antecedents of consumer loyalty in retail banking”, *Journal of Consumer Behaviour*, Vol. 5, Issue 1, (2006): 15-31.
18. Yingzi Xu, Robert Goedegebuure, Beatrice Van der Heijden. “Customer Perception, Customer Satisfaction, and Customer Loyalty

Within Chinese Securities Business: Towards a Mediation Model for Predicting Customer Behaviour", *Journal of Relationship Marketing,* Vol. 5(4), (2006): 79-104.

19. Inger Roos, Anders Gustafsson and Bo Edvardsson. "Defining relationship quality for customer-driven business development A housing- mortgage company case"**,** *International Journal of Service Industry Management,* Vol. 17 No. 2, (2006): 207-223.
20. Vannirajan. "Impact of service quality on customer satisfaction in banking- A comparative study", *Journal of Business and Management Research*, Vol. 1, No.1, (2006).
21. Edward Malthouse, Frank Mulhern. "Understanding and Using Customer Loyalty and Customer Value", *Journal of Relationship Marketing,* Vol. 6, No. 3/4, (2007):59-86.
22. Spiros P. Gounaris, Nektarios A. Tzempelikos, Kalliopi Chatzipanagiotou. "The Relationships of Customer-Perceived Value, Satisfaction, Loyalty and Behavioural Intentions", *Journal of Relationship Marketing*, Vol. 6, No. 1, (2007):63-87.
23. Vijay Shrimali, Mehtab Kathwala. **"**Brand loyalty in bank customers: A sample study'", *Southern Economist*, (2008).
24. Istavan Szuts and Zsolt Toth."Customer Loyalty Problems in Retail Banking", Paper presented in *6th International Conference on Management, Enterprise and Benchmarking,* MEB 2008-Proceedings, 30-31, (2008).
25. Dhruv Grewal, Ram Krishnan, Joan Lindsey-Mullikin. "Building Store Loyalty Through Service Strategies", *Journal of Relationship Marketing,* Vol. 7, No. 4, (2008): 341-358.
26. Sandra Rothenberger, Dhruv Grewal, Gopalkrishnan R. Iyer. "Understanding the Role of Complaint Handling on Consumer Loyalty

in Service Relationships", *Journal of Relationship Marketing*, Vol. 7, No.4, (2008):359-376.

27. Heiner Evanschitzky, Gopalkrishnan R. Iyer, Barbara Caemmerer. "Dimensions of Satisfaction in Retail Settings: A Research Note", *Journal of Relationship Marketing*, Vol. 7, No. 3, (2008): 275-285.
28. Xiaoyun Han, Robert J. Kwortnik Jr., Chunxiao Wang. "Service loyalty: An integrative model and examination across service contexts", *Journal of Service Research*, Vol. 11, No. 1, (2008): 22-42.
29. Aida Mimouni-Chaabane, Pierre Volle. "Perceive benefits of loyalty programmes: Scale development and implications for relational strategies", *Journal of Business Research*, Vol. 63, Issue 1, (2010): 32-37.
30. Nelson Oly Ndubisi, Naresh K. Malhotra, Chan Kok Wah. "Relationship Marketing, Customer Satisfaction and Loyalty: A Theoretical and Empirical Analysis from an Asian Perspective", *Journal of International Consumer Marketing*, Vol. 21, (2009):5-l 6.
31. Alina Filip, Laurentiu-Dan Anghel. "Customer Loyalty and its Determinants in a Banking Services Environment", *The Amfiteatru Economic Journal*, Vol. 11, Issue 26, (2009): 288-297.
32. Sandip Ghosh Hazra, Dr. Kailash B.L. Srivastava, "Impact of service quality on customer loyalty, commitment and trust in the Indian banking sector", *The IUP Journal of Marketing Management*, Vol. 8, Nos. 3 & 4, (2009):74-95.
33. Leslier M. Valenzuela, Jay P. Mulki, Jorge Fernando Jaramillo. "Impact of Customer Orientation, Inducements and Ethics on Loyalty to the Firm: Customers' Perspective", *Journal of Business Ethics*, No. 93, (2010):277–291.
34. Monica Bedi. "An integrated framework for service quality, customer satisfaction and behavioural responses in Indian banking Industry— a

comparison of public and private sector banks", *Journal of Services Research*, Volume 10, Number 1, (2010): 157-172.

35. Christian Grönroos. "From Marketing Mix to Relationship Marketing: Towards a Paradigm Shift in Marketing", *Management Decision*, Vol. 32, No. 2, (1994): 4-20.
36. Jagdish N. Sheth and Atul Parvatiyar. "The Evolution of Relationship Marketing", *International Business Review*, Vol. 4, No. 4, (1995):397-418.
37. Robert M. Morgan and Shelby D. Hunt. "The Commitment-Trust Theory of Relationship Marketing", *The Journal of Marketing*, Vol. 58, No. 3, (1994): 20-38.
38. Inge Geyskens, Jan-Benedict E.M. Steenkamp , Lisa K. Scheer , Nirmalya Kumar. "The effects of trust and interdependence on relationship commitment: A trans-Atlantic study", *International Journal of Research in Marketing*, No. 13, (1996): 303-317.
39. Soonkwan Hong, Yong J. Wang. "When Relationship Marketing collides with Technology", *Journal of Relationship Marketing*, Vol. 8, (2009): 218–230.
40. Line Ricard, Jean Perrien. "Explaining and Evaluating the Implementation of Organisational Relationship Marketing in the Banking Industry: Clients' Perception", *Journal of Business Research*, Vol. 45, (1999): 199–209.
41. Lawrie Drysdale. "Relationship Marketing: A New Paradigm for Marketing of School", *Principal Matters: The Official Journal of Secondary Principals Associationof Australia*, No. 9, (1999): 36-37.
42. Isabelle Prim. "Relationship Marketing of Services: An Analysis of Service Quality and Service Encounters Through Relational Norms -A Dyadic Approach between Bank Account Managers and SMEs", Paper

presented in the 9th Workshop on Quality Management in Services, Gothenburg, Sweden, 22-23, (1999).

43. Patricia Sorce. “Relationship Marketing Strategy”, A Research Monograph of the Printing Industry Center at RIT Rochester, New York, (2002).

44. Richard W. Brookes, Roderick J. Brodie and Nicole E. Coviello, Roger A. Palmer. “How Managers Perceive the Impacts of Information Technologies on Contemporary Marketing Practices: Reinforcing, Enhancing or Transforming?”, *Journal of Relationship Marketing*, Vol. 3, No. 4, (2004):7-26.

45. Manfred Bruhn, Astrid Frommeyer. “Development of Relationship Marketing Constructs Over Time: Antecedents and Consequences of Customer Satisfaction in a Business-to-Business Environment”, *Journal of Relationship Marketing*, Vol. 3, No. 4, (2004):61-76.

46. Keith MacMillan, Kevin Money, Arthur Money, Steve Downing. “Relationship marketing in the not-for-profit sector: an extension and application of the commitment–trust theory”, Centre for Organisation Reputation and Relationships, Henley Management College, Greenlands, Henley-on-Thames, Oxfordshire. United Kingdom, (2004).

47. Lisa O’Malley and Andrea Prothero. “Beyond the frills of relationship marketing”, *Journal of Business Research*, No. 57, (2004):1286– 1294.

48. Leo Y.M. Sin, Alan C.B. Tse, Oliver H.M. Yau, Raymond P.M. Chow, Jenny S.Y. Lee, Lorett B.Y. Lau.“Relationship marketing orientation: scale development and cross-cultural validation”, *Journal of Business Research*, No. 58, (2005):185– 194.

49. Gopalkrishnan R. Iyer, Arun Sharma, David Bejou, “Developing Relationship Equity in International Markets”, *Journal of Relationship Marketing*, Vol. 5, No. 1, (2006):3-20.

50. Bryan Lilly, Michael J. Tippins, Birgit Leisen Pollack. "The Effects of Relationship Marketing Instruments on Loyalty: The Case of Customer Terminology", *Services Marketing Quarterly***,** Vol. 28, No. 3, (2007).

51. Daniel L. Sherrell, David Bejou. "Assessing the Productivity of Relationship Marketing: Moving Toward a Paradigm", *Journal of Relationship Marketing*, Vol. 6, No. 2, (2007): 3-7.

52. Robert P. Bush, James H. Underwood, Daniel L. Sherrell. "Agenda for Current and Future Research", *Journal of Relationship Marketing*, Vol. 6, No. 2, (2007):9-32.

53. Arun Sharma. "The Metrics of Relationships: Measuring Satisfaction, Loyalty and Profitability of Relational Customers", *Journal of Relationship Marketing*, Vol. 6, No. 2, (2007):33-50.

54. Josee Bloemer, Gaby Odekerken-Schroder. "The Psychological Antecedents of Enduring Customer Relationships: An Empirical Study in a Bank Setting", *Journal of Relationship Marketing*, Vol. 6, No. 1, (2007): 21-43.

55. Maria Saaksjarvi, Katarina Hellen, Johanna Gummerus, Christian Gronroos. "Love at First Sight or a Long-Term Affair? Different Relationship Levels as Predictors of Customer Commitment", *Journal of Relationship Marketing*, Vol. 6, No. 1, (2007): 45-61.

56. Fang-Ming Hsu, Tser-Yieth Chen Ting-Yi Huang. "The Effects on the Relationship Learning from Relationship Enhancement Activities", *Journal of Relationship Marketing*, Vol. 6, No. 1, (2007): 89-107.

57. Joao F. Proenca, Teresa M. Fernandes, P.K. Kannan. "The Relationships in Marketing: Contribution of a Historical Perspective, FEP working papers, Number 274, (2008).

58. J S Prasad, A R Aryasri. "Relationship marketing versus relationship quality & customer loyalty in food retailing", *Pranjana:The Journal of Management Awareness*, Vol. 11, No. 2, (2008).

59. Arun Sharma, "Improving Customer Service and Profitability Through Customer Intervention in Service Relationships", *Journal of Relationship Marketing*, Vol. 7, No. 4, (2008): 327-340.

60. Robert W. Palmatier, Cheryl Burke Jarvis, Jennifer R. Bechkoff, Frank R. Kardes. "The Role of Customer Gratitude in Relationship Marketing", *Journal of Marketing*, Vol. 73, (2009): 1–18.

61. Victor Danciu. "The Relationship Marketing Era for the Romanian Banking Institutions: Could It Bring Something Different?", *The Romanian Economic Journal*, Vol. XII, No. 32, (2009): 3-20.

62. Yang Gregoire, Thomas M. Tripp, Renaud Legoux. "When Customer Love Turns into Lasting Hate: The Effects of Relationship Strength and Time on Customer Revenge and Avoidance", *Journal of Marketing*, Vol. 73, No. 6, (2009): 18-32.

63. Nagasimha Kanagal, "Role of Relationship Marketing in Competitive Marketing Strategy", *Journal of Management & Marketing Research*, Vol. 2, (2009):1-8.

64. Parimal Bhagat. "Relationship Development: Tracking the Formation of Relationship Commitment in a Controlled Setting", *Journal of Relationship Marketing*, No. 8, (2009): 267–278.

65. Mustafa Karadeniz. "The Relationship Marketing Approach and Strategies in Retailing Management to Constitute Customer and Brand Loyalty", *Journal of Naval Science and Engineering,* Vol. 6, No.1, (2010): 15-26.

66. Oana Preda, Emanuela Avram, Iulia Furdui. "Relationship Banking Marketing and its Implications on Piraeus Bank", *Romanian Economic and Business Review,* Vol. 4, No. 2, (2010):95-100.

67. Habibollah Doaei, Abbas Rezaei, Rozita Khajei. "The Impact of Relationship Marketing Tactics on Customer Loyalty: The Mediation

Role of Relationship Quality", *International Journal of Business Administration*, Vol. 2, No. 3 (2011):83-93.

68. Shankar Ganesan, "Determinants of Long-Term Orientation in Buyer-Seller Relationships", *Journal of Marketing,* Vol. 58 (1994):1-19.
69. Kaj Storbacka, Tore Strandvik, Christian Grönroos. "Managing Customer Relationships for Profit: The Dynamics of Relationship Quality", *International Journal of Service Industry Management*, Vol. 5 No. 5, (1994): 21-38.
70. Thorsten Hennig-Thurau, Alexander Klee, "The Impact of Customer Satisfaction and Relationship Quality on Customer Retention: A Critical Reassessment and Model Development", *Psychology & Marketing,* Vol. 14, No. 8, (1997):737–764.
71. Achim Walter, Thilo A. Muller, Gabriele Helfert, Thomas Ritter, "Functions of industrial supplier relationships and their impact on relationship quality, *Industrial Marketing Management*, No. 32, (2003):159– 169.
72. Carmen Lages, Cristiana Raquel Lages, Luis Filipe Lages, "The RELQUAL scale: a measure of relationship quality in export market ventures", *Journal of Business Research,* No. 58, (2005):1040– 1048.
73. Timothy L. Keiningham, Lerzan Aksoy, David Bejou. "Approaches to the Measurement and Management of Customer Value", *Journal of Relationship Marketing,* Vol. 5, No. 2/3, (2006):37-54.
74. Yany Gregoire, Robert J. Fisher. "The effects of relationship quality on customer retaliation", *Market Lett*, Vol. 17, (2006): 31–46.
75. Papassapa Rauyruen, Kenneth E. Miller, "Relationship quality as a predictor of B2B customer loyalty", *Journal of Business Research,* Volume 60, No.1, (2007): 21-31.
76. David L. Jones, Brenda Mak, Janet Sim. "A New Look at the Antecedents and Consequences of Relationship Quality in the Hotel

Service Environment”, *Services Marketing Quarterly*, Vol. 28, No. 3, (2007).

77. Kim-Shyan Fam, David S. Waller. “Agency-Client Relationship Factors Across Life-Cycle stages”, *Journal of Relationship Marketing*, Vol. 7, No. 2, (2008): 217-236.
78. Ryan Keams, Neil Hair. “Consumer Perceptions of Business-to-Consumer Relationships in Electronic Retail Environments: A Means-End Chain Approach”, *Journal of Relationship Marketing*, Vol. 7, No. 1, (2008):5-27.
79. Amanda Beatson, Ian Lings, Siegfried Gudergan. “Employee Behaviour and Relationship Quality: Impact on Customers”, *The Service Industries Journal*, Vol. 28, No. 2, (2008): 211-223.
80. Kong Shin Yee. “Customer Perceived Quality, Relationship Quality and Business Loyalty: An Example of B2B Organisation”, Submitted to the Graduate School of Business, Faculty of Business and Accountancy, University of Malaya, in partial fulfilment of the requirements for the Degree of Master of Business Administration, 2008.
81. Vilte Auruskeviciene, Laura Salciuviene, Vida Skudiene. “The Relationship Quality Effect on Customer Loyalty”, *Pecvnia*, Vol.10, (2010):23-36.
82. Jamil Bojei, Aryaty Alwie. “The Influence of Relationship Quality on Loyalty in Service Sector”, *International Journal of Economics and Management*, vol. 4, No. 1, (2010): 81 – 100.
83. Ching-Hsu Huang. “The Impact of Relationship Quality on Customer Loyalty”, *Journal of Contemporary Management*, (2012): 53-68.
84. Hamid Reza Alipour Shirsavar, Amin Torabi, Ali Dalir Saber Jalali, Ali Nemati, Meysam Borjali zadeh, Seyyed Hassan Pour haghshenas. “Assessing the Effect of Customer Relationship System and State of

Relationship Quality Effect with Customer Life Cycle (Case Study: Saderat Bank Of Rasht)”, *Kuwait Chapter of Arabian Journal of Business and Management Review*, Vol. 2, No.10; (2013).

85. Yu-Chuan Huang, Dong-Jenn Yang. “The relationship among life insurance industry's service quality, relationship quality and customer loyalty: Regulation of customer involvement”, Paper presentation at conference on Business and Information, Bali, (2013).

86. Habibollah Salarzehi, Leila Rahmaninejad. “The Effects of Relationship Quality and Commitment on Customer Loyalty Case Study in Iran”, *Elixir Financial Management*, Vol. 57, (2013):13973-13977.

87. Amin Motamedifar, Ghasem Nadimi, Ebrahim Mabood Mojdehi, Ali Gholami Kandsari, Mehdi Razavipour. “Relationship between relationship quality (RQ) and customer loyalty (Case Study: Refah stores of Rasht)”, *International Research Journal of Applied and Basic Sciences*, Vol. 4, No. 7, (2013):1868-1871.

88. Athanassopoulos. A.D. “Customer Satisfaction Cues to Support Market Segmentation and Explain Switching Behaviour”, *Journal of Business Research* Vol. 47, (2000): 191–207.

89. Kim. M, Kliger.D, Vale. B. “Estimating switching costs: the case of banking”, *Journal of Financial Intermediation*, Vol. 12, (2003): 25-56.

90. Bruce Money. R. “Word-of-mouth promotion and switching behaviour in Japanese and American business-to-business service clients”, *Journal of Business Research*, Vol.57, (2004):297-305.

91. Vanniarajan. T, Boopathi Manickam. P.S. “Antecedents of switching behaviour in retail banking”, *Journal of Marketing and Communication*, Vol. 2, Issue 3 (2007):56-66.

92. Clemes. M.D. “Customer switching behaviour in the New Zealand banking industry”, *Banks and Bank Systems*, Vol. 2, Issue 4, (2007): 50-65.
93. Marvri. M, Ioannou. G. “Customer switching behaviour in Greek banking services using survival analysis**”,** *Managerial Finance*, Vol. 34 No. 3, (2008): 186-197.
94. Yolanda Polo, Javier Sese. “How to make switching costly? The role of marketing and relationship characteristics”, *Journal of service research, V*ol. 12, No. 2, (2009): 119-137.
95. Newby. L, Ward. T. “A re-evaluation of customer switching behaviour in service industries”, Paper presented in Australian and New Zealand Marketing Academy (ANZMAC) Conference, (2009).
96. Matthews. C. “Switching Costs in Banking: The Regulatory Response”, *Paper presented at the 22th Australasian Finance & Banking Conference at Sydney,* Australia, (2009).
97. Matthews. C. “The Family Life Cycle and Banking Relationships”, Proceedings of *Academy of Financial Services Conference* held at California, USA, during 9-10 October, (2009).
98. Arvind Sahay, Nivedita Sharma. “Brand relationships and switching behaviour for highly used products in young consumers”, *Vikalpa,* Vol. 35, No. 1 (2010):15-30.
99. Chaudhari Chetan. “Study on the influence of Demographic factors on Brand switching behaviour of subscribers of GSM mobile services in Pune city”, *Sinhgad Business Review,* Vol. I, Issue 1, (2010): 53-60.
100. Mallikarjuna. V, Krishna Mohan. G. “Customer switching behaviour – An evaluation of factors affecting mobile users”, *Indian Journal of Marketing,* (2010):42-49.

101. Awwad. M.S, Awad Neimat. B (2010), "Factors Affecting Switching Behaviour of Mobile Service Users: The Case of Jordan", *Journal of Economic & Administrative Sciences*, Vol. 26, No. 1, (2010): 27 -51.

102. Mohsin. A. Ahmad. R, Ahmed. A. "Determinants of Customer Switching Behaviour in Banking Sector", *Studies In Business And Economics,* Vol. 1, No.2, (2011):20-34.

103. Ishaq. M. "An Empirical Investigation of Customer Satisfaction and Behavioural Responses in Pakistani Banking Sector", *Management & Marketing Challenges for the Knowledge Society*, Vol. 6, No. 3, (2011): 457-470.

104. Teicher. T, Wagenfuhrer. D. "Effects of Disruptive Events on Consumer Loyalty: Bank Switching After 2008's Crisis", *Journal of Business and Policy Research,* Vol. 7, No. 3, (2012): 195 – 205.

105. Kumaradeepan. V. "The impact of Service Quality on Customer Switching in Telecommunication Industry of Jaffna District, Srilanka", *Zenith International Journal of Business Economics & Management Research,* Vol. 2, Issue 5, (2012):222-231.

106. Subramaniam. R and Ramachandran. J. "Customers' Switching Behaviour in Banking Industry-Empirical Evidence from Malaysia", *International Journal of Business, Economics and Law*, Vol. 1, (2012):156-162.

107. Kumaradeepan. V and Rajumesh. S. "Service Responsiveness on Customer Switching Behaviour in Banking Industry in Jaffna District, Srilanka", *International Journal of Marketing and Technology*,Volume 2, Issue 6, (2012): 1-12.

108. Karimii.O, Maymand. M.M, Hossein. M.H, Ahmadinejad. M. "Customer Switching Behaviour: Developing model in the Iranian

Retail Banking Industry”, *Journal of Basic and Applied Scientific Research*, Vol.2, No. 12, (2012):11984-1199.

109. C.Ying Li. “Why unsatisfied customers still stay? The roles of switching barriers”, Proceedings of International conference on Business and information held at Bali, Indoneasia, (2013).

CHAPTER 3

RELATIONSHIP MARKETING - A THEORETICAL OVERVIEW

Ramya Krishnan K.”A study on the relationship marketing orientation of commercial banks in Kerala” Thesis. Department of Commerce and Management Studies, University of Calicut, 2015

CHAPTER III

RELATIONSHIP MARKETING - A THEORETICAL OVERVIEW

CHAPTER III

RELATIONSHIP MARKETING - A THEORETICAL OVERVIEW

3.1. INTRODUCTION

After reviewing the academic work already done in the literature, it is appropriate to provide a theoretical background about the study. This chapter is devoted for this. The present chapter provides an overview of the concept of relationship marketing, customer loyalty and customer satisfaction, different approaches to relationship marketing, factors influencing the development of relationship marketing, factors influencing Customer loyalty, types of customer loyalty etc. The chapter also includes the details about the present scenario of Indian Banking System.

In the opinion of Francis Buttle (1996)[1] "marketing is no longer simply about developing, selling and delivering products. It is progressively more concerned with the development and maintenance of mutually satisfying long-term relationships with customers. If the 1950s was the era of mass-marketing, and the 1970s the era of market segmentation, then the 1980s represent the genesis of personalized marketing, in which knowledge about individual customers is used to guide highly focused marketing strategies. This change is driven by several conditions: more intense, often global, competition; more fragmentation of markets; a generally high level of product quality which is forcing companies to seek competitive advantage in other ways; more demanding customers; and rapidly changing customer buying patterns. Enduring relationships with customers cannot be duplicated by competitors, and therefore provide for a unique and sustained competitive advantage. The expression most widely used to describe this new form of marketing is Relationship Marketing (RM). Other terms have been used, either as substitutes for RM or to describe some close parallel - micromarketing, database marketing, one-to-one marketing, loyalty marketing, wrap-around marketing, customer partnering, symbiotic marketing and interactive marketing. Although the shift to RM is widespread, it is occurring more rapidly in some sectors and industries than others, facilitated by fundamental cultural shifts within organisations, powerful databases and new forms of organisational structure".

3.2. RELATIONSHIP MARKETING

Martin Christopher (2002)[2] pointed out that "it is now widely accepted that the real purpose of a business is to create and sustain mutually beneficial relationships, especially with selected customers. Equally widely accepted is the view that the cement that binds successful relationships is the two-way flow of value – that is, the customer derives real value from the relationship which converts into value for the organisation in the form of enhanced profitability. Some people have argued that the emergence of relationship marketing in the 1980s was not so much a discovery but a rediscovery of an approach that had long been the cornerstone of many successful businesses. Relationship marketing has been described as a 'new-old concept' and modern relationship marketing has many historical antecedents. But while many of the ideas behind relationship marketing have already been addressed – although not under the modern title of relationship marketing – the topic of relationships was noticeably absent from pre-1980s' marketing literature. Berry[3] has described relationship marketing as moving to the forefront of marketing practice and academic marketing research after being 'on marketing's back burner for so many years'. Researchers and practitioners from all sectors are now embracing relationship marketing, but the modern concept has its origins in industrial and services marketing. The use of the term ‘relationship marketing’ can be traced to the industrial and services marketing literature of the 1980s. In the industrial marketing literature, the early work of Levitt[4] focused on the notion that the real value of a relationship between a customer and a supplier occurs after the sale. He argued that the supplier’s emphasis needed to shift from closing a sale to delivering superior customer satisfaction throughout the lifetime of the customer relationship. Further work by Jackson[5] was among the first literature to differentiate between transaction marketing and relationship marketing. Her work outlined the importance of relationships and how the context of the industrial sale sets the scene for the type of relationship that is possible. She argued that building and enhancing long-term customer relationships involves concentrating on a number of things that have to be executed over long periods and in a consistent manner. Her work was based on organisations operating in the shipping, communications and computer industries. In the services area, it was researchers at Texas A & M University who started to research how relationship marketing could be applied to services. Berry’s landmark paper[6] was one of the earliest to define relationship marketing as ‘attracting, maintaining, and . . . in multiservice organisations . . . enhancing customer relationships’. His work drew attention to the importance of the role of internal marketing in creating an organisational climate that supports the external marketing activities. He also drew attention to a number of relationship- building strategies an organisation could use”.

RM is a term which has yet to acquire uncontested status and meaning. For some, RM is simply transactional marketing dressed up in new clothes; for others, it represents a significant change in the practice of marketing. For some, RM refers to all types of internal and external organisational relationships; for others, RM is focused clearly on external customer relationships. Companies, particularly in the service sector, are increasingly finding ways of building close, long-term relationships with external customers. These companies know that winning new customers is significantly more costly than retaining existing customers, and that when customers defect they take with them all future income stream. Their reason for practising RM is customer retention. However, the more advanced relationship marketers also know that not all customers are worth retaining. Not all contribute positively and equally to company performance. The voice of the customer is absent from much RM. Indeed, it is not known whether customers want, in significant numbers, to enter into relationships with their suppliers. Companies routinely communicate more frequently and make special offers to their more valued customers. Whether this is seen by customers as adding value is a moot point. At its best, RM is characterized by a genuine concern to meet or exceed the expectations of customers and to provide excellent service in an environment of trust and commitment to the relationship. To be successful relationship marketers, companies must develop a supportive organisational culture, market the RM idea internally, intimately understand customers' expectations, create and maintain a detailed customer database, and organise and reward employees in such a way that the objective of RM, customer retention, is achieved (Francis Buttle 1996)[7].

3.2.1. Relationship Marketing versus Transaction Marketing

In the opinion of Gummesson (2008)[8], "RM is often presented as the opposite to *transaction marketing*, the one-shot deal. In transaction marketing, the fact that a customer has bought a product does not forecast the probability for a new purchase, not even if a series of purchases have been made. A customer may repeatedly use the same supplier because of high switching costs, but without feeling committed to the supplier or wanting to enter a closer relationship. Transactions lack history and memory and they don't get sentimental. In RM, loyalty – especially customer loyalty – is emphasized. In the 'loyalty ladder', the lowest rung is the contact with a *prospect* who hopefully turns into a *customer* and a first purchase. Recurrent customers are *clients*; those who have come back and a long-term relationship is in the making. In the next stages the client becomes a *supporter* and finally an *advocate* for the supplier. Transaction marketing has no ambition to climb the loyalty ladder. Still, it is often a realistic and functional option. A purchase can concern standardized goods at lowest price within a specified delivery time and grade of quality. Such deals are made, for example, on metals exchanges. A consumer may only buy a home on a single or a few occasions in a lifetime and rarely has surgery on the appendix more than once. IT offers new alternatives and can facilitate the consumer's search for the lowest price of a branded product, or even bidding in an international auction, a service offered by eBay. Through the deregulation of telecom services, the customer can choose the operator with the lowest rate at a specific hour to a specific destination. But even a one-shot deal can mean deep interactive relationships. If a company builds a new office, the interaction with the builder and a network of providers may be intense for a year or two. The company may not build another office for the next few decades. If you have surgery and stay in a hospital, the interaction will be intense and painfully intimate, but both parties hope that the relationship will be superfluous as the wound heals.

In order to conceptually incorporate transaction marketing in RM, it can be seen as the zero point of the *RM scale*. The scope of the relationships can then be enhanced until a customer and a supplier are practically the same organisation. The *zero relationship* of RM has a *price component* within which the lowest price connects the buyer and the seller. Micro-economic theory advocates that price be the sole determinant of a purchase. This limitation makes the theory a blind guide to marketing management, as it only represents one extreme point on the relationship scale. The zero relationship also has a *convenience component* which implies that the customer often buys where it is simplest and most convenient on a certain occasion. On such occasions price is almost immaterial".

3.2.2. Requirements for successful relationship marketing

In the opinion of Francis Buttle (1996)[9], the important requirements for successful relationship marketing are "supportive culture, internal marketing, understanding customer expectations, sophisticated customer database and new organisational structures and reward schemes".

Supportive culture

First, a supportive culture is necessary for RM to flourish. Several commentators have noted that RM represents a paradigm shift from the older, transactional way of doing business. Paradigm shifts inevitably pose threats to, and demand changes of, existing corporate culture.

Internal marketing

Internal marketing is a second prerequisite for successful RM. The goal of internal marketing is to convert employees to the new vision of RM, to promote the development of the new culture, to persuade them that it is sensible to buy into the new vision, and to motivate them to develop and implement RM strategies. The internal market's expectations and needs must be satisfied. If the organisation is unable to meet its employees' needs, it is likely that they will defect to other jobs before being able to build long-lasting relationships with customers.

Understanding customer expectations

It is also clear that the firm must understand customer expectations. This means that there must be a continuous flow of information into the business; continuity is required because expectations change over time. Work by Parasuraman, Berry and Zeithaml[10] suggests that managers do not always have a clear understanding of customer expectations. This is a product of an inadequate marketing information system, too many levels of management between the front line and management, and communication difficulties.

Sophisticated Customer Database

A fourth requirement for successful RM is a sophisticated customer database which provides information in actionable format for the development and monitoring of RM strategy and tactics. The companies can use these data to communicate highly focused offers to customers, and to monitor the impacts of any RM initiatives. Relationship managers are increasingly able to use databases to track retention rates longitudinally, conduct root-cause investigations of defections, segment their markets and establish retention objectives.

New Organisational Structures and Reward Schemes

Finally, new organisational structures and reward schemes may be required. The traditional marketing and sales function is organised around products or geographic markets. Under the influence of RM, organisation around customers becomes more sensible. The logic of RM would suggest that the people allocated to customer acquisition should differ from those dedicated to customer retention. Different knowledge, skills and attitudes are deployed. Through their combined efforts these account managers should be able to acquire, migrate (from light-user to heavy-user status) and retain customers. Companies will also need to reconsider how they reward employees. At present, sales and marketing management is widely rewarded with a mix of basic salary and performance-related bonus or commission. Common performance criteria include sales volume and customer acquisition. Under the RM regime, customer managers are more likely to be rewarded by customer profitability, account penetration and customer retention.

3.2.3. Factors Influencing the Development of RM

Tracy G. Harwood, Anne J. Broderick and Tony Garry (2008)[11] opined that "the developments that have led to the emergence of RM are complex in nature, largely interrelated and difficult to consider in isolation. However, a number of factors may be identified, namely:

- Maturing of service marketing;
- Research within industrial markets;
- Recognition of the benefits of RM for firms;
- Recognition of the benefits of RM for customers;
- Advances in information technology.

Maturing of Services Marketing

The importance of people has been repeatedly emphasized within services marketing literature because the service is performed and the performers are employees (often referred to as "actors"). Indeed, Gummesson (1987)[12] coined the phrase "part time marketers" to stress the critical marketing role performed by front-line employees who interact with customers and their contribution towards delivery and service satisfaction. Related to this was the emergence of the customer care and quality philosophies of the 1980s. Christopher et al. (1991)[13] highlight how there was a shift of focus, particularly within service industries, towards customer care and quality as dimensions that overlap with the marketing philosophy. Interestingly, they attribute part of this shift to the popularity of Peters and Waterman's text In Search of Excellence (1982)[14]. They further propose that the natural outcome of quality service delivery and customer care is the development of relationships through interaction between employees and customers. As a result, these entities are inextricably linked. More recently, the importance of people as a variable has been extended beyond the marketing of services. The debate on the differences between the marketing of goods and services has taken a new turn. Vargo and Lusch (2004)[15] suggest that goods are a part of service, rather than services being an extension of goods. As Gummesson (1995)[16] states: “customers do not buy goods or services: they buy offerings which render services”. This requires effective knowledge management and information flow between members of the supply chain, from suppliers, through the organisation’s value-adding components (departments, functions), to the end user. Indeed, the customer is a co-producer of the service, through their continued involvement in the consumption of the organisation’s product (Vargo and Lusch, 2004)[17].

Research within industrial markets

As indicated previously, the failure of the traditional marketing approach to capture the complexities and depth of industrial markets led to the growth of research within this field. Research in this area focused on aspects such as inter-organisational exchange and buyer–seller relationships, social exchange, channels literature, network relationships and strategic-management literature including concepts such as value chains.

Recognition of the benefits of RM for firms

There has been an increasing recognition of the benefits of RM from both the firm’s and the customer’s perspectives. From a firm’s perspective, increased competition through the globalization of world markets, market fragmentation and the deregulation of many service markets (e.g. banking, law, airlines, etc.) has meant that protection of the customer base has become paramount. As Buttle (1996)[18] stresses, RM is not based on any philanthropic outlook but on two sound economic arguments:

- First, it is more expensive to win a new customer than it is to retain an existing customer.

- Second, the longer the association that exists between company and customer, the more profitable is the relationship for the firm.

More specifically, its advantages to the firm may be summarized as follows:

Increased profitability

It has been widely demonstrated across a variety of industries that profits increase if a firm retains its existing customers rather than attempts to acquire new ones. For example, analysis of more than 100 companies in 24 industries found that firms could improve profits from 25 per cent to 85 per cent by reducing customer defections by 5 per cent. This may be attributable to a number of factors. For example, ongoing relationships may have a direct impact on financial outgoings by helping to reduce transaction costs associated with repeat ordering (Marshall et al., 1979)[19].

Competitive advantage through added value

Some authors suggest RM adds value to a product or service package. This added value is achieved by providing certain "demand peripherals" such as social exchange, customer care, etc. (e.g. Crosby and Stevens, 1987)[20]. As a result of this added value, a premium may be charged to the customer. Ballantyne et al. (2003)[21] develop this further by suggesting "recent dismay at unethical short-cut approaches to creating shareholder value" has created a climate where interest in the distribution of value among stakeholders is likely to increase the possibility of developing relationships. Value perspectives are suggested which revolve around supplier-managed relationships, mutually interactive processes and values emerging from within networks.

Creation of firm advocates

As well as retaining customers, it is proposed by some authors that RM may go beyond creating mere customer loyalty and, as the relationship strengthens, may create “customer advocates” of the company. As Christopher et al. (1991)[22] state “The objective of Relationship Marketing is to turn new customers into vocal advocates for the company, thus playing an important role as a referral source”. They suggest the existence of a conceptual RM ladder of customer loyalty. Customers are moved up the ladder by enhancing and developing relationships with the customer.

However, the association between relationship length and recommendation is also questionable as some more recent studies have shown no association between the two (e.g. Verhoef et al., 2002)[23]. Indeed, East et al. (2005)[24] state that “in a minority of fields, significantly more recommendations will come from recent recruits than from long-tenure customers”.

Recognition of the benefits of RM for customers

From a customer’s perspective, if a product or service is variable in quality and/or complexity and if the product is of an intangible nature, these combine to create risk and uncertainty. Risk reduction and reduced uncertainty are posited as potential outcomes that customers find particularly important within the context of some markets (Morgan and Hunt, 1994)[25]. Berry (1995)[26]suggests a relationship allows providers to become more knowledgeable about customers’ requirements and needs. Thus, having a long-term, ongoing, stable relationship with a provider may reduce uncertainty and risk and hence reduce customer stress as the relationship becomes more predictable. As a result, problems are solved, special needs accommodated and the expectation levels set to the extent that “in some cases, customers may even be aware of competitors who might provide the same or better service but yet they choose to stay in the relationship due to its predictability and comfort” (Bitner, 1995)[27].

Advances in information technology

Berry (1995)[28] summarise a number of ways that information technology (IT) as a tool may facilitate the effectiveness of a relational perspective:

- Tracking the buying patterns of existing customers
- Customizing services, promotion and pricing to customers' specific requirements
- Co-ordinating or integrating the delivery of multiple services to the same customer
- Providing two-way communication channels (company to customer and customer to company)
- Minimizing the probability of service errors and breakdowns
- Augmenting core service offerings with valued extras
- Personalizing service encounters as appropriate"

3.3. CUSTOMER LOYALTY

Loyalty development is the primary concern of relationship marketing (Sheth, 1996)[29]. Relationship marketing theory suggests that it is more valuable for a retailer to invest effort in developing and maintaining close and long-lasting relationships with customers rather than attracting short-term, discrete transactions. Customers in such relationships are found to purchase more, to be willing to pay more for goods and/or services, to exhibit a high tendency to trust, to become emotionally attached to that firm, and to refer customers to the firm. For companies that face both significant competition and high costs associated with acquiring each customer, customer loyalty becomes crucial. The phenomenon of declining in customer satisfaction and loyalty becomes the major concern of the service firms because the two factors determine the performance of the firms. Loyalty is a historical word, rooted in feudal times when allegiance to the sovereign was fundamental to the success, perhaps even the survival of the state.

Customer loyalty describes the tendency of a customer to choose one business or product over another for a particular need. In the packaged goods industry, customers may be described as being "brand loyal" because they tend to choose a certain brand of soap more often than others. Note the use of the word "choose" though; customer loyalty becomes evident when choices are made and actions taken by customers. Customers may express high satisfaction levels with a company in a survey, but satisfaction does not equal loyalty. Loyalty is demonstrated by the actions of the customer; customers can be very satisfied and still not be loyal. So for an organisation, customer loyalty can be explained in three things. Firstly, loyalty is evidenced by the repeat purchasing behaviour of customers. Secondly, loyalty is shown by the attitude of customers towards the organisation. This includes preference and commitment of the customer towards the brand and recommending it to others. Thirdly, loyalty is regarded as the combination of customers' behaviour and attitude toward the organisation. In other words, besides actively repeating purchase, the customers also give positive appraisal toward the brand and in sharing the positively value of the organisation to others.

3.3.1. Factors influencing Customer Loyalty

According to Peter Clark, co-editor of The Wise Marketer and co-author of *The Loyalty Guide* report series (2007)[30], "there are six major factors that play key roles in influencing the loyalty and commitment of customers. These factors are:

Core Offering

The companies that boast the highest levels of fiercely loyal customers have built that loyalty not on card programmes or gimmicks, but on a solid, dependable, core offering that appeals to their customers. These companies have focused intently on what they know appeals to the type of customers they want to attract, and have determinedly concentrated on delivering what is expected every time. Clearly, the data from a good loyalty programme should help the operator to improve this core offering by tailoring and moulding it more closely to the customers' needs and desires.

Elements of the core offering that have a large role in building customer loyalty include:

- Location and premises

Location and premises clearly play a part in engendering loyalty. The Three L's of retail - "location, location and location" - are undoubtedly important, and attractive and functional premises are equally so.

- *Service*

Whether selling services or products, the level of service perceived by the customer is generally key to generating loyalty. It can be argued that some customers buy only on price, so all that is necessary to retain their loyalty is consistently low prices. To certain extent that is true. But in most cases, any loyalty shown will be only to the prices instead of the business. Should a competitor offer even lower prices, those customers are likely to defect. Companies that have adopted a policy of every day low prices (EDLP) can be more vulnerable to competition than those who have built their customers' loyalty on superior products or service.

- *The product or service*

The products or services offered must be what customers want. The days when businesses could decide what they wanted to sell or supply, and customers would buy it, are long past. The customers' needs and wants are now paramount. If you don't meet them, someone else will.

Satisfaction

Clearly, satisfaction is important; indeed essential. But, taken in isolation, the level of satisfaction is not a good measure of loyalty. Many auto manufacturers claim satisfaction levels higher than 90%, yet few have repurchase levels of even half that. The situation is stacked against the business: if customer satisfaction levels are low, there will be very little loyalty. However, customer satisfaction levels can be quite high without a corresponding level of loyalty. Customers have come to expect satisfaction as part and parcel of the general deal, and the fact that they are satisfied doesn't prevent them from defecting in droves to a competitor who offers something extra.

The point is that, while high levels of customer satisfaction are needed in order to develop loyal customers, the measure of customer satisfaction is not a good measure of the level of loyalty. The two are not measuring the same thing.

Elasticity level

Elasticity expresses the importance and weight of a purchasing decision - effectively the level of involvement or indifference. This applies to both the customer and the business.

- *Involvement*

The customer's involvement in the category is important: the more important your product or service is to the customer, the more trouble they have probably taken in their decision to do business with you, and the more likely they are to stick with what they have decided. Most customers would be highly involved in the category when choosing a new car, a new jacket, or a bottle of wine. However, when choosing a new pair of shoelaces, involvement is not usually high. Businesses dealing in commoditized products and services cannot expect high involvement and need to earn loyalty in other ways.

- *Ambivalence*

The customer's level of ambivalence is also important. Few decisions are clear cut. There are usually advantages and disadvantages to be balanced, and vacillation is unstable. Again, we see that the more commoditized a product or service, the more difficult it is to cultivate loyalty. It is only when points of differentiation are introduced that the customer has a valid reason for consistently preferring one particular supplier.

The marketplace

The marketplace is a key factor in the development of loyalty. The elements most closely involved are:

- *Opportunity to switch*

If the number of competing suppliers is high and little effort is required to switch, switching is clearly more likely. Conversely, the more time and effort invested in the relationship, the more unlikely switching becomes. The level and quality of competition has a significant effect on how easy it is for a customer to switch from any one particular supplier. When competitors are offering very similar products at similar prices, with similar levels of service, some means of useful differentiation has to be found in order to give customers a reason to be loyal.

- *Inertia loyalty*

This is the opposite of ease of switching. Most banks enjoy a high level of inertia loyalty simply because it's often so difficult and time-consuming to change to a new bank and transfer direct debits and standing orders.

Demographics

According to Jan Hofmeyr and Butch Rice, developers of The Conversion Model (which enables users to segment customers not only by their commitment to staying with a brand but also to segment non-users by their openness to switching to the brand), more affluent and better educated customers are less likely to be committed to a specific brand. They say that the commitment of less affluent consumers to the brands they use is often unusually strong - possibly because they cannot afford to take the risk of trying a brand that might not suit them as well. They also suggest that younger consumers are less committed to brands than older consumers.

Share of wallet

As markets become saturated and customers have so much more to choose from, share of wallet becomes increasingly important. It is cheaper and more profitable to increase your share of what the customer spends in your sector, than to acquire new customers. After all, that's what loyalty is really about. Totally loyal customers would give you a 100% share of their spending in your sector".

3.3.2. Types of Customer Loyalty

According to Griffin Jill (1995)[31] "to flourish loyalty two factors are critical: (1) an attachment to the product or service that is high compared with that to potential alternatives and (2) repeat purchase. Four distinct types of loyalty emerge when low and high attachments are cross-classified with high and low repeat purchase patterns. This is shown in the following table.

Table 3.1

Types of Loyalty

Level of Relative Attachment and Repeat Purchase		Repeat Purchase	
		High	Low
Relative Attachment	High	Premium Loyalty	Latent Loyalty
	Low	Inertia Loyalty	No Loyalty

(Source: 'Customer Loyalty', Griffin Jill)

❖ **No Loyalty**

Low relative attachment towards a product or service combined with low repeat purchase signifies an absence of loyalty. For varying reasons, some customers do not develop loyalty to certain products or services. Generally speaking, business should avoid targeting "no loyalty" buyers because they will never be loyal customers; they will add little to the financial strength of the business. The challenge is to avoid targeting of as many of these people as possible in favour of customers whose loyalty can be developed.

❖ **Inertia Loyalty**

A low level of attachment coupled with high repeat purchase produces inertia loyalty. These customers buy out of habit. Here non attitudinal or situational factors are the primary reason for buying. These buyers feel some degree of satisfaction with the company, or at least no real dissatisfaction. This loyalty is most typical for frequently bought products. These buyers are ripe for a competitor's product that can demonstrate a visible benefit to switching. It is possible to turn inertia loyalty in to a higher form of loyalty by actively courting the customer and increasing the positive differentiation he or she perceives about your product or service vs. others available.

- **Latent Loyalty**

A high relative attitude combined with low repeat purchase signifies latent loyalty. When a customer has latent loyalty, situational effects rather than attitudinal influences determine repeat purchase. By understanding situational factors that contribute to latent loyalty, a business can formulate strategies to help them.

- **Premium Loyalty**

Premium loyalty, the most leverageable of the four types, prevails when a high level of attachment and repeat patronage coexist. This is the preferred type of loyalty for all customers of any business. At the highest level of preference, people are proud of discovering and using the product and take pleasure in sharing their knowledge with peers and family. These customers become vocal advocates for the product or service and constantly refer it to others.

3.3.3. Growing a Loyal Customer

A loyal customer is one who makes regular repeat purchases; purchases across product and service lines; refers others; and demonstrates immunity to the pull of the competition. There is a common denominator that runs through all these behaviours and helps explain why loyalty and profitability are so inextricably linked: Each behaviour, either directly or indirectly, contributes to sales. People grow into loyal customers by stages as well. The process is accomplished over time, with nurturing, and with attention to each stage of growth. Each stage has a specific need. By recognizing each of these stages and meeting those specific needs, a company has a great chance of converting buyers into loyal customers and clients. Each of these stages is as follows.

Stage 1: Suspect

Suspects include everyone who might possibly buy your product or service. We call them suspects because we believe or suspect, they might buy, but we don't know enough yet to be sure. The first job of any marketer is to identify suspects. The word suspect may sound harsh and contrary to this age of customer satisfaction, it serves as reminder that at this stage in the relationship, we suspect that a person may have a need of our products and services, but without more information we cannot be sure.

Stage 2: Prospect

A prospect is someone who has a need for your product or service and has the ability to buy. Although a prospector has not yet purchased from you, he or she may have heard about you, read about you, or had someone recommend you to him or her. Prospects may know who you are, where you are, and what you sell, but still they haven't bought from you. In the thrill of the "hunt", many companies have pursued suspects with considerable marketing time and money, only to realise too late that the suspects never met the necessary criteria to become a prospect.

Stage 3: Disqualified Prospect

Disqualified Prospects are those prospects about whom you have learned enough to know that they do not need or do not have the ability to buy your products.

Stage 4: First-Time Customer

First-time customers are those who have purchased from you one time. They can be customers of yours and still be customers of your competitors as well. The first-time customer stage is a crucial stage and coincides with the trial purchase portion of the purchase cycle. The first-time customer is essentially trying out your product or service. If a continuing relationship is going to be developed, it has to begin with the first purchase. If the first purchase is not satisfying to the customer, there will probably not be a second purchase. A poor first-time buyer experience is a major handicap to a further deepening of the relationship. At the first-time customer stage, the buyer and the seller are in a "transaction" phase, wherein the customer is likely to pay close attention to timeliness, accuracy, and other facets of the products and services provided. Being a dependable seller is critical to launching a long term relationship.

Stage 5: Repeat Customer

Repeat customers are people who have purchased from you two or more times. They may have bought the same product twice or bought two different products or services on two or more occasions. Once you have reached this stage, you have the opportunity to recognize each of your customers as individuals and offer products, services and information tailored to their unique needs. Every interaction should be seen as an opportunity to add value. It is important that your interaction with repeat customers work to deepen the relationship. These customers will in turn respond with more information about themselves, will become increasingly loyal, and will continue to drive sales and profits upward.

Stage 6: Client

A client buys everything you have to sell that he or she can possibly use. This person purchases regularly. You have a strong ongoing relationship that makes him or her immune to the pull of competition. At the client stage of the relationship, the buyer feels a real commitment to buy feels a real commitment to buy from you and proves it by buying every product or service of yours the person thinks he or she can reasonably use. One of the benefits of the client stage is that the relationship has progressed in trust so that you can now be more proactive with the client. From the history that developed through the earlier customer stages, you have proved yourself dependable and accountable. You have now earned these people's confidence, and they increasingly seek your input for ideas and services. With this level of contribution, you add more value.

Stage 7: Advocate

Like a client, an advocate buys everything you have to sell that he or she can possibly use and purchases regularly. In addition, however, an advocate encourages others to buy from you. An advocate talks about you, does your marketing for you, and brings customers to you. When customers become advocates for your product or service, you have achieved a relationship of great closeness and trust. This is the most valued and sought-after level of bonding, where word-of-mouth advertising flourishes".

3.3.4. Customer Loyalty in Banks

The differentiating factors among various banks have become minimal and customer loyalty has emerged as a competitive advantage in the commoditized market. Today customers have various options to bank with. Keeping service delivery at high standards is the only way to ensure customer loyalty. Customer loyalty in banking will ensure low marketing cost and low defection rate. Customer loyalty programme is a reward based strategy to retain the existing customers' base. Building the loyalty programme starts with the identification of the customer defection rate. To arrest the defection rate, banks need to identify the root cause for the defection and encourage customers to make complaints about services offerings. To build customer loyalty banks need to take appropriate actions to bring back the defected customers. To control the defection rate and also ensure long-term relationship with loyal customers, banks have to launch loyalty programmes. The loyalty programme aims to build a closer bond between the bank and its current customers. It acts as a tool to increase brand loyalty, decrease customer desire to switch to other brands, decrease price-sensitivity, spread brand values through word of mouth and increase the volume of business. The loyalty programme encourages the loyal customers to make more transactions with the bank. Due to the increasing competition, many banks in India (the public and private sectors) have started offering reward programmes to their customers.

Banks need to design their loyalty programmes based on customer needs that should be different from the routine offers which are passed on to customers to grab loyalty. More of non-monetary benefits are to be incorporated in the loyalty programme because pure monetary benefits in a programme will affect the customer relationship with the banks. The programmes should aim at strengthening the emotional bond between the customer and the bank. To bring out effective loyalty programmes, banks need to analyse the loyalty programme's components such as target segments, membership fees, transaction types, reward redemption process, customer analytics and the coalition partners. These components should be in the right proportion. A loyalty programme consists of two types of costs i.e., the programme cost and system cost. Programme costs are expenses related to administering the programme and system costs are technical infrastructure cost involved in implementing the loyalty programme. The most cost-effective role of a loyalty programme is to improve accessibility, availability and top of mind awareness of a brand. In order to achieve this, the loyalty programme should be communicated through effective advertisement and public relations. The major factors that lead to the failure of the loyalty programmes are the inability to segment members, lack of competitive differentiation, failure of customer tracking, high maintenance cost, limited functionality and flexibility and poor integration. Banks implementing loyalty programmes should analyse the factors contributing to the failure of the programme and should take precautionary actions to overcome such failures.

Today businesses have become more sensitive to the profitability of retaining existing customers. The success of the loyalty programme lies in customers' commitment and involvement with the programme. The loyalty programmes without clear objectives will become only a short-term revenue generation programme rather than creating brand loyalty. Loyalty programmes should be managed properly. Otherwise, they will only increase the expenditure of the bank and will also lead to customer defection. Today, all the banks have realised that in the global and highly competitive market, success lies in the organisation's ability to attract and retain its customers. Creating an effective loyalty programme will definitely lead them to success in managing their customers in a competitive environment.

3.4. INDIAN BANKING SYSTEM

Banking was in existence in India from very early times. The writings of *Manu* and *Kautilya* contained references to banking. But modern banking started in India only from the beginning of the 19th century. During that period banking failure was a common phenomenon. Most of the banks were failed after their establishment because of their combining banking with trading and speculation. The Indian commercial banking system had to pass through a series of financial crisis, and so, its growth was very slow during the first half of the 20th century. It is only after independence, the Indian banking system has made rapid progress. Today, the Indian commercial banking system is one of the well developed commercial banking systems in the world. According to Indian Banks Association "most of the banks in India were founded by Indian entrepreneurs and visionaries in the pre-independence era to provide financial assistance to traders, agriculturists and budding Indian industrialists. Indian banks have played a significant role in the development of Indian economy by inculcating the habit of saving in Indians and by lending finance to Indian industry.

The commercial banking structure in India consists of: Scheduled Commercial Banks and Non Scheduled Banks. Scheduled commercial Banks constitute those banks, which have been included in the Second Schedule of Reserve Bank of India (RBI) Act, 1934. RBI includes only those banks in this schedule, which satisfy the criteria laid down vide section 42(6)(a) of the Act. Indian banks can be broadly classified into Nationalized Banks/Public Sector Banks, Private Banks and Foreign Banks.

3.4.1. Public Sector Banks in India

Banking System in India is dominated by nationalised banks. The first phase nationalisation of banks in India took place in 1969 by Mrs. Indira Gandhi the then prime minister. The major objective behind nationalisation was to spread banking infrastructure in rural areas and make available cheap finance to Indian farmers. In the first phase, fourteen leading Indian scheduled banks were nationalised in 1969. Before 1969, State Bank of India (SBI) was the only public sector bank in India. SBI was nationalised in 1955 under the SBI Act of 1955. The second phase of nationalisation of Indian banks took place in the year 1980. In the second phase, seven more banks were nationalized with deposits over 200 crores.

The Public Sector Banks now operating in India are Allahabad Bank, Andhra Bank, Bank of Baroda Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab & Sind Bank, Punjab National Bank, Syndicate Bank, UCO Bank, Union Bank of India, United Bank of India, Vijaya Bank, State Bank Of India, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala, State Bank of Travancore, IDBI Ltd. and Bharatiya Mahila Bank. Now in India, almost 85% of the organised banking business is controlled by State Bank of India and its associate banks.

3.4.2. Private Sector Banks in India

All the banks in India were earlier private banks. They were founded in the pre-independence era to cater to the banking needs of the people. But after nationalisation of banks in 1969 public sector banks came to occupy dominant role in the banking structure. Private sector banking in India received a fillip in 1994 when Reserve Bank of India encouraged setting up of private banks as part of its policy of liberalisation of the Indian Banking Industry. Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector.

Private Banks have played a major role in the development of Indian banking industry. They have made banking more efficient and customer friendly. In the process they have jolted public sector banks out of complacency and forced them to become more competitive. Private sector banks now operating in India are City Union Bank Ltd., ING Vysya Bank Ltd., Tamilnad Mercantile Bank Ltd., The Catholic Syrian Bank Ltd., Dhanlaxmi Bank Ltd, The Federal Bank Ltd., The Jammu & Kashmir Bank Ltd., The Karnataka Bank Ltd., The Karur Vysya Bank Ltd., The Lakshmi Vilas Bank Ltd., Nainital Bank Ltd., RBL Bank, The South Indian Bank Ltd., Axis Bank Ltd., Development Credit Bank Ltd., HDFC Bank Ltd., ICICI Bank Ltd., Indusind Bank Ltd., Kotak Mahindra Bank Ltd. and YES Bank.

Private sector banks can be divided in to two such as old private sector banks and new private sector banks. The private banks which are formed before financial sector reforms 1991 are known as old private sector banks and the private banks which are formed after financial sector reforms 1991 are known as new private sector banks. These new private sector banks are also known as new generation banks.

3.4.3. Foreign Banks

Foreign Banks now operating in India are AB Bank Limited, Abu Dhabi Commercial Bank Limited, American Express Banking Corporation, Antwerp Diamond Bank N.V., Australia & New Zealand Banking Group Limited, Bank Internasional Indonesia, Bank of America NA, Bank of Bahrain and Kuwait B.S.C., Bank of Ceylon, Barclays Bank PLC, BNP Paribas, CTBC Bank Co.,Ltd., Citibank N.A., Commonwealth Bank of Australia, Credit Agricole Corporate & Investment Bank, Credit Suisse AG, DBS Bank Ltd., Deutsche Bank AG, FirstRand Bank Ltd., HSBC Bank Oman S.A.O.G., Industrial & Commercial Bank of China Limited, JPMorgan Chase Bank, JSC VTB Bank, Krung Thai Bank Public Company Ltd., Mashreqbank psc, Mizuho Bank Ltd., National Australia Bank Ltd., Rabobank International, Sberbank, Shinhan Bank, Societe Generale, Sonali Bank Ltd., Standard Chartered Bank, State Bank of Mauritius Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Nova Scotia, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Hongkong and Shanghai Banking Corpn.Ltd., The Royal Bank of Scotland, UBS AG, United Overseas Bank Ltd., Westpac Banking Corporation and Woori Bank.

3.4.4. Indian Banking System-Present scenario

In India the banking sector has undergone a sea change in the late 1990s. Before the liberalization of economic policies, only public sector banks were in the market. As there was no threat of competition the public sector banks paid little attention to customer satisfaction and customer service delivery. Customers had to bear with the poor services rendered by them.

When the market was opened for the private sector, the new economic policies paved the way for private banks and foreign banks to enter into the market. The public sector banks realised the heart of the competition when their market share started decreasing. When private banks penetrated deep into the market, the fight for market share became more intense. Ultimately the customer became the king in the competitive banking sector.

To move ahead of public sector banks the new generation banks took customer satisfaction as a major weapon to attract and retain customers. The new generation banks along with foreign banks designed their business strategies with customer centric approach. Private banks' decentralized decision making capabilities made them march ahead of public sector banks with more flexible policies. They brought innovative products and new technologies to banking services like Internet banking, Mobile banking, ATM etc. The market is now flooded with multiple products, multiple channels and multiple customer segments. When all the banks started increasing their customer base, they framed a negligible switching cost to attract new customers. It gives an option to the people to switch to any bank where they feel service is better. This became a major issue for banks in retaining their existing customers.

3.5. CONCLUSION

The present chapter has given an idea about the concept of relationship marketing, customer loyalty and customer satisfaction, different approaches to relationship marketing, factors influencing the development of relationship marketing, factors influencing Customer loyalty, types of customer loyalty etc. The details about the present scenario of Indian Banking System are also included in this chapter. After considering the theoretical concepts, it is important to analyse the primary data collected from the respondents. The next three chapters are meant for this.

References

1. Francis Buttle, F. *Relationship Marketing-Theory and Practice.* London : Paul Chapman Publishing Ltd A SAGE Publications Company, n.d, 1996.
2. Martin Christopher, Adrian Payne, David Ballantyne. *Relationship Marketing Creating Stakeholder Value.* Woburn MA: Butterworth-Heinemann, 2002.
3. Berry, L.L..'Relationship Marketing of Services – Growing Interest, Emerging Perspectives', *Journal of the Academy of Marketing Science*, Vol. 23, Issue 4, (1995).
4. Levitt, T.. 'After the Sale is Over', *Harvard Business Review*, September, (1983).
5. Jackson, B.B., *Winning and Keeping Industrial Customers: The Dynamics of Customer Relationships*, Lexington: D. C. Heath. 1985.
6. Berry, L.L., Relationship Marketing, in Berry, L.L., Shostack, G.L. and Upah, G. D. (eds), *Emerging Perspectives on Services Marketing*, Chicago, IL: American Marketing Association, 1983.
7. Francis Buttle, F. *Relationship Marketing-Theory and Practice.* London : Paul Chapman Publishing Ltd A SAGE Publications Company, n.d, 1996.
8. Gummesson, Evert. *Total Relationship Marketing.* Elsevier Ltd., 2008.
9. Francis Buttle, F. *Relationship Marketing-Theory and Practice.* London : Paul Chapman Publishing Ltd A SAGE Publications Company, n.d, 1996.
10. Berry, L.L.. Relationship marketing. In L.L. Berry, G.L. Shostack and G.D. Upah (eds) *Perspectives on Services Marketing*, American Marketing Association, Chicago, 1983.

11. PerspTracy G. Harwood, Anne J. Broderick, Tony Garry. *Relationship Marketing: Perspectives, Dimensions and Contexts*. McGraw-Hill Education, 2008.
12. Gummesson, E.. "The new marketing - developing long-term interactive relationships", *Long Range Planning*, Vol. 20, No. 4, (1987):10 – 20.
13. Christopher, M., Payne, A. and Ballantyne, D. *Relationship Marketing: Bringing Quality, Customer Service and Marketing Together*, Butterworth-Heinemann, Oxford, 1991.
14. Jr, Tom Peters and Robert H Waterman. *In Search Of Excellence.* Harper & Row, 1982.
15. Vargo, Stephen L.and Lusch, Robert F. "Evolving to a new service dominant logic for marketing", *Journal of Marketing*, 68, January, (2004).
16. Gummesson, Evert, "Relationship Marketing: Its Role in the Service Economy," *Understanding Services Management*, William J. Glynn and James G. Barnes, eds. New York: John Wiley & Sons, 1995.
17. Vargo, Stephen L.and Lusch, Robert F. "Evolving to a new service dominant logic for marketing", *Journal of Marketing*, 68, January, (2004).
18. Francis Buttle, F. *Relationship Marketing-Theory and Practice.* London : Paul Chapman Publishing Ltd A SAGE Publications Company, n.d, 1996.
19. Marshall, RA., A. Palmer and S.N. Weisbart. "The Nature and Significance of Agent–Policyholder Relationships", *CLU Journal*, No. 33, January, (1979).

20. Crosby, L.A. and N. Stevens. “Effects of Relationship Marketing on Relationship Satisfaction, Retention and Prices in the Life Insurance Industry”, *Journal of Marketing Research*, vol. 24, November, (1987).

21. Ballantyne, D., M. Christopher, and A. Payne. “Relationship Marketing: Looking Back, Looking Forward”, *Marketing Theory*, Vol. 3, No. 1, (2003).

22. Christopher, M., A. Payne and D. Ballantyne. *Relationship Marketing: Bringing Quality, Customer Service and Marketing Together*, Oxford, UK: Butterworth Heinemann, 1991.

23. Verhoef, P., P. Frances and J. Hoekstra. “The Effect of Relational Constructs on Consumer Referrals and Number of Services Purchased from a Multi-service Provider: Does Age of Relationship Matter?”, *Journal of the Academy of Marketing Science*, vol.30, no. 3, (2002).

24. East, R., P. Gendall, K. Hammond and W. Lomax. ‘Consumer Loyalty: Singular, Additive to Interactive?’, *Australian Marketing Journal*, Vol. 13, No. 2, (2005).

25. Morgan, R.M. and S.D. Hunt. “The Commitment-trust Theory of Relationship Marketing”, *Journal of Marketing*, Vol. 58, July, (1994).

26. Berry, L.L.. “Relationship Marketing of Services – Growing Interest, Emerging Perspectives”, *Journal of the Academy of Marketing Science*, Vol. 23, No. 4, (1995).

27. Bitner, M.J.. “Building Service Relationships: It’s All about Promises”, *Journal of the Academy of Marketing Science*, Vol. 23, No. 4, (1995).

28. Berry, L.L.. “Relationship Marketing of Services – Growing Interest, Emerging Perspectives”, *Journal of the Academy of Marketing Science*, vol. 23, no. 4, (1995).

29. Jagsidh N. Sheth. “Organisational buying behaviour: past performance and future expectations”, *Journal of Business & Industrial Marketing*, Vol. 11 Issue: 3/4, (1996).
30. Peter Clark. “The 6 key factors that influence customer loyalty”, The Loyalty Guide reports, *The Wise Marketer*, August, (2007).
31. Jill, Griffin. *Customer Loyalty*. New York: Lexington Books, 1995.

CHAPTER 4

CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

Ramya Krishnan K.”A study on the relationship marketing orientation of commercial banks in Kerala” Thesis. Department of Commerce and Management Studies, University of Calicut, 2015

CHAPTER IV

CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

CHAPTER IV

CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

4.1. INTRODUCTION

After getting an overview about the concept of relationship marketing and customer loyalty, it is appropriate to analyse the primary data collected from the respondents. A structured and pre – tested questionnaire was used for this. A copy of the questionnaire is exhibited in Annexure I. The present chapter is devoted for the analysis of the primary data with regard to the general banking habits of the customers, customer satisfaction and customer loyalty. The primary data collected from 300 customers of various commercial banks has been analysed with the help of mathematical and statistical tools to draw inferences. The chapter is divided into three sections. Section A deals with the Profile of the respondents. Section B is devoted for the General Banking Habits of the Respondents and Section C deals with the Level of Customer Satisfaction and Customer Loyalty among the Respondents.

Section A

4.2. PROFILE OF THE RESPONDENTS

Many researchers pointed out that the demographic factors of customers influence their banking habits to a great extent. The present study also aims to analyse the demographic influence on the satisfaction level, loyalty, perceived relationship quality and relationship marketing orientation, switching behaviour etc. of bank customers. The present study includes 300 respondents selected from three districts in Kerala namely, Thiruvananthapuram, Thrissur, and Kannur. The selected respondents include customers of selected commercial banks such as Public sector and Private sector banks. Care has been taken to include respondents from both of the gender groups, various age groups, income groups, educational categories and employment status. A profile of the respondents on the above basis is presented below.

Region wise distribution of the sample

For the purpose of making an area wise analysis, Kerala state is divided into three regions such as northern, central and southern regions. From northern region, Kannur district was selected, from central region Thrissur district was selected and from southern region, Thiruvananthapuram district was selected. Equal number of respondents is selected from each district for giving a fair representation of all regions. Area wise analysis of sample respondents is presented in Table 4.1. It can be observed from the table that among the total 300 respondents, 100 (33.33%) sample respondents were taken from each region.

Table 4.1

Region wise distribution of the sample

Region	Public Sector Bank		Private Sector Bank		Total	
	No.	%	No.	%	No.	%
Northern region	50	33.33	50	33.33	100	33.33
Central region	50	33.33	50	33.33	100	33.33
Southern region	50	33.33	50	33.33	100	33.33
Total	150	100.00	150	100.00	300	100.00

(Source: Survey Data)

Gender wise distribution of the sample

Irrespective of gender group, both males and females do banking. The sample respondents are classified on the basis of their gender which is presented in Table 4.2. It can be noticed from the table that 53.67% of the total respondents are males and 46.33% are females. 45.33% of the customers of public sector banks and 62.00% of the customers of private sector banks are males. 54.67% of the customers of public sector banks and 38.00% of the customers of private sector banks are females. It is clear that the majority of the bank customers are males. It is also implied from the table that the female participation is higher in public sector banks compared to private sector banks. The result of Chi-Square analysis shows that type of bank and gender of respondents are dependent as the P value is less than 0.05.

Table 4.2

Gender wise distribution of the sample

Gender	Public Sector Bank		Private Sector Bank		Total	
	No.	%	No.	%	No.	%
Male	68	45.33	93	62.00	161	53.67
Female	82	54.67	57	38.00	139	46.33
Total	150	100.00	150	100.00	300	100.00

Chi-Sq = 8.378, DF = 1, P-Value = 0.004

(Source: Survey Data)

Age wise classification of the sample

As bank customers comprise of different age groups it is important to get an idea about the age of the respondents. Hence the respondents are classified on the basis of age and the result is presented in Table 4.3. In the present study respondents are classified into four age groups of up to 19 years named as teenagers, between 20 to 39 years as youngsters, between 40 to 59 years as middle aged group and 60 years and above as elders. It can be noticed from the table that 53.00% of the sample respondents belong to the age group of 20-39 years i.e., youngsters, 37.00% of the sample respondents belong to the age group of 40-59 years i.e., middle aged. 6.00% of the sample respondents belong to the age group of up to 19 years i.e., teenagers and only 4.00% of them belong to the age group of 60 years & above i.e., elders.

It can be further noted from the table that youngsters constitute a major portion of the total sample respondents as their median age is 36.77 Years. The median age of public sector and private sector bank customers is around the total average. It is 37.53 years in case of public sector bank customers and 36.06 years in case of public sector bank customers. The result of Chi-Square analysis shows that type of bank and age of respondents are independent as the P value is more than 0.05.

Table 4.3

Age wise classification of the sample

Age (in years)	Public Sector Bank		Private Sector Bank		Total	
	No.	%	No.	%	No.	%
Up to 19 Years	8	5.33	10	6.67	18	6.00
20 Years – 39 Years	77	51.33	82	54.67	159	53.00
40 Years - 59 Years	58	38.67	53	35.33	111	37.00
60 Years & Above	7	4.67	5	3.33	12	4.00
Total	150	100.00	150	100.00	300	100.00
Median Age	**37.53 Years**		**36.06 Years**		**36.77 Years**	

Chi-Sq = 0.938, DF = 3, P-Value = 0.816
(Source: Survey Data)

Education wise distribution of the sample

The level of education of people can influence their banking behaviour to a great extent. Therefore it is appropriate to classify the respondents according to their level of education. The result of the analysis on this basis is presented in Table 4.4. It can be observed from the table that 34.67% of the total respondents are post graduates, 24.67% have professional qualification, 20.33% have SSLC qualification, 8.00% have below SSLC qualification, 7.00% are graduates and 5.33% have pre-degree qualification. 35.33% of the customers of public sector banks and 34.00% of the customers of private sector banks are post graduates. 20.67% of the customers of public sector banks and 28.67% of the customers of private sector banks have professional qualification. 12.00% of the customers of public sector banks and 4.00% of the customers of private sector banks have below SSLC qualification. Percentage of post graduate respondents is higher among all types of banks. On an overall basis it can inferred that nearly 70 percent of the respondents have at least graduation. The result of Chi-Square analysis shows that type of bank and educational qualification of respondents are dependent as the P value is less than 0.05.

Table 4.4

Educational Qualification wise distribution of the sample

Educational Qualification	Public Sector Bank		Private Sector Bank		Total	
	No.	%	No.	%	No.	%
Below S.S.L.C.	18	12.00	6	4.00	24	8.00
S.S.L.C.	21	14.00	40	26.67	61	20.33
Pre- Degree	13	8.67	3	2.00	16	5.33
Degree	14	9.33	7	4.67	21	7.00
Post Gradation	53	35.33	51	34.00	104	34.67
Professional qualification	31	20.67	43	28.67	74	24.67
Total	150	100.00	150	100.00	300	100.00

Chi-Sq = 22.486, DF = 5, P-Value = 0.000
(Source: Survey Data)

Occupation wise distribution of the sample

Occupation is an important demographic factor that may influence the banking habits of the customers. So it is important to classify the respondents on the basis of their occupation. The employment status wise classification of the respondents is shown in Table 4.5. It can be noted from the table that 25.67% of the total respondents are agriculturists, 25.00% of them are students and 21.33% are salaried employees. 4.67% of the total respondents are business persons and self employed. 4.33% of the total respondents are house wives. 24.67% of the customers of public sector banks and 18.00% of the customers of private sector banks are salaried employees. 16.00% of the customers of public sector banks and 35.33% of the customers of private sector banks are agriculturists. . 33.33% of the customers of public sector banks and 16.67% of the customers of private sector banks are students. Business people constitute 6.00% of public sector banks 3.33% of and private sector banks. Percentage of salaried employees and students is higher among public sector banks. At the same time the percentage of agriculturists and daily wage earners is higher among the private sector banks. The result of Chi-Square analysis shows that type of bank and occupation of respondents are dependent as the P value is less than 0.05.

Table 4.5

Occupation wise distribution of the sample

Occupation	**Public Sector Bank**		**Private Sector Bank**		**Total**	
	No.	**%**	**No.**	**%**	**No.**	**%**
Daily wage earner	11	7.33	32	21.33	43	14.33
Salaried	37	24.67	27	18.00	64	21.33
Agriculturist	24	16.00	53	35.33	77	25.67
Self employed	9	6.00	5	3.33	14	4.67
Businessmen	9	6.00	5	3.33	14	4.67
House wife	10	6.67	3	2.00	13	4.33
Student	50	33.33	25	16.67	75	25.00
Total	150	100.00	150	100.00	300	100.00

Chi-Sq = 37.129, DF = 6, P-Value = 0.000
(Source: Survey Data)

Income wise classification of the sample

It is important to analyse the income wise classification of the respondents because the income of a person is the main determinant that decides their banking transactions. So the income wise classification of sample respondents will be appropriate. The result of the analysis is given in

Table 4.6. It can be noticed from the table that 64.67% of the total sample respondents belong to the annual income group of Up to Rs.2 Lakhs. 9.67% have annual income of Rs. 2 Lakhs – Rs. 4 Lakhs. 20.33% have annual income of Rs. 4 Lakhs – Rs. 6 Lakhs. Only 5.33% belong to the income group of Above Rs. 6 Lakhs. 54.00% of the customers of public sector banks and 75.33% of the customers of private sector banks have annual income of Up to Rs. 2 Lakhs. 7.33% of the customers of public sector banks and 3.33% of the customers of private sector banks have annual income of above Rs. 6 Lakhs. With the help of the data presented in Table 4.6, the median annual incomes of the respondents were calculated. The result shows that the median annual income of the total respondents was Rs 1.55 lakhs. The median annual income of the customers of public sector banks and private sector banks were Rs 1.85 lakhs and Rs 1.33 lakhs respectively. So it can be concluded that the income level of customers of private sector banks is less compared to that of public sector banks. The result of Chi-Square analysis shows that type of bank and income levels of respondents are dependent as the P value is less than 0.05.

Table 4.6

Income wise classification of the sample

Income level	**Public Sector Bank**		**Private Sector Bank**		**Total**	
	No.	**%**	**No.**	**%**	**No.**	**%**
Up to Rs. 2 Lakhs	81	54.00	113	75.33	194	64.67
Rs. 2 – 4 Lakhs	17	11.33	12	8.00	29	9.67
Rs. 4 – 6 Lakhs	41	27.33	20	13.33	61	20.33
Above Rs. 6 Lakhs	11	7.33	5	3.33	16	5.33
Total	150	100.00	150	100.00	300	100.00
Median Income	**Rs 1.85 lakhs**		**Rs 1.33 lakhs**		**Rs 1.55 lakhs**	

Chi-Sq = 15.620, DF = 3, P-Value = 0.001
(Source: Survey Data)

Section B

4.3. GENERAL BANKING HABITS OF THE RESPONDENTS

This part is intended to analyse the banking habits of the respondents by way of evaluating their association with their respective banks and their frequency of usage of various banking services. The general banking habits of the customers were analysed on the basis of type of bank, age, education, occupation and income of the respondents for drawing inferences on different dimensions.

4.3.1. Period of association with the present bank

Period of association with a bank is an indication of loyalty of the customer towards that bank. Table 4.7 shows the period of association of respondents with their present banker. It can be observed from the table that 54.00% of the total respondents have been associating with their present bank for a period of less than 5 years. 18.33% of the total respondents have been associating with their present bank for a period of 5-10 years. 14.33% of the total respondents have been associating with their present bank for a period of 10-15 years and 13.33% of respondents have been associating with their present bank for a period of more than 15 years. It is also implied from the table that on an average, majority of the respondents are taking the services of their respective banks for nearly five years as the median period of association of total customers with their agency is 4.63 years.

Bank wise classification of Period of Association

Bank wise classification of period of association with the present banker shows that 44.67% of the public sector bank customers and 63.34% of the private sector bank customers have been associating with their present bank for a period of less than 5 years. 26.67% of the public sector bank customers and 10.00% of the private sector bank customers are associating with their present bank for a period of 5-10 years. 15.33% of the public sector bank customers and 13.33% of the private sector bank customers have been associating with their present bank for a period of 10-15 years and 13.33% of both public sector bank customers and private sector bank customers have been associating with their present bank for a period of more than 15 years.

It can also be seen from the table that the public sector bank customers have been taking the services of their banks for six years whereas private sector bank customers have been availing of the services of their bank for nearly four years as the median values for public sector bank and private sector banks are 6 and 3.95 respectively. Overall it is understandable that there is difference in the period of association of public sector bank customers and the private sector bank customers and public sector bank customers have long years of experience in banking as compared to private sector bank customers. The result of Chi-Square analysis shows that the difference found in the period of association of public sector bank customers and the private sector bank customers is statistically significant as the P value is less than 0.05.

Table 4.7

Bank wise classification of Period of Association

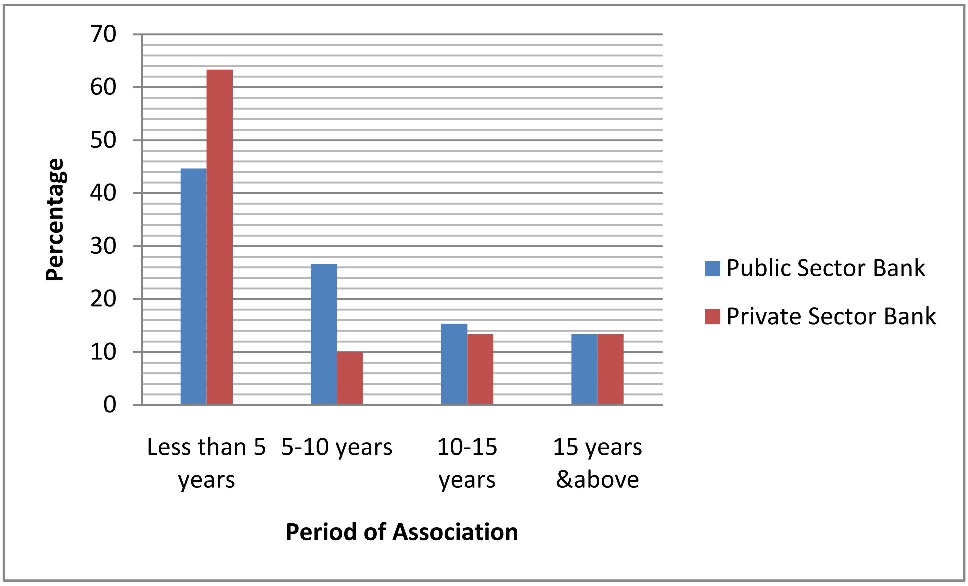
Period of association	Public Sector Bank		Private Sector Bank		Total	
	No.	%	No.	%	No.	%
Less than 5 years	67	44.67	95	63.34	162	54.00
5-10 years	40	26.67	15	10.00	55	18.33
10-15 years	23	15.33	20	13.33	43	14.33
15 years & above	20	13.33	20	13.33	40	13.33
Total	150	100.00	150	100.00	300	100.00
Median Value	**6 Years**		**3.95 Years**		**4.63 Years**	

(Chi-Sq = 16.412, DF = 3, P-Value = 0.001)
(Source: Survey Data)

The above data is also presented in the following chart.

Chart 4.1

Bank wise classification of Period of Association



Age wise analysis of Period of Association

The above data has been analysed on the basis of age of the respondents and the result of analysis is presented in table 4.8. It can be evaluated from the table that 94.44% customers of up to 19 years age group have been associating with their present bank for a period of less than 5 years. The remaining 5.56% of them have been associating with their present bank for a period of 5-10 years. 73.58% customers of 20 – 39 years age group have been associating with their present bank for a period of less than 5 years. Only 3.77% of them have been associating with their present bank for a period of 15 years & above. 24.32% customers of 40-59 years age group have been associating with their present bank for a period of less than 5 years. 26.13% of them have been associating with their present bank for a period of 15 years & above. Only 8.33% customers of 60 years and above age group have been associating with their present bank for a period of less than 5 years and 41.67% of them have been associating with their present bank for a period of 15 years & above.

It can also be seen from the table that the period of association with the bank is higher among the elder customers with a median value of 14.00 years, followed by the middle aged customers of 10.73 years. It implies that the elder customers have been using the services of their respective banks for the last fourteen years and middle aged group have been using the banking services for nearly eleven years. The median value for the youngsters is less with 3.40 years which indicate that their average period of being the customer is nearly three years only. The period of association is very low among the Teenage customers with a median value of 2.65 years, implying that they have been taking the services of their respective banks for the last two years only. The difference is found statistically significant as revealed from the Chi-Square test.

Table 4.8

Age wise analysis of Period of Association

Period	Up to 19 Years		20 – 39 Years		40 – 59 Years		60 Years & Above		Total	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Less than 5 years	17	94.44	117	73.58	27	24.32	1	8.33	162	54.00
5-10 years	1	5.56	29	18.24	24	21.62	1	8.33	55	18.33
10-15 years	0	0.00	7	4.40	31	27.93	5	41.67	43	14.33
15 years & above	0	0.00	6	3.77	29	26.13	5	41.67	40	13.33
Total	18	100.00	159	100.00	111	100.00	12	100.00	300	100.00
Median Value	**2.65 Years**		**3.40 Years**		**10.73 Years**		**14.00 Years**		**4.63 Years**	

(Chi-Sq = 110.631, DF = 9, P-Value = 0.000)
(Source: Survey Data)

Education wise classification of Period of Association

Information regarding the period of association with the present banker for the different education groups is presented in Table 4.9. It can be noted from the table that 25.00% of the customers having an educational qualification of up to S.S.L.C have been associating with their present bank for a period of less than 5 years. 29.17% of them have been associating with their present bank for a period of 5-10 years and 25.00% of them have been associating with their present bank for a period of 15 years & above. 36.07% of the customers having an educational qualification of S.S.L.C have been associating with their present bank for a period of less than 5 years. Only 8.20% of them have been associating with their present bank for a period of 15 years & above. 31.25% of the customers having an educational qualification of Pre-Degree have been associating with their present bank for a period of less than 5 years. The same percentage (31.25%) of them has been associating with their present bank for a period of 15 years & above. 28.57% of the customers having an educational qualification of Degree have been associating with their present bank for a period of less than 5 years and 23.81% of them have been associating with their present bank for a period of 15 years & above. 75.00% of the customers having an educational qualification of P.G. have been associating with their present bank for a period of less than 5 years and only 4.81% of them have been associating with their present bank for a period of 15 years & above. 60.81% of the customers having professional qualification have been associating with their present bank for a period of less than 5 years. Only 8.11% of them have been associating with their present bank for a period of 10-15 years and 18.92% of them have been associating with their present bank for a period of 15 years & above.

Table 4.9 also reveals that the median value of graduates is 9.5 whereas that of up to S.S.L.C. group is 9.29 implying that the average period of being the bank customer of these two groups is more than nine years. In the case of SSLC group, the median value is 8.04 whereas that of Pre-Degree group is 8.00 which show that they have been taking the services of their banks for nearly eight years. For post graduates the median value is 3.33 whereas that of professionally qualified respondents is 4.11. This gives the idea that, the post graduates has been using the services of banking for more than three years whereas it is four years in the case of professionally qualified group. The differences found in the period of association among the customers of different education groups are statistically significant as revealed from the Chi-Square analysis.

Table 4.9

Education wise classification of Period of association

Period	Up to SSLC		SSLC		Pre-Degree		Degree		PG		Professional Qualification		Total	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Less than 5 years	6	25.00	22	36.07	5	31.25	6	28.57	78	75.00	45	60.81	162	54.00
5-10 years	7	29.17	14	22.95	5	31.25	5	23.81	15	14.42	9	12.16	55	18.33
10-15 years	5	20.83	20	32.79	1	6.25	5	23.81	6	5.77	6	8.11	43	14.33
15 years &above	6	25.00	5	8.20	5	31.25	5	23.81	5	4.81	14	18.92	40	13.33
Total	24	100.00	61	100.00	16	100.00	21	100.00	104	100.00	74	100.00	300	100.00
Median Value	**9.29 Years**		**8.04 Years**		**8.00 Years**		**9.5 Years**		**3.33 Years**		**4.11 Years**		**4.63 Years**	

(Chi-Sq = 68.204, DF = 15, P-Value = 0.000)
(Source: Survey Data)

Occupation wise presentation of Period of association

Here, respondents are classified into seven occupational categories such as daily wage earners, salaried, agriculturist, self employed, business man, house wife and student. The above data has been analysed on the basis of occupation of the respondents and the result of analysis is presented in table 4.10. It can be evaluated from the table that 60.47% customers of daily wage earner group have been associating with their present bank for a period of less than 5 years and 11.63% of them have been associating with their present bank for a period of 15 years & above. 53.13% customers of salaried group have been associating with their present bank for a period of less than 5 years. Only 7.81% of them have been associating with their present bank for a period of 15 years & above. 33.77% of agriculturists have been associating with their present bank for a period of less than 5 years. 27.27% of them have been associating with their present bank for a period of 15 years & above. 35.71% customers of self employed category have been associating with their present bank for a period of less than 5 years and 14.29% of them have been associating with their present bank for a period of 15 years & above. 28.57% of businessmen have been associating with their present bank for a period of less than 5 years. 35.71% of them have been associating with their present bank for a period of 15 years & above. Only 7.69% of house wives have been associating with their present bank for a period of less than 5 years. 15.38% of them have been associating with their present bank for a period of 15 years & above. 88.00% of students have been associating with their present bank for a period of less than 5 years. The remaining 12.00% of them have been associating with their present bank for a period of 5-10 years.

It can also be seen from the table that the period of association with the bank is higher among the agriculturists with a median value of 16.02 years, followed by the house wife category with a median value of 10.50 years. It implies that the agriculturists have been using the services of their respective banks for the last sixteen years and house wife group have been using the banking services for the last ten years. The median value for the business men is 8 years which indicates that they have been using the services of their respective banks for the last eight years. It is seven years in the case of self employed people. The median value for the salaried group is 4.71 years which indicate that their average period of being the customer is nearly four years. The median value for the daily wage earners is less with 4.13 years which indicate that they have been using the services of their respective banks for the last four years. The period of association is very low among the student customers with a median value of 2.84 years, implying that they have been taking the services of their respective banks for the last two years only. The difference is found statistically significant as revealed from the Chi-Square test.

Table 4.10

Occupation wise presentation of Period of association

Period	Daily wage Earner		Salaried		Agriculturist		Self employed		Businessman		House wife		Student		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Less than 5 years	26	60.47	34	53.13	26	33.77	5	35.71	4	28.57	1	7.69	66	88.00	162	54.00
5-10 years	6	13.95	17	26.56	8	10.39	5	35.71	5	35.71	5	38.46	9	12.00	55	18.33
10-15 years	6	13.95	8	12.50	22	28.57	2	14.29	0	0.00	5	38.46	0	0.00	43	14.33
15 years &above	5	11.63	5	7.81	21	27.27	2	14.29	5	35.71	2	15.38	0	0.00	40	13.33
Total	43	100.00	64	100.00	77	100.00	14	100.00	14	100.00	13	100.00	75	100.00	300	100.00
Median Value	**4.13 Years**		**4.71 Years**		**16.02 Years**		**7.00 Years**		**8.00 Years**		**10.5 Years**		**2.84 Years**		**4.63 Years**	

(Chi-Sq = 101.703, DF = 18, P-Value = 0.000)
(Source: Survey Data)

Income wise classification of Period of association

Here, respondents are classified into four categories of those who are earning less than Rs 200,000 in a year named as low income group, between Rs.200000 to Rs.400,000 as middle income group, between Rs.400,000 to Rs.600,000 as high income group and above Rs.600,000 as very high income group. Information regarding the period of association with the present banker for the different income groups is presented in Table 4.11. It can be noted from the table that 55.67% of the customers having an annual income of up to Rs. 2 lakhs have been associating with their present bank for a period of less than 5 years. 14.43% of them have been associating with their present bank for a period of 15 years & above. 31.03% of the customers having an annual income between Rs. 2 lakhs to Rs. 4 lakhs have been associating with their present bank for a period of less than 5 years. 17.24% of them have been associating with their present bank for a period of 15 years & above. 65.57% of the customers having an annual income between Rs. 4 lakhs to Rs. 6 lakhs have been associating with their present bank for a period of less than 5 years. 9.84% of them have been associating with their present bank for a period of 15 years & above. 31.25% of the customers having an annual income of Rs. 6 lakhs and above have been associating with their present bank for a period of less than 5 years and 6.25% of them have been associating with their present bank for a period of 15 years & above.

It can also be seen from the table that the period of association with the bank is higher among the very high income group customers with a median value of 8.00 years, followed by the middle income group customers of 7.75 years. It implies that the customers belong to these income groups have been using the services of their respective banks for nearly eight years. The median value for the low income group customers is less with 4.49 years which indicate that they have been using the services of their respective banks for last four years. The period of association is very low among the high income group customers with a median value of 3.81 years, implying that they have been taking the services of their respective banks for the last three years only. The difference is found statistically significant as revealed from the Chi-Square test.

Table 4.11

Income wise classification of Period of association

Period	**Up to Rs.2 Lakhs**		**Between Rs. 2 - 4 Lakhs**		**Between Rs. 4 - 6 Lakhs**		**Rs.6 Lakhs & Above**		**Total**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Less than 5 years	108	55.67	9	31.03	40	65.57	5	31.25	162	54.00
5-10 years	31	15.98	10	34.48	9	14.75	5	31.25	55	18.33
10-15 years	27	13.92	5	17.24	6	9.84	5	31.25	43	14.33
15 years & above	28	14.43	5	17.24	6	9.84	1	6.25	40	13.33
Total	194	100.00	29	100.00	61	100.00	16	100.00	300	100.00
Median Value	**4.49 Years**		**7.75 Years**		**3.81 Years**		**8.00 Years**		**4.63 Years**	

(Chi-Sq = 18.493, DF = 9, P-Value = 0.030)
(Source: Survey Data)

4.3.2. FREQUENCY OF USAGE OF BANKING SERVICES

Today banks are providing variety of innovative services like internet banking, mobile banking, ATMs, debit cards, credit cards etc., to their customers besides their conventional services. So it is important to know the usage level of these banking services by the customers. Therefore the respondents are asked to give information about the frequency of usage of banking services. For this, they are asked to give points in such a way that 5 for daily usage, 4 for twice in a week, 3 for weekly usage, 2 for fortnightly usage and 1 for monthly usage. The result of the analysis is presented in Table 4.12. The analysis result shows that only 6% of the total respondents are using banking services daily. 13.33% of them are using banking services twice in a week. 15.67% of them are using banking services weekly. 7.67% of them are using banking services fortnightly and 57.33% of the total respondents are using banking services monthly. It can also be noted from the table that the combined mean value is 2.03 which show that the average frequency of usage of banking services by customers is twice in a month i.e., fortnightly.

Bank wise analysis of Frequency of usage

Bank wise classification of usage of banking services by customers shows that 8.00% of the public sector bank customers and 4.00% of the private sector bank customers have been using banking services daily. 14.00% of the public sector bank customers and 12.67% of the private sector bank customers are using banking services twice in a week. 14.67% of the public sector bank customers and 16.67% of the private sector bank customers are using banking services weekly. 11.33% of the public sector bank customers and 4.00% of the private sector bank customers are using banking services fortnightly. 52.00% of the public sector bank customers and 62.67% of the private sector bank customers are using banking services monthly.

It can also be noted from the table that both public sector and private sector bank customers are using banking services twice in a month i.e., fortnightly as the mean values for public sector bank customers and private sector bank customers are 2.15 and 1.91 respectively. So it is understandable that there is not much difference in the frequency of usage of banking services by the public sector and private sector bank customers. The result of Chi-Square analysis also confirms this.

Table 4.12

Bank wise analysis of Frequency of usage

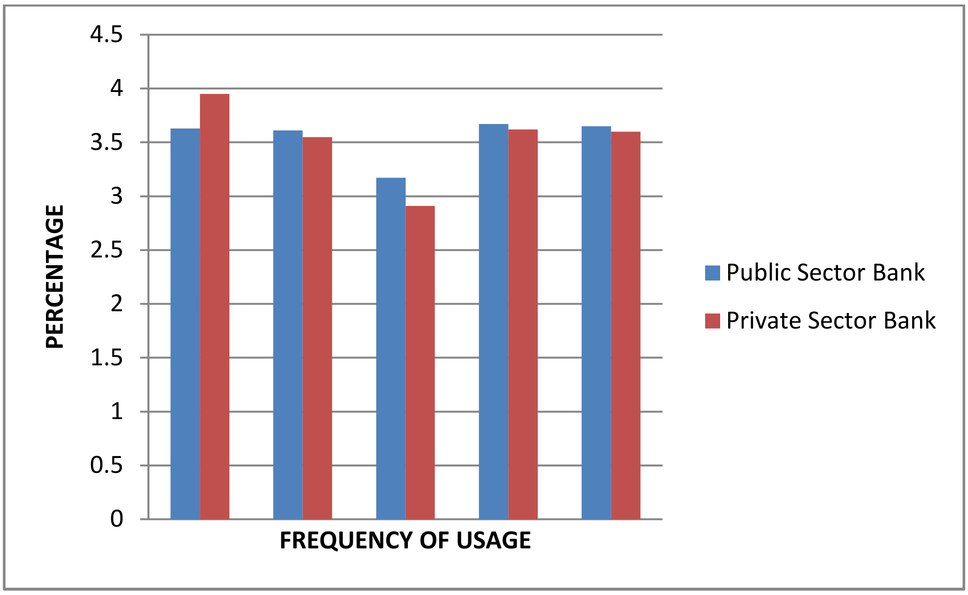
Frequency of usage	Public Sector Bank		Private Sector Bank		Total	
	No.	%	No.	%	No.	%
Daily	12	8.00	6	4.00	18	6.00
Twice in a week	21	14.00	19	12.67	40	13.33
Weekly	22	14.67	25	16.67	47	15.67
Fortnightly	17	11.33	6	4.00	23	7.67
Monthly	78	52.00	94	62.67	172	57.33
Total	150	100.00	150	100.00	300	100.00
Mean value	**2.15**		**1.91**		**2.03**	

(Chi-Sq = 5.640, DF = 3, P-Value = 0.130)
(Source: Survey Data)

The above data is also presented in the following chart.

Chart 4.2

Bank wise analysis of Frequency of usage



Age wise classification of Frequency of usage

Frequency of usage of banking services by the respondents are also analysed on the basis of their age and the result of this analysis is presented in Table 4.13. The table shows that, the customers in the age group of up to 19 years and above 60 years are using banking services neither daily nor twice in a week. 5.56% customers of up to 19 years age group are using various banking services weekly and 66.67% of them are using banking services once in a month. 6.29% customers of 20 – 39 years age group are daily using various services provided by their bank and 56.60% of them are using banking services once in a month. 7.21% customers of 40- 59 years age group are daily using various banking services. But 55.86% of them are using banking services once in a month. 8.33% customers of 60 years and above age group are daily using various services provided by their bank and 66.67% of them are using banking services once in a month.

It can also be seen from the table that the frequency of usage of banking services is higher among the middle aged customers followed by the youngsters. The mean value for middle aged customers is 2.17 and for youngsters is 2.05 which indicate that they are using banking services twice in a month i.e., fortnightly. The frequency of usage of banking services is low among the elders and teenagers. The mean value for the elder customers is 1.42 and for teenage customers is 1.39 which indicate that they are using the banking services once in a month. The difference found is statistically significant as revealed from the Chi-Square test.

Table 4.13

Age wise classification of Frequency of usage

Frequency of usage	Up to 19 Years		20 Years – 39 Years		40 Years - 59 Years		60 Years & Above		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Daily	0	0.00	10	6.29	8	7.21	0	0.00	18	6.00
Twice in a week	0	0.00	18	11.32	22	19.82	0	0.00	40	13.33
Weekly	1	5.56	32	20.13	13	11.71	1	8.33	47	15.67
Fortnightly	5	27.78	9	5.66	6	5.41	3	25.00	23	7.67
Monthly	12	66.67	90	56.60	62	55.86	8	66.67	172	57.33
Total	18	100.00	159	100.00	111	100.00	12	100.00	300	100.00
Mean value	**1.39**		**2.05**		**2.17**		**1.42**		**2.03**	

(Chi-Sq = 56.666, DF = 12, P-Value = 0.000)
(Source: Survey Data)

Education wise classification of Frequency of usage

The above data is also analysed on the basis of educational qualification of respondents and is presented in the following table. It can be observed from the Table 4.14 that 20.83% and 33.33% of the customers having educational qualification of below SSLC are using the banking services daily and once in a month respectively. None of the customers having SSLC qualification were using banking services daily. At the same time 72.13% of them are using the services of bank on a monthly basis. Among the customers having pre-degree qualification, 6.25% and 31.25% uses the banking services daily and monthly respectively. At the same time 9.52% and 38.10% of the degree holding customers use the service of their banks daily and monthly respectively. Among the customers having PG as their educational qualification 4.81% uses banking services daily. 64.42% of them avail the services of their bank on a monthly basis. 6.76% and 54.05% of the respondents having professional qualification avail the banking services on a daily and monthly basis respectively.

The Table 4.14 indicates that frequency of usage of banking services is higher among the customers having below SSLC qualification with a mean score of 2.92, which indicates that they are using the banking services on a weekly basis. This is followed by customers having degree qualification with a mean value of 2.48. It implies that the degree holders are using the banking services twice in a month, ie, fortnightly. The frequency of banking usage is lower among the customers of SSLC qualification, with a mean value of 1.59. It indicates that their frequency of usage is fortnightly. The mean value for the customer having Professional qualification, PG and Pre-degree were calculated to be 2.20, 2.19 and 1.85 respectively. All these indicate that they are availing the banking services twice in a month. The result of Chi-Square test revealed that significant difference exists between the customers of different educational qualification with regard to the frequency of banking service usage.

Table 4.14

Education wise classification of Frequency of usage

Frequency of usage	Below SSLC		SSLC		Pre-Degree		Degree		PG		Professional Qualification		Total	
	No	**%**	**No**	**%**	**No**	**%**	**No**	**%**	**No**	**%**	**No**	**%**	**No**	**%**
Daily	5	20.83	0	0.00	1	6.25	2	9.52	5	4.81	5	6.76	18	6.00
Twice in a week	5	20.83	7	11.48	0	0.00	3	14.29	9	8.65	16	21.62	40	13.33
Weekly	5	20.83	5	8.20	5	31.25	6	28.57	18	17.31	8	10.81	47	15.67
Fortnightly	1	4.17	5	8.20	5	31.25	2	9.52	5	4.81	5	6.76	23	7.67
Monthly	8	33.33	44	72.13	5	31.25	8	38.10	67	64.42	40	54.05	172	57.33
Total	24	100.00	61	100.00	16	100.00	21	100.00	104	100.00	74	100.00	300	100.00
Mean value	**2.92**		**1.59**		**2.19**		**2.48**		**1.85**		**2.20**		**2.03**	

(Chi-Sq = 52.981, DF = 20, P-Value = 0.000)
(Source: Survey Data)

Occupation wise presentation of Frequency of usage

The frequency with which the banking services are availed by the customers is also analysed on the basis of their occupation status. It is clear from the Table 4.15 that 11.63% of daily wage earners avail the banking services on a daily basis and 48.84% of them avail the services on a monthly basis. As regards the salaried class of respondents 3.13% of them avail the banking services daily and 64.06% avail the facilities monthly. In the case of agriculturists 6.49% and 67.53% use the banking services daily and monthly basis. As far as concerned with the self employed respondents 7.14% and 10% of them use the banking services daily and monthly basis respectively. At the same time 35.71% of the business men customers avail the banking services daily and 14.29% of them use the banking services on a monthly basis. None of house wife customers and students uses banking services daily. But 7.69% and 46.15% of the house wives avail the services twice in a week and once in a month respectively. 10.67% of the students avail the banking services twice in a week and 60.00% of them avail the services on a monthly basis.

It can also be observed from the table that frequency of usage of banking services is higher among the business man with a mean score of 3.57, which implies that they avail the banking services twice in a week. This is followed by the self employed customers with a mean value of 2.64. It implies that the self employed customers are using the banking services on a weekly basis. The frequency of usage of banking services is low among all the other categories of customers such as daily wage earners (mean value of 2.28), House wife (mean value of 2.08), student (mean value of 1.84), agriculturists (mean value of 1.84), and salaried customers (mean value of 1.83). All these indicates that the customers are using banking services twice in a month i.e., fortnightly. The difference is found statistically significant as revealed from the Chi-Square test.

Table 4.15

Occupation wise presentation of Frequency of usage

Frequency of usage	Daily wage Earner		Salaried		Agriculturist		Self employed		Businessman		House wife		Student		Total	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Daily	5	11.63	2	3.13	5	6.49	1	7.14	5	35.71	0	0.00	0	0.00	18	6.00
Twice in a week	6	13.95	8	12.50	10	12.99	5	35.71	2	14.29	1	7.69	8	10.67	40	13.33
Weekly	6	13.95	8	12.50	5	6.49	1	7.14	5	35.71	5	38.46	17	22.67	47	15.67
Fortnightly	5	11.63	5	7.81	5	6.49	2	14.29	0	0.00	1	7.69	5	6.67	23	7.67
Monthly	21	48.84	41	64.06	52	67.53	5	35.71	2	14.29	6	46.15	45	60.00	172	57.33
Total	43	100.00	64	100.00	77	100.00	14	100.00	14	100.00	13	100.00	75	100.00	300	100.00
Mean value	**2.28**		**1.83**		**1.84**		**2.64**		**3.57**		**2.08**		**1.84**		**2.03**	

(Chi-Sq = 62.129, DF = 24, P-Value = 0.000)
(Source: Survey Data)

Income wise classification of Frequency of usage

The above data is also analysed on the basis of annual income of the respondents and is presented in the following table. It can be observed from Table 4.16 that 3.09% and 70.10% of the customers in the low income group are using the banking services daily and once in a month respectively. 17.24% of customers in the middle income group were using banking services daily. At the same time 20.69% of them are using the services of bank on a monthly basis. Among the customers of high income group, 9.84% and 49.18% uses the banking services daily and monthly respectively. 6.25% and none of the customers in the very high income group is availing the banking services on a daily and monthly basis.

It can also be seen from the table that the frequency of usage of banking services is higher among the very high income group customers with a median value of 3.13 indicating a frequency of usage on a weekly basis. This is followed by the middle income group customers with a median value of 2.97 implying a weekly usage of banking services. This is further followed by the high income group customers and lower income group customers with a median value of 2.15 and 1.76 respectively. It implies that the customers belonging to these income groups are availing the services of their respective banks fortnightly, ie, twice in a month. The Chi-Square test revealed that the difference is statistically significant.

Table 4.16

Income wise classification of Frequency of Usage

Frequency of usage	Up to Rs. 2 Lakhs		Between Rs. 2 – 4 Lakhs		Between Rs. 4 – 6 Lakhs		Above Rs. 6 Lakhs		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Daily	6	3.09	5	17.24	6	9.84	1	6.25	18	6.00
Twice in a week	26	13.40	6	20.69	3	4.92	5	31.25	40	13.33
Weekly	20	10.31	7	24.14	15	24.59	5	31.25	47	15.67
Fortnightly	6	3.09	5	17.24	7	11.48	5	31.25	23	7.67
Monthly	136	70.10	6	20.69	30	49.18	0	0.00	172	57.33
Total	194	100.00	29	100.00	61	100.00	16	100.00	300	100.00
Mean value	**1.76**		**2.97**		**2.15**		**3.13**		**2.03**	

(Chi-Sq = 72.784, DF = 12, P-Value = 0.000)
(Source: Survey Data)

Section C

4.4. LEVEL OF CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

The customer oriented approach of modern business organisations rationalise the relevance of analysing customer satisfaction and customer loyalty as it constitutes the most reliable market information. By evaluating customer satisfaction and loyalty, a business organisation can analyse their current position against their competitors and they can design their future plans. So the present study analysed the level of satisfaction and loyalty among the customers of commercial banks in Kerala. Further, to gain deeper insight into the study, the relevant data were analysed on the basis of type of bank, age, education, occupation and income of the respondents.

4.4.1. LEVEL OF CUSTOMER SATISFACTION

The customer satisfaction is a key variable which determines the success and even the existence of a service provider. As far as banks are considered, the globalisation era has increased the level of competition prevailing in the financial market. The advent of foreign banks increased the competition prevailing in the domestic market. So each and every financial institution is trying very hard to satisfy their customers. The cost of acquiring a new customer is very much higher than the cost of maintaining the existing customers. The customers will be retained with the bank only if they are satisfied with the services provided to them. So it is imperative to know whether the customers are satisfied with various services provided by the banks. This aspect has been included in the present study and the relevant data has been collected and presented in the following pages.

Bank wise analysis of Level of Customer Satisfaction

Table 4.17 shows the bank wise analysis of level of customer satisfaction with regard to various bank products and services. It can be observed from the table that the customers are satisfied with majority of the products and services of the banks. The factor, which gives maximum satisfaction to the customers, is "Employees' behaviour" with a mean score of 4.06 and S.D. of 0.71. "Deposit schemes" is the second factor which gives maximum satisfaction to them with a mean score of 3.99 and S.D. of 0.47 followed by the factor "Physical facilities" with a mean score of 3.91 and S.D. of 0.60. The fourth factor which gives maximum satisfaction to the customers is "E-banking services" with a mean score of 3.69 and S.D. of 0.73. The customers are also satisfied with the "Complaint Redressal System" of the banks (with a mean score of 3.60 and S.D. of 0.66) and “Customer Awareness Programmes” of the banks with a mean score of 3.54 and S.D. of 0.707. The customers have less satisfaction with the remaining factors. The customers have only moderate satisfaction with the factors “Interest rate charged” and “Loan schemes” with mean score of 3.35 (S.D. of 0.67) and 3.49 (S.D. of 0.63) respectively. On an overall basis the sample respondents are satisfied with various aspects of the services offered by their banks.

The table also revealed that, the factor which gives maximum satisfaction to the customers of public sector banks is “Physical facilities” with a mean score of 4.04 and S.D. of 0.56. The public sector bank customers are satisfied with the factors such as, “Employees’ behaviour”, “Deposit schemes”, “Complaint Redressal System”, “Customer Awareness Programmes” and “E-banking services”. They are moderately satisfied with the factors such as, “Loan schemes” and “Interest rate charged”.

It is also clear from the table that the customers of private sector banks are more satisfied with the “Employees’ behaviour” with a mean score of 4.13 and S.D. of 0.58. The customers are satisfied with the various factors such as, “Deposit schemes”, “Physical facilities”, “E-banking services”, “Complaint Redressal System” and “Customer Awareness Programmes”. The private bank customers have only moderate satisfaction with the factor “Loan schemes”. The factor which yields least satisfaction to the private bank customers is the “Interest rate charged” with a mean score of 3.24 and S.D. of 0.66.

It can further be noticed from the table that the customers of both public sector and private sector banks are satisfied with various aspects of the services offered by their banks. But the overall satisfaction level is higher among customers of public sector banks when compared to private sector banks. Even though, there is difference in the satisfaction level of public sector and private sector bank customers, it is important to see whether these differences are statistically significant or not. ‘t-test’ is used to test this and the result is presented in Table 4.18. The table shows that there is no significant difference exists between the customers of public sector and private sector banks with regard to all variables of satisfaction, except the factors “Interest rate charged” and “Physical facilities”.

Table 4.17

Bank wise analysis of Level of Customer Satisfaction

Satisfaction	**Public Sector Bank**		**Private Sector Bank**		**Total**	
	Mean	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**
Deposit schemes	3.99	0.48	3.98	0.45	3.99	0.47
Loan schemes	3.48	0.67	3.49	0.59	3.49	0.63
Interest rate charged	3.45	0.68	3.24	0.66	3.35	0.67
Employees’ behaviour	3.98	0.83	4.13	0.58	4.06	0.71
Physical facilities	4.04	0.56	3.77	0.63	3.91	0.60
E-banking services	3.69	0.75	3.68	0.71	3.69	0.73
Complaint Redressal System	3.65	0.66	3.55	0.66	3.60	0.66
Customer Awareness Programmes	3.51	0.82	3.56	0.69	3.54	0.76
Overall Score	**3.72**	**0.68**	**3.68**	**0.62**	**3.70**	**0.65**

(Source: Survey Data)

The above data is also presented in the following chart.

Chart 4.3

Bank wise analysis of Level of Customer Satisfaction

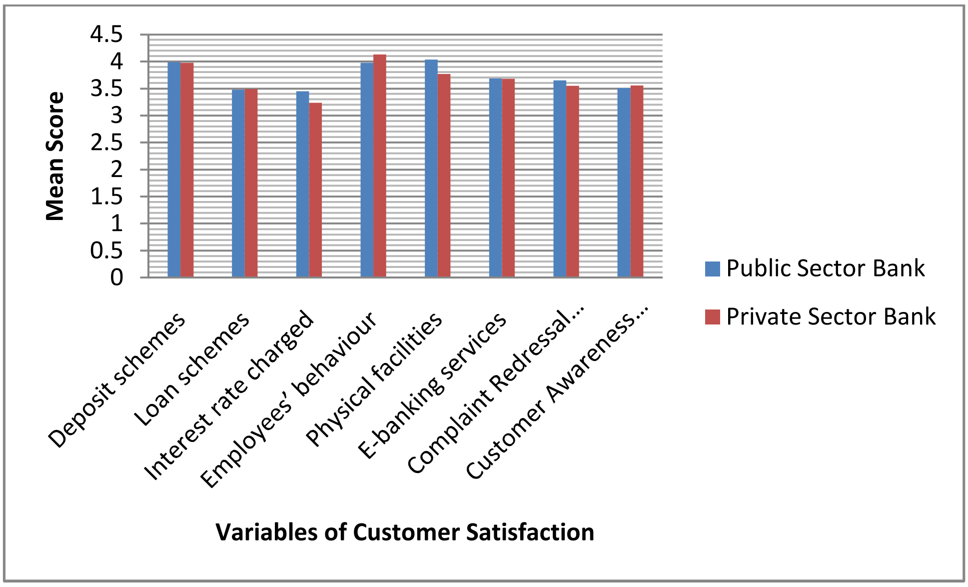


Table 4.18

Result of t-test - Bank wise analysis of Level of Customer Satisfaction

Variable	Degrees of Freedom	t value	P value
Deposit schemes	298	0.666	0.506
Loan schemes	298	-0.220	0.826
Interest rate charged	298	4.163	0.000
Employees' behaviour	298	-1.896	0.059
Physical facilities	298	3.298	0.001
E-banking services	298	-0.157	0.876
Complaint Redressal System	298	1.179	0.239
Customer Awareness Programmes	298	-0.861	0.390

(Source: Survey Data)

Age wise classification of Level of Customer Satisfaction

The data presented in table 4.17 is also analysed on the basis of the Age of the respondents. The result of analysis is presented in table 4.19. It can be noted from the table that the teenage customers in the age group of up to 19 years are moderately satisfied with all variables except “Deposit schemes”, “Physical facilities” and “Complaint Redressal System” for which they are satisfied. The younger customers in the age group of 20 years – 39 years are satisfied with all aspects except “Loan schemes” and “Interest rate charged”, which have only moderate satisfaction. The middle aged customers in the age group of 40 years – 59 years are satisfied with all aspects except “Interest rate charged”, “Complaint Redressal System” and “Customer awareness Programmes” which have only moderate satisfaction. The elder customers in the age group of 60 years and above are satisfied with all aspects except “Loan schemes”, “E-banking services”, “Complaint Redressal System” and “Customer Awareness Programmes”, for which they have only moderate satisfaction. It can also be noted from the table that the overall satisfaction is higher among the younger customers with a mean score of 3.94 followed by middle aged customers with mean score of 3.80. The overall satisfaction is low among the elder customers when compared with other age groups.

Even though it is clear that, there is difference in the satisfaction level of customers of different age groups, it is important to see whether these differences are statistically significant or not. For testing this Analysis of Variance was used. Table 4.20 shows the result of ANOVA in this regard. The table shows that there is significant difference exists among the customers of various age groups, with regard to all aspects of satisfaction level, except the factors “Deposit schemes”, “Interest Rate Charged”, and “Physical Facilities” as the P value is less than 0.05.

Table 4.19

Age wise classification of Level of Customer Satisfaction

Satisfaction	Up to 19 years		20 - 39 years		40 - 59 years		60 years & Above		Total	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Deposit schemes	4.00	0.96	3.98	0.48	3.96	0.43	4.00	0.00	3.99	0.47
Loan schemes	3.40	0.84	3.49	0.70	4.08	0.99	3.00	0.00	3.49	0.63
Interest rate charged	3.13	0.99	3.11	0.82	3.19	0.86	4.00	0.00	3.35	0.67
Employees' behaviour	3.39	1.54	4.37	0.87	4.49	0.44	4.00	0.00	4.06	0.71
Physical facilities	4.00	0.00	3.80	0.90	3.82	1.50	4.00	0.00	3.91	0.60
E-banking services	3.39	1.42	4.39	0.72	3.98	0.76	3.00	0.00	3.69	0.73
Complaint Redressal System	3.90	0.93	4.09	0.70	3.42	1.00	3.00	0.00	3.60	0.66
Customer Awareness Programmes	3.46	1.29	4.27	0.86	3.43	0.91	3.00	0.00	3.54	0.76
Overall Score	**3.58**	**1.00**	**3.94**	**0.76**	**3.80**	**0.86**	**3.50**	**0.00**	**3.70**	**0.65**

(Source: Survey Data)

Table 4.20

Result of ANOVA - Age wise classification of Level of Customer Satisfaction

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
Deposit schemes	2.800	0.933	3	1.69	0.169
Loan schemes	12.322	4.107	3	6.31	0.000
Interest rate charged	1.810	0.603	3	0.89	0.448
Employees' behaviour	12.808	4.269	3	7.56	0.000
Physical facilities	0.312	0.104	3	0.21	0.889
E-banking services	13.827	4.609	3	6.68	0.000
Complaint Redressal System	6.398	2.133	3	2.83	0.039
Customer Awareness Programmes	3.337	1.112	3	2.23	0.045

(Source: Survey Data)

Education wise classification of Level of Customer Satisfaction

The above data is also analysed on the basis of educational qualification of respondents and is presented in the following table. It can be observed from Table 4.21 that customers having educational qualification of below SSLC are highly satisfied with "Deposit schemes" (with a mean score of 4.50 and Standard deviation of 0.49) and satisfied with all other variables except "Customer Awareness Programmes" for which they were moderately satisfied. Customers having SSLC qualification were satisfied with all variables except "Loan schemes", "Interest rate charged" and "Complaint Redressal System" for which they have only moderate satisfaction. Customers belonging to the category of Pre-degree as the educational qualification were satisfied with all variables except three variables such as, “Interest rate charged”, “E-banking services” and “Customer Awareness Programmes” with a moderate satisfaction. Customers having degree qualification were satisfied with all variables except “Loan schemes” and “Interest rate charged”, for which they have only moderate satisfaction. Customers having PG qualification were satisfied with all variables except “Complaint Redressal System”, “Loan schemes” and “Interest rate charged” for which they have only moderate satisfaction. Customers having professional qualification were satisfied with all variables except “Interest rate charged" and Customer Awareness Programmes for which they have only moderate satisfaction. It can also be inferred from the table that the overall satisfaction is higher among the customers having below SSLC educational qualification with a mean score of 3.94 and overall satisfaction is lower among the customers having SSLC qualification with a mean score of 3.53.

Even though, there is difference in the satisfaction level of customers having different educational qualification, it is important to see whether these differences are statistically significant or not. Analysis of variance is carried out to test the statistical significance of this difference and the result is presented in Table 4.22. The table shows that the difference is statistically significant as the p value is less than 0.05 with regard to all variables except the variable employees’ behaviour.

Table 4.21
Education wise classification of Level of Customer Satisfaction

Satisfaction	Below SSLC		SSLC		Pre-Degree		Degree		PG		Professional qualification		Total	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Deposit schemes	4.50	0.49	3.71	0.47	4.20	0.32	3.62	0.51	3.87	0.54	4.01	0.50	3.99	0.47
Loan schemes	4.00	0.66	3.13	0.94	3.55	0.58	3.33	0.39	3.29	0.57	3.64	0.66	3.49	0.63
Interest rate charged	3.78	0.93	3.18	0.83	3.38	0.59	3.33	0.66	3.16	0.69	3.28	0.35	3.35	0.67
Employees' behaviour	3.85	1.03	4.23	0.43	3.73	1.15	4.12	0.45	4.28	0.78	4.13	0.42	4.06	0.71
Physical facilities	4.19	0.62	3.80	0.47	3.93	0.36	4.27	0.61	3.71	0.66	3.57	0.87	3.91	0.60
E-banking services	3.83	0.68	3.70	0.60	3.28	0.86	4.09	0.78	3.17	0.73	4.06	0.73	3.69	0.73
Complaint Redressal System	3.88	0.64	2.95	1.00	3.70	0.72	3.81	0.46	3.33	0.59	3.91	0.57	3.60	0.66
Customer Awareness Programmes	3.46	0.88	3.51	0.77	3.35	0.68	3.91	0.50	3.65	0.86	3.37	0.87	3.54	0.76
Overall Score	**3.94**	**0.74**	**3.53**	**0.69**	**3.64**	**0.66**	**3.81**	**0.55**	**3.56**	**0.68**	**3.75**	**0.62**	**3.70**	**0.65**

(Source: Survey Data)

Table 4.22

Result of ANOVA - Education wise classification of Level of Customer Satisfaction

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
Deposit schemes	22.369	4.474	5	9.11	0.000
Loan schemes	22.024	4.405	5	7.07	0.000
Interest rate charged	8.655	1.731	5	2.62	0.025
Employees' behaviour	4.841	0.968	5	1.62	0.155
Physical facilities	18.663	3.733	5	8.58	0.000
E-banking services	49.581	9.916	5	17.24	0.000
Complaint Redressal System	42.087	8.417	5	13.18	0.000
Customer Awareness Programmes	5.962	1.192	5	2.41	0.036

(Source: Survey Data)

Occupation wise classification of Level of Customer Satisfaction

The satisfaction level of customers is also analysed on the basis of their occupation status and is presented in Table 4.23. It can be observed from the table that Daily wage earners were satisfied with all variables except "Loan schemes" and "Interest rate charged" for which they have only moderate satisfaction. As regards the salaried class of respondents they are satisfied with all variables except "E-banking services", "Complaint Redressal System" and "Customer Awareness Programmes" for which they have only moderate satisfaction. In the case of agriculturists they have only moderate satisfaction with "Interest rate charged" and "Customer Awareness

Programmes". They are satisfied with all other variables. As far as concerned with the self employed respondents, they were highly satisfied with the variable "Employees' behaviour" with a mean score of 4.5 and S.D. of 0.58. They are satisfied with all other variables. As regards the business man respondents they were highly satisfied with the variable "Deposit schemes" with a mean score of 4.5 and S.D. of 0.58. They are satisfied with all other variables. The house wife respondents were satisfied with all variables except "Loan schemes", "E-banking services", "Complaint Redressal System" and "Customer Awareness Programmes". For these variables they have only moderate level of satisfaction. As regards the student respondents, they were satisfied with all variables except "Deposit schemes", "Loan schemes" and "Interest rate charged" for these they have only moderate satisfaction.

It can also be understood from the table that the overall satisfaction is higher among the business people with a mean score of 4.09 followed by self employed people with a mean score of 3.75. The overall satisfaction is lower among students with a mean score of 3.54. Even though, there is difference in the satisfaction level of customers having different occupation status, it is important to see whether these differences are statistically significant or not. Analysis of variance was carried out to test the statistical significance of these differences and the result of the analysis is presented in Table 4.24. It can be observed from the table that the differences found in the satisfaction level of customers having different occupation status are statistically significant as the p value is less than 0.05 with regard to all variables except the variable "employees' behaviour".

Table 4.23

Occupation wise classification of Level of Customer Satisfaction

Satisfaction	Daily wage earner		Salaried		Agriculturist		Self employed		Businessman		House wife		Student		Total	
	Mean	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**
Deposit schemes	4.09	0.29	4.14	0.73	3.91	0.80	4.00	0.00	4.50	0.58	3.91	0.30	3.35	0.69	3.99	0.48
Loan schemes	3.14	0.56	3.70	0.73	3.62	1.09	3.50	0.58	4.25	0.50	3.18	0.41	3.04	0.54	3.49	0.63
Interest rate charged	2.79	0.80	3.55	0.82	3.01	0.77	3.50	0.58	3.75	0.50	3.82	0.41	3.06	0.81	3.35	0.67
Employees' behaviour	4.00	0.62	3.97	1.13	4.09	0.42	4.50	0.58	4.00	1.41	4.00	0.00	3.88	0.84	4.06	0.71
Physical facilities	3.70	0.64	3.66	0.84	3.84	0.57	3.50	0.58	4.25	0.50	4.18	0.41	4.22	0.66	3.91	0.60
E-banking services	3.65	0.65	3.44	0.69	4.25	0.61	3.50	0.58	4.25	0.96	3.09	0.54	3.66	1.06	3.69	0.73
Complaint Redressal System	4.00	0.31	3.13	0.83	3.08	1.05	4.00	0.00	4.00	1.16	3.46	0.52	3.53	0.75	3.60	0.66
Customer Awareness Programmes	3.86	0.47	3.14	0.89	3.49	0.59	3.50	1.73	3.75	0.50	3.46	0.52	3.58	0.64	3.54	0.76
Overall Score	**3.65**	**0.54**	**3.59**	**0.83**	**3.66**	**0.74**	**3.75**	**0.58**	**4.09**	**0.76**	**3.64**	**0.39**	**3.54**	**0.75**	**3.70**	**0.66**

(Source: Survey Data)

Table 4.24

Result of ANOVA - Occupation wise classification of Level of Customer Satisfaction

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
Deposit schemes	32.382	4.626	6	10.08	0.000
Loan schemes	28.631	4.090	6	6.77	0.000
Interest rate charged	24.890	3.556	6	5.83	0.000
Employees' behaviour	2.961	0.423	6	0.70	0.674
Physical facilities	16.803	2.400	6	5.42	0.000
E-banking services	36.477	5.211	6	8.37	0.000
Complaint Redressal System	34.246	4.892	6	7.31	0.000
Customer Awareness Programmes	15.125	2.161	6	4.64	0.000

(Source: Survey Data)

Income wise analysis of Level of Customer Satisfaction

The above data is also analysed on the basis of the income level of the respondents and the result of analysis in this regard is given in Table 4.25. It can be evaluated from the table that the customers of the low income category and middle income category were satisfied with all variables except "Loan schemes", "Interest rate charged" and "Customer Awareness Programmes" for which they have only moderate satisfaction. As far as concerned with customers of high income category, they were satisfied with all variables except "E-banking services" for which they have only moderate satisfaction.

Among the customers of very high income category they were satisfied with all variables except Employees' behaviour" and "Physical facilities" for which they have only moderate satisfaction. It can also be observed from the table that the overall satisfaction level is higher among the low income category of customers with a mean score of 3.74 followed by very high income category of customers with a mean score of 3.71. The overall satisfaction level is lower among the middle income category of customers with a mean score of 3.68.

Even though, there are some differences in the satisfaction level of customers belonging to different income category, it is important to see whether these differences are statistically significant or not. Analysis of variance is carried out to test the statistical significance of this difference and the result of the analysis is presented in Table 4.26. This table shows that significant difference is seen in the satisfaction level of customers having different income status as the p value is less than 0.05 with regard to all variables except the variables "Loan schemes", "E-banking services" and "Complaint Redressal System".

Table 4.25

Income wise analysis of Level of Customer Satisfaction

Satisfaction	Up to Rs. 2 Lakhs		Between Rs. 2 – 4 Lakhs		Between Rs. 4 – 6 Lakhs		Above Rs. 6 Lakhs		Total	
	Mean	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**
Deposit schemes	3.98	0.31	3.82	0.56	3.89	0.45	4.25	0.59	3.99	0.48
Loan schemes	3.39	0.53	3.25	0.55	3.55	0.63	3.77	0.83	3.49	0.63
Interest rate charged	3.08	0.62	3.05	0.68	3.56	0.68	3.71	0.69	3.35	0.67
Employees' behaviour	4.37	0.63	4.27	0.62	4.15	0.72	3.43	0.86	4.06	0.71
Physical facilities	4.27	0.43	4.22	0.52	3.82	0.65	3.33	0.81	3.91	0.60
E-banking services	3.74	0.68	3.77	0.77	3.42	0.96	3.85	0.52	3.69	0.73
Complaint Redressal System	3.60	0.42	3.56	0.85	3.59	0.46	3.65	0.89	3.60	0.66
Customer Awareness Programmes	3.48	0.85	3.48	0.86	3.56	0.97	3.65	0.37	3.54	0.76
Overall Score	**3.74**	**0.56**	**3.68**	**0.68**	**3.69**	**0.69**	**3.71**	**0.70**	**3.70**	**0.66**

(Source: Survey Data)

Table 4.26

Result of ANOVA - Income wise analysis of Level of Customer Satisfaction

Variable	Sum of squares	Mean Sum of squares	Degrees of freedom	F value	P value
Deposit schemes	4.170	1.390	3	2.54	0.044
Loan schemes	2.472	0.824	3	1.20	0.308
Interest rate charged	11.946	3.982	3	6.17	0.000
Employees' behaviour	7.994	2.665	3	4.59	0.004
Physical facilities	7.585	2.528	3	5.40	0.001
E-banking services	1.459	0.486	3	0.66	0.575
Complaint Redressal System	3.597	1.199	3	1.57	0.197
Customer Awareness Programmes	18.053	6.018	3	13.40	0.000

(Source: Survey Data)

4.4.2. LEVEL OF CUSTOMER LOYALTY

Customer loyalty is the tendency of a customer to choose one particular product or service over another for a particular need. Customers may express high satisfaction levels with a product or service of a particular company, but that does not mean that they have loyalty towards the products or services of that company. Customers can be very satisfied and still not be loyal. Therefore it is important to know the level of loyalty among the customers of public sector and private sector banks. So the relevant data has been collected and presented in the following pages.

It can be noted from Table 4.27 that the variable which got highest mean score is "Willingness to consider the bank as first choice for any financial needs” with a mean score of 3.79 (Standard deviation of 0.63). It implies that the customers agree that they will consider their bank as first choice for any financial needs. The next variable which got highest mean score is “Willingness to recommend this bank to anyone who seeks advice” with a mean score of 3.64 (Standard deviation of 0.77). It indicates that the customers agree to recommend their bank to other people. The variable “Willingness to use more of the additional services of the bank in the near future” stands in next nearest position with a mean score of 3.63 (Standard deviation of 0.67). It implies that the customers agree to use more additional services from their bank.

The variable which got the least mean score is “Willingness to stay with the bank even if there is a problem with the bank” with a mean score of 2.78 (Standard deviation of 0.89). It is clear that the customers moderately agree to stay with their bank even if there is a problem with it. The second least important variable is “Willingness to never complain to other customers and outsiders even if there is a problem with the bank” with a mean score of 2.85 (Standard deviation of 0.84). It implies that there is equal chance for complaining and non-complaining to other customers and outsiders, if there is a problem with the banker. It can also be noticed from the table that the overall level of loyalty is 3.33 which implies that the customers have a moderate level of loyalty towards their banks.

Bank wise analysis of Customer Loyalty

Table 4.27 shows the bank wise analysis of loyalty of customers towards their respective banks. It can be observed from the table that the variable which got highest mean score for the public sector bank customers is “Willingness to recommend this bank to anyone who seeks advice” with a mean score of 3.67 (Standard deviation of 0.70). It indicates that the public sector bank customers agree to recommend their bank to other people. The second important variable is “Willingness to use more of the additional services of the bank in the near future” with a mean score of 3.65 (Standard deviation of 0.60). It implies that the customers agree to use more additional services from their bank. The third important variable is, “Willingness to consider the bank as first choice for any financial needs” with a mean score of 3.63 (Standard deviation of 0.51). It implies that the customers of public sector bank agree that they will consider their bank as first choice for any financial needs. The variable which got the least mean score is “Willingness to stay with the bank even if there is a problem with the bank” with a mean score of 2.73 (Standard deviation of 0.83). It is clear that the customers of public sector bank moderately agree to stay with their bank even if there is a problem with it. The second least important variable is “Willingness to never complain to other customers and outsiders even if there is a problem with the bank” with a mean score of 3.03 (Standard deviation of 0.87). It implies that they moderately agree to never complain to other customer and outsiders if there is a problem with the bank.

The table also clearly depicts the level of customer loyalty of private sector bank customers. The variable which got highest mean score for the private sector bank customers is “Willingness to consider the bank as first choice for any financial needs” with a mean score of 3.95 (Standard deviation of 0.76). It implies that the customers of private sector bank agree that they will consider their bank as first choice for any financial needs. The next variable which got highest mean score is “Willingness to recommend this bank to anyone who seeks advice” with a mean score of 3.62 (Standard deviation of 0.84). It indicates that the private sector bank customers agree to recommend their bank to other people. The next variable which got highest mean score is “Willingness to use more of the additional services of the bank in the near future” with a mean score of 3.60 (Standard deviation of 0.74). The next variable which got highest mean score is “Willingness to do more business with this bank in the coming years” with a mean score of 3.55 (Standard deviation of 0.73). It shows the willingness of the customers to do more business with their bank in the future also. The variable which got the least mean score is “Willingness to never complain to other customers and outsiders even if there is a problem with the bank” with a mean score of 2.67 (Standard deviation of 0.81). It implies that they moderately agree to never complain to other customer and outsiders if there is a problem with the banker. The second least important variable is “Willingness to stay with the bank even if there is a problem with the bank” with a mean score of 2.82 (Standard deviation of 0.96). It is clear that the customers of private sector bank moderately agree to stay with their bank even if there is a problem with it.

The table also shows that only moderate level of customer loyalty exists among the public sector and private sector bank customers. The level of loyalty is higher among the customers of public sector banks (mean score of 3.36 and Standard deviation of 0.71) than the customers of private sector banks (mean score of 3.30 and Standard deviation of 0.80).

Even though there is a slight difference in the level of loyalty among customers of public sector and private sector banks it is important to see whether these differences are statistically significant or not. ‘t test’ is carried out to test this statistical significance of the differences and the result is presented in Table 4.28. It can be noticed from the table that there is no significant difference in the level of loyalty of customers of public sector and private sector banks as the p value is higher than 0.05 with regard to all variables except the variables “Willingness to consider the bank as first choice for any financial needs”, “Willingness to remain with the bank even if the charges are comparatively higher” and “Willingness to never complain to other customers and outsiders even if there is a problem with the bank”.

Table 4.27

Bank wise analysis of Customer Loyalty

Customer Loyalty	Public Sector Bank		Private Sector Bank		Total	
	Mean	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**
Willingness to consider the bank as first choice for any financial needs.	3.63	0.51	3.95	0.76	3.79	0.63
Willingness to do more business with this bank in the coming years.	3.61	0.76	3.55	0.73	3.58	0.74
Willingness to remain with the bank even if the charges are comparatively higher	3.17	0.73	2.91	0.79	3.04	0.76
Willingness to recommend this bank to anyone who seeks advice.	3.67	0.70	3.62	0.84	3.64	0.77
Willingness to use more of the additional services of the bank in the near future.	3.65	0.60	3.60	0.74	3.63	0.67
Willingness to never complain to other customers and outsiders, even if there is a problem with the bank.	3.03	0.87	2.67	0.81	2.85	0.84
Willingness to stay with the bank, even if there is a problem with the bank.	2.73	0.83	2.82	0.96	2.78	0.89
Overall Score	**3.36**	**0.71**	**3.30**	**0.80**	**3.33**	**0.76**

(Source: Survey Data)

The above data is also presented in the following chart.

Chart 4.4
Bank wise analysis of Customer Loyalty

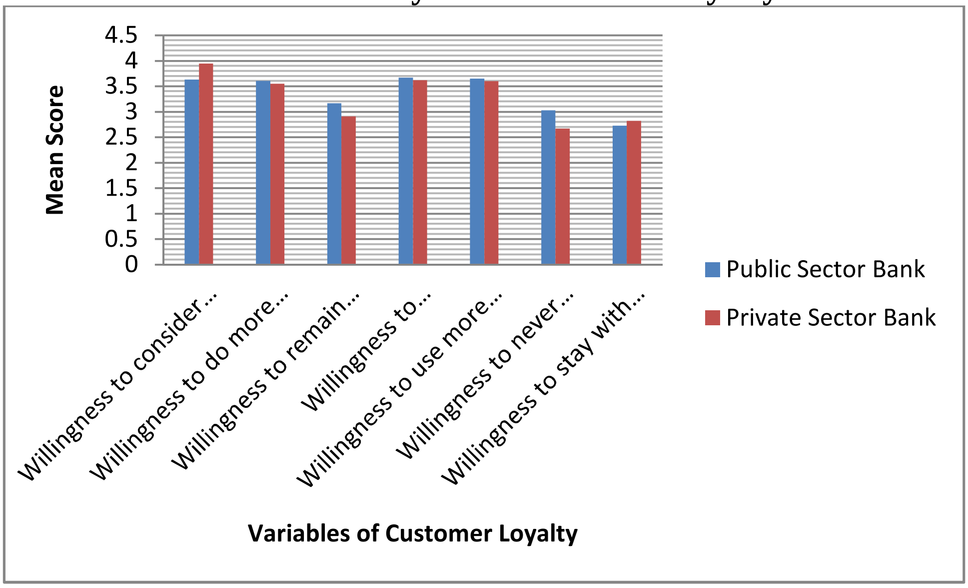


Table 4.28

Result of t-test - Bank wise analysis of Customer Loyalty

Variable	Degrees of freedom	t value	P value
Willingness to consider the bank as first choice for any financial needs.	298	4.039	0.000
Willingness to do more business with this bank in the coming years.	298	-0.679	0.498
Willingness to remain with the bank even if the charges are comparatively higher	298	-2.763	0.006
Willingness to recommend this bank to anyone who seeks advice.	298	-0.442	0.659
Willingness to use more of the additional services of the bank in the near future.	298	-0.768	0.443
Willingness to never complain to other customers and outsiders, even if there is a problem with the bank.	298	-3.488	0.001
Willingness to stay with the bank, even if there is a problem with the bank.	298	0.893	0.373

(Source: Survey Data)

Age wise classification of Customer Loyalty

The data presented in table 4.27 is also analysed on the basis of the age of respondents. The result of analysis is presented in table 4.29. It can be noted from the table that the teenage customers in the age group of up to 19 years are moderately agree with all variables except “Willingness to do more business with this bank in the coming years” and “Willingness to use more of the additional services of the bank in the near future”. The teenagers are agreeing with these two variables.

The younger customers in the age group of 20 years – 39 years are moderately agree with all variables except “Willingness to consider the bank as first choice for any financial needs”, “Willingness to recommend this bank to anyone who seeks advice” and “Willingness to use more of the additional services of the bank in the near future”. The youngsters are agreeing with these three variables.

As regards the middle aged customers in the category of 40-59 years, they agree with all variables except, “Willingness to remain with the bank even if the charges are comparatively higher”, “Willingness to never complain to other customers and outsiders even if there is a problem with the bank” and “Willingness to stay with the bank even if there is a problem with the bank”. For these three variables the middle aged customers have moderate agreement.

The elder customers in the age group of 60 years and above category have disagreement with the variables “Willingness to never complain to other customers and outsiders even if there is a problem with the bank” and “Willingness to stay with the bank even if there is a problem with the bank” with a mean score of 2.00 (S.D. of 0.00). It implies that, if the elder customers face a problem with their bank they will leave the bank and complain with other customers & outsiders. They have moderate agreement with the variable "Willingness to remain with the bank even if the charges are comparatively higher" with a mean score of 3.00 (S.D. of 0.00). It implies that there is equal chance for staying with and leaving the bank if the bank charges are comparatively high. The elder customers are agreeing with all other variables with a mean score of 4.00 (S.D. of 0.00).

On an overall basis all customers have a moderate level of customer loyalty and it is slightly higher among the middle aged customers with a mean score of 3.45 (S.D. of 1.04) when compared with other customers. The level of customer loyalty is lower among the younger customers. The mean score revealed that there is moderate level of loyalty among the customers of different age groups.

Analysis of variance is carried out to test the statistical significance of the differences found in the loyalty level of bank customers of different age groups. The result shows that there is no significant difference in the level of loyalty of customers belonging to different age groups as the p value is higher than 0.05 with regard to all variables except the variables "Willingness to do more business with this bank in the coming years", "Willingness to never complain to other customers and outsiders even if there is a problem with the bank" and "Willingness to stay with the bank even if there is a problem with the bank". The result of this analysis is presented in table 4.30.

Table 4.29
Age wise classification of Customer Loyalty

Customer Loyalty	Up to 19 Years		20-39 Years		40-59 Years		60 Years & Above		Total	
	Mean	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**
Willingness to consider the bank as first choice for any financial needs.	3.35	0.71	3.87	0.86	3.95	0.95	4.00	0.00	3.79	0.63
Willingness to do more business with this bank in the coming years.	3.50	0.99	3.29	1.07	3.52	0.92	4.00	0.00	3.58	0.74
Willingness to remain with the bank even if the charges are comparatively higher	3.15	1.09	2.99	1.04	3.02	0.90	3.00	0.00	3.04	0.76
Willingness to recommend this bank to anyone who seeks advice.	3.16	0.94	3.66	0.93	3.75	1.22	4.00	0.00	3.64	0.77
Willingness to use more of the additional services of the bank in the near future.	3.50	0.86	3.50	0.90	3.50	0.94	4.00	0.00	3.63	0.67
Willingness to never complain to other customers and outsiders, even if there is a problem with the bank.	3.25	1.19	2.87	0.97	3.28	1.22	2.00	0.00	2.85	0.84
Willingness to stay with the bank, even if there is a problem with the bank.	3.38	1.16	2.59	1.26	3.15	1.15	2.00	0.00	2.78	0.89
Overall Score	**3.33**	**0.99**	**3.25**	**1.00**	**3.45**	**1.04**	**3.29**	**0.00**	**3.33**	**0.76**

(Source: Survey Data)

Table 4.30

Result of ANOVA - Age wise classification of Customer Loyalty

Variable	Sum of squares	Mean sum of squares	Degrees of Freedom	F value	P value
Willingness to consider the bank as first choice for any financial needs.	2.948	0.983	3	2.26	0.082
Willingness to do more business with this bank in the coming years.	4.577	1.526	3	2.81	0.040
Willingness to remain with the bank even if the charges are comparatively higher	0.929	0.310	3	0.52	0.668
Willingness to recommend this bank to anyone who seeks advice.	2.446	0.815	3	1.37	0.253
Willingness to use more of the additional services of the bank in the near future.	1.572	0.524	3	1.15	0.328
Willingness to never complain to other customers and outsiders, even if there is a problem with the bank.	14.829	4.943	3	7.10	0.000
Willingness to stay with the bank, even if there is a problem with the bank.	20.862	6.954	3	9.39	0.000

(Source: Survey Data)

Education wise presentation of Customer Loyalty

The customer loyalty has been analysed on the basis of the educational qualification of the respondents also. The result of this analysis is presented in Table 4.31. It can be evaluated from the table that the customers having educational qualification of below SSLC and SSLC qualification have moderate agreement with all variables except “Willingness to consider the bank as first choice for any financial needs”, “Willingness to do more business with this bank in the coming years” and “Willingness to use more of the additional services of the bank in the near future”. They agree with these three variables. It implies that they will consider the bank as first choice; they will do more business with bank and will use more additional services of the bank in future. Customers belonging to the category of Pre-degree as the educational qualification agree with all variables except “Willingness to never complain to other customers and outsiders even if there is a problem with the bank” and “Willingness to stay with the bank even if there is a problem with the bank”. They moderately agree with these two variables. Customers having degree qualification agree with all variables except “Willingness to remain with the bank even if the charges are comparatively higher”, “Willingness to never complain to other customers and outsiders even if there is a problem with the bank” and “Willingness to stay with the bank even if there is a problem with the bank”. They moderately agree with these three variables. The customers having PG as their educational qualification moderately agree with all variables except the variable “Willingness to consider the bank as first choice for any financial needs”. They agree with this variable. Customers having professional qualification agree with all variables except “Willingness to remain with the bank even if the charges are comparatively higher”, “Willingness to never complain to other customers and outsiders even if there is a problem with the bank” and “Willingness to stay with the bank even if there is a problem with the bank”. They moderately agree with these three variables.

On an overall basis it can be inferred from the table that the customer loyalty is higher among the customers having educational qualification of Pre-degree with a mean score of 3.56 and S.D. of 0.71. It implies that they have high level of customer loyalty. Customers belonging to other educational categories have moderate level of loyalty only. The customer loyalty is lower among the customers having PG qualification with a mean score of 3.01 and S.D. of 0.78.

Analysis of variance is carried out to test the statistical significance of the differences in the loyalty level of customers of different educational categories and the result is presented in Table 4.32. The table shows that the difference is significant as the p value is lower than 0.05 with regard to all variables.

Table 4.31

Education wise presentation of Customer Loyalty

Customer Loyalty	Below SSLC		SSLC		Pre-Degree		Degree		PG		Professional qualification		Total	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Willingness to consider the bank as first choice for any financial needs.	4.00	0.78	3.51	0.67	4.00	0.63	4.00	0.45	3.59	0.68	3.66	0.56	3.79	0.63
Willingness to do more business with this bank in the coming years.	3.83	0.69	3.77	0.63	3.53	0.60	3.61	0.70	3.04	0.94	3.68	0.85	3.58	0.74
Willingness to remain with the bank even if the charges are comparatively higher	3.08	0.97	3.16	0.66	3.50	0.52	3.03	0.86	2.79	0.76	2.70	0.80	3.04	0.76
Willingness to recommend this bank to anyone who seeks advice.	3.46	0.98	3.48	0.94	3.75	0.68	3.86	0.64	3.24	0.80	4.06	0.61	3.64	0.77
Willingness to use more of the additional services of the bank in the near future.	3.79	0.76	3.67	0.72	3.68	0.81	3.80	0.47	3.24	0.76	3.60	0.52	3.63	0.67
Willingness to never complain to other customers and outsiders, even if there is a problem with the bank.	3.04	0.86	3.10	1.11	3.08	0.72	2.67	0.68	2.65	0.81	2.58	0.84	2.85	0.84
Willingness to stay with the bank, even if there is a problem with the bank.	2.69	1.33	2.57	0.70	3.40	0.98	2.66	0.83	2.53	0.74	2.82	0.74	2.78	0.89
Overall score	**3.41**	**0.91**	**3.32**	**0.78**	**3.56**	**0.71**	**3.38**	**0.66**	**3.01**	**0.78**	**3.30**	**0.70**	**3.33**	**0.76**

(Source: Survey Data)

Table 4.32

Result of ANOVA - Education wise presentation of Customer Loyalty

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
Willingness to consider the bank as first choice for any financial needs.	4.863	0.973	5	2.25	0.045
Willingness to do more business with this bank in the coming years.	30.455	6.091	5	13.26	0.000
Willingness to remain with the bank even if the charges are comparatively higher	18.420	3.684	5	6.87	0.000
Willingness to recommend this bank to anyone who seeks advice.	20.711	4.142	5	7.81	0.000
Willingness to use more of the additional services of the bank in the near future.	14.961	2.992	5	7.24	0.000
Willingness to never complain to other customers and outsiders, even if there is a problem with the bank.	19.877	3.975	5	5.81	0.000
Willingness to stay with the bank, even if there is a problem with the bank.	26.059	5.212	5	7.19	0.000

(Source: Survey Data)

Occupation wise presentation of Customer Loyalty

The level of customer loyalty has been analysed on the basis of the occupation status of the customers and presented in Table 4.33. As regards the daily wage earners, they agree with all variables except “Willingness to remain with the bank even if the charges are comparatively higher”, “Willingness to never complain to other customers and outsiders even if there is a problem with the bank” and “Willingness to stay with the bank even if there is a problem with the bank”. They moderately agree with these three variables. As far as concerned with the salaried customers they moderately agree with all variables except “Willingness to consider the bank as first choice for any financial needs” and “Willingness to recommend this bank to anyone who seeks advice”. They agree with these two variables. In the case of agriculturists, they agree with all variables except “Willingness to remain with the bank even if the charges are comparatively higher”, “Willingness to never complain to other customers and outsiders even if there is a problem with the bank” and “Willingness to stay with the bank even if there is a problem with the bank”. They moderately agree with these three variables.

As regards the self employed respondents they strongly agree with the variable “Willingness to do more business with this bank in the coming years” with a mean score of 4.50 (S.D. of 0.78). They agree with the variable “Willingness to consider the bank as first choice for any financial needs” with a mean score of 3.50 (S.D. of 0.68). They disagree with the variable “Willingness to stay with the bank even if there is a problem with the bank” with a mean score of 2.00 (S.D. of 1.16). It indicates that whenever there is a problem with the bank they will leave the bank. They moderately agree with all other variables.

In the case of business men, they were moderately satisfied with all variables except, “Willingness to consider the bank as first choice for any financial needs”, “Willingness to do more business with this bank in the coming years” and “Willingness to stay with the bank even if there is a problem with the bank”. They agree with these three variables.

As far as concerned with house wives and students, they moderately agree with all variables except, “Willingness to consider the bank as first choice for any financial needs”, “Willingness to recommend this bank to anyone who seeks advice” and “Willingness to use more of the additional services of the bank in the near future”. They agree with these three variables.

On an overall basis it can be evaluated from the table that the customer loyalty is higher among the agriculturists with a mean score of 3.54 and S.D. of 0.87 followed by daily wage earners with a mean score of 3.53 and S.D. of 0.57. The customer loyalty is lower among the self employed people with a mean score of 3.12 and S.D. of 0.91. The mean values reveal that the agriculturists and daily wage earners have high level of customer loyalty and the remaining groups have moderate level of customer loyalty. The result of the Analysis of Variance presented in Table 4.34 shows that significant difference exists in the majority variables of customer loyalty among the customers having different occupation.

Table 4.33

Occupation wise presentation of Customer Loyalty

Customer Loyalty	Daily wage earner		Salaried		Agriculturist		Self employed		Businessman		House wife		Student		Total	
	Mean	**S.D**	**Mean**	**S.D**	**Mean**	**S.D.**	**Mean**	**S.D**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D**	**Mean**	**S.D.**
Willingness to consider the bank as first choice for any financial needs.	3.63	0.59	3.69	0.77	3.82	0.79	3.50	0.68	4.00	0.00	4.00	0.88	3.89	0.72	3.79	0.63
Willingness to do more business with this bank in the coming years.	4.02	0.96	3.02	0.89	3.55	0.73	4.50	0.78	3.86	0.40	3.07	0.67	3.06	0.74	3.58	0.74
Willingness to remain with the bank even if the charges are comparatively higher	3.01	0.49	3.00	0.85	3.36	0.89	2.50	0.78	3.00	0.36	3.39	0.97	3.00	0.99	3.04	0.76
Willingness to recommend this bank to anyone who seeks advice.	3.95	0.51	3.80	0.87	3.86	0.90	3.45	1.16	2.65	0.58	3.92	0.61	3.84	0.75	3.64	0.77
Willingness to use more of the additional services of the bank in the near future.	3.95	0.21	3.48	0.81	3.97	0.60	3.40	0.51	2.95	0.96	3.92	0.71	3.74	0.87	3.63	0.67
Willingness to never complain to other customers and outsiders, even if there is a problem with the bank.	3.20	0.64	2.55	0.91	3.14	1.10	2.50	1.33	3.25	0.70	2.73	0.75	2.55	0.47	2.85	0.84
Willingness to stay with the bank, even if there is a problem with the bank.	2.95	0.62	2.59	0.96	3.05	1.10	2.00	1.16	3.50	1.00	2.83	0.67	2.55	0.73	2.78	0.89
Overall score	**3.53**	**0.57**	**3.16**	**0.87**	**3.54**	**0.87**	**3.12**	**0.91**	**3.32**	**0.57**	**3.41**	**0.75**	**3.23**	**0.75**	**3.33**	**0.76**

(Source: Survey Data)

Table 4.34

Result of ANOVA - Occupation wise presentation of Customer Loyalty

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
Willingness to consider the bank as first choice for any financial needs.	3.869	0.553	6	1.26	0.269
Willingness to do more business with this bank in the coming years.	26.726	3.818	6	8.05	0.000
Willingness to remain with the bank even if the charges are comparatively higher	4.040	0.577	6	0.98	0.448
Willingness to recommend this bank to anyone who seeks advice.	7.724	1.103	6	1.88	0.072
Willingness to use more of the additional services of the bank in the near future.	16.385	2.341	6	5.71	0.000
Willingness to never complain to other customers and outsiders, even if there is a problem with the bank.	30.729	4.390	6	6.74	0.000
Willingness to stay with the bank, even if there is a problem with the bank.	18.683	2.669	6	3.52	0.001

(Source: Survey Data)

Income wise analysis of Customer Loyalty

The above data is also analysed on the basis of the income level of the respondents and the result of analysis in this regard is given in Table 4.35. It can be evaluated from the table that the customers of the low income category agree with all variables except the variables “Willingness to remain with the bank even if the charges are comparatively higher”, “Willingness to never complain to other customers and outsiders even if there is a problem with the bank” and “Willingness to stay with the bank even if there is a problem with the bank”. They moderately agree with these three variables. The respondents belonging to middle income category were moderately satisfied with all variables except the variables, “Willingness to consider the bank as first choice for any financial needs” and “Willingness to recommend this bank to anyone who seeks advice”. They agree with these two variables. As far as concerned with the customers of high income category, they agree with all variables except, “Willingness to remain with the bank even if the charges are comparatively higher”, “Willingness to never complain to other customers and outsiders even if there is a problem with the bank” and “Willingness to stay with the bank even if there is a problem with the bank”. They moderately agree with these three variables. Among the customers of very high income category they were moderately satisfied with all variables except “Willingness to consider the bank as first choice for any financial needs”. They agree with this variable.

It can also be evaluated from the table that there is moderate level of loyalty among the customers of different income groups. The level of loyalty is higher among the customers of the low income category with a mean score of 3.43 (S.D. of 0.70) and the level of loyalty is lower among the customers of middle income category with a mean score of 3.24 (S.D. of 0.72). The result of ANOVA presented in Table 4.36 shows there is significant difference in the level of loyalty of customers of different income groups.

Table 4.35

Income wise analysis of Customer Loyalty

Customer Loyalty	Up to Rs. 2 Lakhs		Between Rs. 2 - 4 Lakhs		Between Rs. 4 - 6 Lakhs		Above Rs. 6 Lakhs		Total	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Willingness to consider the bank as first choice for any financial needs.	3.87	0.54	3.82	0.64	3.69	0.70	3.77	0.67	3.79	0.63
Willingness to do more business with this bank in the coming years.	3.66	0.66	3.43	0.63	3.79	0.63	3.43	1.06	3.58	0.74
Willingness to remain with the bank even if the charges are comparatively higher	3.06	0.70	2.95	0.87	3.17	0.70	3.00	0.79	3.04	0.76
Willingness to recommend this bank to anyone who seeks advice.	3.65	0.75	3.71	0.72	3.83	0.66	3.36	0.95	3.64	0.77
Willingness to use more of the additional services of the bank in the near future.	3.92	0.59	3.40	0.56	3.89	0.56	3.30	0.99	3.63	0.67
Willingness to never complain to other customers and outsiders, even if there is a problem with the bank.	2.95	0.83	2.86	0.75	2.70	0.71	2.89	1.07	2.85	0.84
Willingness to stay with the bank, even if there is a problem with the bank.	2.87	0.83	2.51	0.86	2.52	0.89	3.21	0.96	2.78	0.89
Overall score	**3.43**	**0.70**	**3.24**	**0.72**	**3.37**	**0.69**	**3.28**	**0.93**	**3.33**	**0.76**

(Source: Survey Data)

Table 4.36

Result of ANOVA - Income wise analysis of Customer Loyalty

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
Willingness to consider the bank as first choice for any financial needs.	2.159	0.720	3	1.644	0.179
Willingness to do more business with this bank in the coming years.	5.446	1.815	3	3.363	0.019
Willingness to remain with the bank even if the charges are comparatively higher	0.588	0.196	3	0.330	0.804
Willingness to recommend this bank to anyone who seeks advice.	3.553	1.184	3	2.000	0.114
Willingness to use more of the additional services of the bank in the near future.	10.579	3.526	3	8.310	0.000
Willingness to never complain to other customers and outsiders, even if there is a problem with the bank.	6.883	2.294	3	3.173	0.025
Willingness to stay with the bank, even if there is a problem with the bank.	9.599	3.200	3	4.110	0.007

(Source: Survey Data)

4.5. RESULT OF HYPOTHESES TESTING

Based on the objectives relating to customer satisfaction and customer loyalty, two hypotheses were framed. The results of these hypotheses testing are presented in the following pages.

4.5.1. Result of hypothesis testing – H1

The first hypothesis set for the study is “There is no significant difference in the level of customer satisfaction according to the type of bank in which they maintain account, their age, education, occupation and income”.

This main hypothesis is divided in to five sub hypotheses and results are presented below. 't – test' is used for testing H1a and Analysis of Variance is used for testing the remaining sub hypothesis.

H1a – There is no significant difference in the level of customer satisfaction according to the type of bank in which they maintain account.

The result of t -test shows that there is no significant difference in the satisfaction level of public sector and private sector banks customers, with regard to majority variables of satisfaction as the P value is more than 0.05. So the hypothesis is accepted.

H1b – There is no significant difference in the level of customer satisfaction according to the age of the customers.

The result of ANOVA shows that there is significant difference exists among the customers of various age groups with regard to majority variables of customer satisfaction as the P value is less than 0.05. So the hypothesis is rejected.

H1c – There is no significant difference in the level of customer satisfaction according to the education of the customers.

The result of ANOVA shows that there is significant difference in the satisfaction level of customers of various educational categories with regard to majority variables as the P value is less than 0.05. So the hypothesis is rejected.

H1d– There is no significant difference in the level of customer satisfaction according to the occupation of the customers.

The result of ANOVA shows that there is significant difference in the satisfaction level of customers of various occupational categories with regard to majority variables as the P value is less than 0.05. So the hypothesis is rejected.

H1e – There is no significant difference in the level of customer satisfaction according to the income of the customers.

The result of ANOVA shows that there is significant difference in the satisfaction level of customers of various income groups with regard to majority variables as the P value is less than 0.05. So the hypothesis is rejected.

4.5.2. Result of hypothesis testing – H2

The second hypothesis set for the study is “There is no significant difference in the level of customer loyalty according to the type of bank in which they maintain account, age, education, occupation and income”. This main hypothesis is divided in to five sub hypotheses and results are presented below. ‘t – test’ is used for testing H2a and Analysis of Variance is used for testing the remaining sub hypothesis.

H2a – There is no significant difference in the level of customer loyalty according to the type of bank in which they maintain account.

The result of t -test shows that there is no significant difference in the level of customer loyalty of public sector and private sector banks customers, with regard to majority variables of loyalty as the P value is more than 0.05. So the hypothesis is accepted.

H2b – There is no significant difference in the level of customer loyalty according to the age of the customers.

The result of ANOVA shows that there is no significant difference in the level of customer loyalty of customers of various age groups with regard to majority variables of customer loyalty as the P value is more than 0.05. So the hypothesis is accepted.

H2c – There is no significant difference in the level of customer loyalty according to the education of the customers.

The result of ANOVA shows that there is significant difference in the level of loyalty of customers of various educational categories with regard to majority variables of loyalty as the P value is less than 0.05. So the hypothesis is rejected.

H2d– There is no significant difference in the level of customer satisfaction according to the occupation of the customers.

The result of ANOVA shows that there is significant difference in the level of loyalty among customers of various occupational categories with regard to majority variables of loyalty as the P value is less than 0.05. So the hypothesis is rejected.

H2e – There is no significant difference in the level of customer loyalty according to the income of the customers.

The result of ANOVA shows that there is significant difference in the level of loyalty among customers of various income groups with regard to majority variables as the P value is less than 0.05. So the hypothesis is rejected.

4.6. CONCLUSION

The present chapter provides the details about the analysis of primary data collected from bank customers. The analysis revealed the details about their demographic factors, their general banking habits, the level of satisfaction and loyalty. The details regarding the testing of first two hypotheses are also mentioned in this chapter. After getting an idea about these things, it is important to analyse the main focuses of this study i.e., Relationship Quality and Relationship Marketing Orientation. The next chapter deals with the analysis of primary data relating to these aspects.

CHAPTER 5

RELATIONSHIP QUALITY AND RELATIONSHIP MARKETING ORIENTATION

Ramya Krishnan K.”A study on the relationship marketing orientation of commercial banks in Kerala” Thesis. Department of Commerce and Management Studies, University of Calicut, 2015

CHAPTER V

RELATIONSHIP QUALITY AND RELATIONSHIP MARKETING ORIENTATION

CHAPTER V

RELATIONSHIP QUALITY AND RELATIONSHIP MARKETING ORIENTATION

5.1. INTRODUCTION

After analysing the primary data relating to Customer Satisfaction and Loyalty, it is appropriate to analyse the Relationship Quality and effectiveness of the Relationship Marketing Orientation strategies of the commercial banks in Kerala. This chapter is intended for presenting the results of the analysis of the customer perception with regard to Relationship Quality and Relationship Marketing Orientation. The result of the analysis of the role of Relationship Quality in building Customer Loyalty is also presented in this chapter.

5.2. RELATIONSHIP QUALITY

Relationship quality represents a general evaluation of relationship strength and the extent to which a relationship meets the needs and expectations of the parties involved based on a history of successful or unsuccessful encounters or events. Many researchers have identified that relationship quality is a distinct construct that differs significantly from service quality and is also a better predictor of behavioural intentions than service quality. The measurement of relationship quality is crucial to organisational development in an industrial as well as a service context. So here the relationship quality is analysed according to type of bank in which the customers maintain account, their age, education, occupation and income. For analysing the relationship quality, researcher has constructed a relationship quality scale which is a modification of the scale developed by previous researchers. The results of the analysis of relationship quality are presented in the following pages.

Bank wise analysis of Relationship Quality

The bank wise analysis of Relationship Quality is shown in table 5.1. It is clear from the table that the customers agree with all variables except the variables “In special occasions, they remember customers by sending a message/card or making a call”, “They arrange customers meet regularly”, “They address customers by their name”, “They regularly identify new needs of customers”, “They regularly enquire about the welfare of their customers and their family”, “They inform the customers about new schemes/ services launched”, “They encourage customers to tell them if things are not right.”, “They intimate customers in advance the date of maturity for Fixed Deposit”, “The employees show empathy towards their customers and their family”, “Through their behaviour they create a feeling in customers that they are also a part of the bank”, “They also help customers in possible ways to solve their non-banking problems also” and “Customers’ complaints are always addressed in fair manner”. The customers moderately agree with all these twelve variables.

The table further shows that the variable which got highest mean score is “They listen to customers and speak in a language that customers can understand” with a mean score of 4.02 (S.D. 0.63). The variable which occupied second position is “They offer all the services including E- Banking services, which customer needs” with a mean score of 3.98 (S.D. 0.74). The next position is occupied by the variable “The most important aspect of the bank is satisfying customer needs” with a mean score of 3.94 (S.D. 0.73).

The variable which got lowest mean score is “They regularly enquire about the welfare of their customers and their family” with a mean score of 2.60 (S.D. 1.05). The second least important variable is “They also help customers in possible ways to solve their non-banking problems also” with a mean score of 2.66 (S.D. 0.98). Third least important variable is "They arrange customers meet regularly" with a mean score of 2.67 (S.D. 0.87).

On an overall basis it can be inferred that a moderate level of Relationship Quality is maintained by their banks.

As regards the customers of public sector banks they agree with all variables except "They are making a feeling that customers are special", "In special occasions, they remember customers by sending a message/card or making a call", "They arrange customers meet regularly", "They address customers by their name", "They regularly identify new needs of customers", "They regularly enquire about the welfare of their customers and their family", "They inform the customers about new schemes/ services launched", "They encourage customers to tell them if things are not right", "They encourage customers to tell them if things are not right", "They intimate customers in advance the date of maturity for Fixed Deposit", "The employees show empathy towards their customers and their family", "Through their behaviour they create a feeling in customers that they are also a part of the bank" and "They also help customers in possible ways to solve their non-banking problems also". They moderately agree with these thirteen variables.

The variable which got highest mean score is "The employees are approachable and easy to contact" with a mean score of 3.93 (Standard deviation of 0.81). The second variable which got highest mean score is "They listen to customers and speak in a language that customers can understand" with a mean score of 3.91 (Standard deviation of 0.71). The third highest mean value is obtained by two variable viz, "The most important aspect of the bank is satisfying customer needs" and "Customers are highly satisfied with the behaviour of their bank employees" with a mean score of 3.87 each and Standard deviation of 0.73 and 0.84 respectively.

The variable which got lowest mean score is “They arrange customers meet regularly” with a mean score of 2.63 (Standard deviation of 0.92). The next variable with the least mean score is “They also help customers in possible ways to solve their non-banking problems also” with a value of 2.69 (Standard deviation 1.06). The third least important variable is “They regularly enquire about the welfare of their customers and their family” with a mean score of 2.75 (Standard deviation of 1.09).

On an overall basis the Public sector bank customers are almost satisfied with the Relationship Quality of their banks as revealed by the overall mean score of 3.49 with a Standard deviation of 0.84.

In the case of Private Sector Bank customers they agree with all variables except, “In special occasions, they remember customers by sending a message/card or making a call”, “They arrange customers meet regularly”, “They regularly identify new needs of customers”, “They inform the customers about new schemes/ services launched”, “They encourage customers to tell them if things are not right”, “They intimate customers in advance the date of maturity for Fixed Deposit”, “They show empathy towards you and your family as customers”, “Through their behaviour they create a feeling in customers that they are also a part of the bank”, “They also help customers in possible ways to solve their non-banking problems also”, “Customers are highly satisfied with their bank’s services”, “Customers’ complaints are always addressed in fair manner”, “Relationship of the customer with the bank has been a highly successful one” and “They regularly enquire about the welfare of their customers and their family”. They disagree with the last variable and moderately agree with all other twelve variables. It implies that private sector banks do not regularly enquire about the welfare of their customers and their family.

The variable which got highest mean score for private sector bank customers is “They offer all the services including E- Banking services, which customer needs” with a mean score of 4.19 (Standard deviation of 0.61). The second variable which got highest mean score is “They listen to customers and speak in a language that customers can understand” with a mean score of 4.13 (Standard deviation of 0.55). The third important variable is “The most important aspect of the bank is satisfying customer needs” with a mean score of 4.02 (Standard deviation of 0.74). All these mean score implies that the customers are satisfied with the Relationship Quality of Private Sector Banks with regard to these variables.

The variable which got lowest mean score is “They regularly enquire about the welfare of their customers and their family” with a mean score of 2.45 (Standard deviation of 1.00). This implies that the customers are dissatisfied with the Relationship Quality aspect of Private sector banks on this variable. The next variable with the least mean score is “They also help customers in possible ways to solve their non-banking problems also” with a mean score of 2.63 (Standard deviation of 0.90). The third important variable is “They arrange customers meet regularly” with a value of 2.71 (Standard deviation 0.81). On an overall basis the Private sector bank customers are moderately satisfied with the Relationship Quality of their banks as revealed by the overall mean score of 3.48 with a Standard deviation of 0.77.

It can be noted from table 5.1 that the level of perceived relationship quality is slightly higher among the customers of public sector banks than the customers of private sector banks. T-test is carried out to test the statistical significance of this difference and the result of the analysis is presented in table 5.2. It can be noted from the table that there is no significant difference in the relationship quality of public sector and private sector banks with regard to majority variables.

Table 5.1

Bank wise analysis of Relationship Quality

Relationship Quality	Public Sector Bank		Private Sector Bank		Total	
	Mean	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**
The most important aspect of the bank is satisfying customer needs	3.87	0.73	4.02	0.74	3.94	0.73
They offer all the services including E- Banking services, which customer needs.	3.78	0.87	4.19	0.61	3.98	0.74
They always take speedy actions to solve the problems.	3.59	0.88	3.87	0.99	3.73	0.93
They are making a feeling that customers are special.	3.35	0.92	3.87	0.75	3.61	0.84
In special occasions, they remember customers by sending a message/card or making a call.	3.26	1.11	3.17	1.17	3.21	1.14
They arrange customers meet regularly.	2.63	0.92	2.71	0.81	2.67	0.87
They address customers by their name.	3.25	0.94	3.53	1.00	3.39	0.97
They regularly identify new needs of customers.	3.02	0.94	3.08	0.87	3.05	0.91
They regularly enquire about the welfare of their customers and their family.	2.75	1.09	2.45	1.00	2.60	1.05
They inform the customers about new schemes/ services launched.	3.43	0.90	3.09	0.91	3.26	0.91
They always provide reliable information	3.61	0.71	3.59	0.66	3.60	0.68
They remind customers politely when installments are due in their loan account.	3.50	0.84	3.50	0.72	3.50	0.78
They encourage customers to tell them if things are not right.	3.27	0.75	3.46	0.60	3.36	0.67
They intimate customers in advance the date of maturity for Fixed Deposit.	3.46	0.77	3.32	0.59	3.39	0.68
They listen to customers and speak in a language that customers can understand.	3.91	0.71	4.13	0.55	4.02	0.63
The employees of the bank are willing and able to provide services in a timely manner.	3.77	0.76	3.99	0.67	3.88	0.72

Relationship Quality	Public Sector Bank		Private Sector Bank		Total	
	Mean	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**
The employees are approachable and easy to contact.	3.93	0.81	3.84	0.71	3.88	0.76
The employees are courteous and polite.	3.73	0.87	3.75	0.70	3.74	0.79
The employees provide services reliably and consistently.	3.82	0.78	3.68	0.50	3.75	0.64
The employees show much concern in resolving the complaints of customers.	3.54	0.83	3.61	0.94	3.58	0.89
The employees show empathy towards their customers and their family	3.05	0.90	2.74	0.86	2.90	0.88
Through their behaviour they create a feeling in customers that they are also a part of the bank.	3.42	0.79	3.22	0.95	3.32	0.87
They also help customers in possible ways to solve their non-banking problems also.	2.69	1.06	2.63	0.90	2.66	0.98
Customers are highly satisfied with their bank's services.	3.74	0.76	3.47	0.82	3.61	0.79
Customers are highly satisfied in the communication quality of their bank.	3.71	0.72	3.75	0.81	3.73	0.77
Customers' complaints are always addressed in fair manner.	3.51	0.77	3.48	0.62	3.49	0.69
Customers are highly satisfied with the behaviour of their bank employees.	3.87	0.84	3.67	0.48	3.77	0.66
According to the past relationship with the bank, customers think that they are trustworthy.	3.82	0.80	3.71	0.69	3.77	0.75
Relationship of the customer with the bank has been a highly successful one.	3.85	0.63	3.48	0.69	3.67	0.66
Overall Score	**3.49**	**0.84**	**3.48**	**0.77**	**3.49**	**0.81**

(Source: Survey Data)

The above data is presented in the following chart 5.1.

Chart 5.1

Bank wise analysis of Relationship Quality

Table 5.2

Result of 't – test' – Bank wise classification

Variable	Degrees of freedom	t value	P value
The most important aspect of the bank is satisfying customer needs	298	-1.811	0.071
They offer all the services including E- Banking services, which customer needs.	298	-4.683	0.000
They always take speedy actions to solve the problems.	298	-2.537	0.012
They are making a feeling that customers are special.	298	-5.426	0.000
In special occasions, they remember customers by sending a message/card or making a call.	298	0.709	0.479
They arrange customers meet regularly.	298	-0.866	0.387
They address customers by their name.	298	-2.556	0.011
They regularly identify new needs of customers.	298	-.572	0.568
They regularly enquire about the welfare of their customers and their family.	298	2.423	0.016
They inform the customers about new schemes/ services launched.	298	3.313	0.001
They always provide reliable information	298	0.168	0.866
They remind customers politely when installments are due in their loan account.	298	0.000	1.000
They encourage customers to tell them if things are not right.	298	-2.473	0.014
They intimate customers in advance the date of maturity for Fixed Deposit.	298	1.757	0.080
They listen to customers and speak in a language that customers can understand.	298	-2.987	0.003
The employees of the bank are willing and able to provide services in a timely manner.	298	-2.656	0.008
The employees are approachable and easy to contact.	298	0.987	0.324
The employees are courteous and polite.	298	-0.219	0.827
The employees provide services reliably and consistently.	298	1.859	0.064
The employees show much concern in resolving the complaints of customers.	298	-0.715	0.475

Variable	Degrees of freedom	t value	P value
The employees show empathy towards their customers and their family	298	3.073	0.002
Through their behaviour they create a feeling in customers that they are also a part of the bank.	298	1.988	0.051
They also help customers in possible ways to solve their non-banking problems also.	298	0.469	0.639
Customers are highly satisfied with their bank's services.	298	2.906	0.004
Customers are highly satisfied in the communication quality of their bank.	298	-0.451	0.652
Customers' complaints are always addressed in fair manner.	298	0.331	0.741
Customers are highly satisfied with the behaviour of their bank employees.	298	2.531	0.012
According to the past relationship with the bank, customers think that they are trustworthy.	298	1.235	0.218
Relationship of the customer with the bank has been a highly successful one.	298	4.891	0.000

(Source: Survey Data)

Age wise presentation of Relationship Quality

The data presented in table 5.1 is also analysed on the basis of the Age of respondents. The result of analysis is presented in table 5.3. It can be noted from the table that the teenage customers in the age group of up to 19 years disagree with the variables "They regularly enquire about the welfare of their customers and their family" and "They inform the customers about new schemes/ services launched". It implies that the teenagers have the opinion that their banks do not do these things. They agree with the variables "The most important aspect of the bank is satisfying customer needs", "They offer all the services including E- Banking services, which customer needs", "They always take speedy actions to solve the problems", "They are making a feeling that customers are special" and "In special occasions, they remember customers by sending a message/card or making a call". They moderately agree with all other variables. The variables which got highest mean score is

“They offer all the services including E- Banking services, which customer needs” with a mean score of 4.15 and Standard deviation of 0.74. It implies that the teenagers agree that their bank provides all services needed by them. The variable which got least mean score is “They regularly enquire about the welfare of their customers and their family” with a mean score of 2.00 and Standard deviation of 1.07. It implies that the teenage customers have the opinion that their bank does not enquire about the welfare of their customers and their family.

The younger customers in the age group of 20 years – 39 years disagree with the variables “They arrange customers meet regularly”, “They regularly enquire about the welfare of their customers and their family” and “They also help customers in possible ways to solve their non-banking problems also”. They moderately agree with the variables “In special occasions, they remember customers by sending a message/card or making a call”, “They address customers by their name”, “They regularly identify new needs of customers”, “They inform the customers about new schemes/ services launched”, “They remind customers politely when instalments are due in their loan account”, “They encourage customers to tell them if things are not right”, “They intimate customers in advance the date of maturity for Fixed Deposit”, “The employees show empathy towards their customers and their family” and “Through their behaviour they create a feeling in customers that they are also a part of the bank”. They agree with all other variables. The variable which got highest mean score is “They listen to customers and speak in a language that customers can understand” with a mean score of 4.38 and Standard deviation of 0.67. It implies that the younger customers have the opinion that their bank listen and talk to them. The variables which got lowest mean score is “They also help customers in possible ways to solve their non-banking problems also” with a mean score of 2.15 and Standard deviation of

0.93. It implies that younger customers' bank does not help them to solve their non-banking problems.

As regards the middle aged customers in the category of 40-59 years, they agree with all variables except, "They are making a feeling that customers are special", "In special occasions, they remember customers by sending a message/card or making a call", "They arrange customers meet regularly", "They regularly identify new needs of customers", "They regularly enquire about the welfare of their customers and their family", "They inform the customers about new schemes/ services launched", "They intimate customers in advance the date of maturity for Fixed Deposit", "They show empathy towards you and your family as customers", "Through their behaviour they create a feeling in customers that they are also a part of the bank", "They also help customers in possible ways to solve their non-banking problems also" and "Customers' complaints are always addressed in fair manner". For these variables the middle aged customers have moderate agreement. The variables which got highest mean score is "They offer all the services including E- Banking services, which customer needs" with a mean score of 4.27 and Standard deviation of 0.82. The variable which got lowest mean score is "They arrange customers meet regularly" with a mean score of 2.76 and Standard deviation of 0.79. It implies that the regular customer meets are not arranged by the banks for the middle aged customers.

The elder customers in the age group of 60 years and above category agree with all variables except, "They offer all the services including E-Banking services, which customer needs", "In special occasions, they remember customers by sending a message/card or making a call", "They arrange customers meet regularly", "They address customers by their name", "They regularly enquire about the welfare of their customers and their family", "They remind customers politely when instalments are due in their loan account", "They encourage customers to tell them if things are not right", "The employees show much concern in resolving the complaints of customers", "They show empathy towards you and your family as customers", "Through their behaviour they create a feeling in customers that they are also a part of the bank", "They also help customers in possible ways to solve their non-banking problems also", "Customers' complaints are always addressed in fair manner" and "Customers are highly satisfied with the behaviour of their bank employees". For these variables, the elder customers have only moderate agreement. The variable which got highest mean score is "Customers are highly satisfied with their bank's services" with a mean score of 4.25 and Standard deviation of 0.42. It implies that the elder customers agree that they are highly satisfied with the services of their bank. The variable which got lowest mean score is "They also help customers in possible ways to solve their non-banking problems also" with a mean score of 2.83 and Standard deviation of 0.89. It implies that the elder customers' bank does not help them to solve their non-banking problems.

On an overall basis the relationship quality perceived by the middle aged and elder customers are high as revealed by the mean score of 3.59 (S.D. of 0.86) and 3.64 (S.D. of 0.72) respectively. As regards the younger customers, the perceived relationship quality is almost high with relationship quality of their bank with a mean score of 3.49 and S.D. of 0.81. Whereas, there is moderate level of relationship quality perceived by the teenagers as revealed by the mean score of 3.22 and S.D. of 0.83. The perceived relationship quality is higher among the elder customers and lower among the teenagers.

Even though there are differences in the relationship quality perceived by the customers of different age groups, it is important to know the statistical significance of these differences. Analysis of Variance was carried out to test the statistical significance and the result of the analysis is presented in table 5.8. The results show that significant difference exist between the customers of different age groups with regard to the majority variables of relationship quality.

Table 5.3

Age wise presentation of Relationship Quality

Relationship Quality	Up to 19 Years		20-39 Years		40-59 Years		60 Years & Above		Total	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
The most important aspect of the bank is satisfying customer needs	3.75	0.66	3.84	0.68	4.10	0.80	4.08	0.76	3.94	0.73
They offer all the services including E- Banking services, which customer needs.	4.15	0.74	4.10	0.76	4.27	0.82	3.39	0.64	3.98	0.74
They always take speedy actions to solve the problems.	3.75	1.17	3.70	1.05	3.67	0.77	3.82	0.74	3.73	0.93
They are making a feeling that customers are special.	3.50	1.07	3.62	0.92	3.43	0.80	3.91	0.56	3.61	0.84
In special occasions, they remember customers by sending a message/card or making a call.	3.50	1.19	3.18	1.24	3.24	1.17	2.93	0.97	3.21	1.14
They arrange customers meet regularly.	2.57	1.19	2.43	0.87	2.76	0.79	2.92	0.62	2.67	0.87
They address customers by their name.	3.25	1.17	3.38	1.12	3.65	0.90	3.26	0.71	3.39	0.97
They regularly identify new needs of customers.	2.88	1.35	2.84	0.92	2.92	0.84	3.58	0.52	3.05	0.91
They regularly enquire about the welfare of their customers and their family.	2.00	1.07	2.39	0.99	2.93	1.17	3.10	0.96	2.60	1.05
They inform the customers about new schemes/ services launched.	2.23	0.89	3.25	0.94	3.33	0.96	4.23	0.87	3.26	0.91
They always provide reliable information	3.00	0.97	3.59	0.73	3.64	0.58	4.18	0.45	3.60	0.68
They remind customers politely when installments are due in their loan account.	3.63	0.62	3.29	0.83	3.89	0.89	3.21	0.78	3.50	0.78
They encourage customers to tell them if things are not right.	3.38	0.52	3.21	0.60	3.59	0.95	3.28	0.63	3.36	0.67
They intimate customers in advance the date of maturity for Fixed Deposit.	3.13	0.74	3.26	0.76	3.40	0.71	3.76	0.49	3.39	0.68
They listen to customers and speak in a language that customers can understand.	3.45	0.71	4.38	0.67	4.03	0.54	4.21	0.61	4.02	0.63

Relationship Quality	Up to 19 Years		20-39 Years		40-59 Years		60 Years & Above		Total	
	Mean	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**
The employees of the bank are willing and able to provide services in a timely manner.	3.43	0.52	3.94	0.75	3.98	0.70	4.19	0.92	3.88	0.72
The employees are approachable and easy to contact.	3.38	0.52	4.14	0.83	3.80	0.97	4.21	0.74	3.88	0.76
The employees are courteous and polite.	3.25	0.86	3.93	0.82	3.75	0.87	4.03	0.59	3.74	0.79
The employees provide services reliably and consistently.	3.25	0.46	3.78	0.68	3.84	0.63	4.13	0.81	3.75	0.64
The employees show much concern in resolving the complaints of customers.	3.42	0.66	3.73	0.89	3.88	1.20	3.31	0.79	3.58	0.89
The employees show empathy towards their customers and their family.	2.88	0.84	2.79	0.82	3.05	0.99	2.90	0.88	2.90	0.88
Through their behaviour they create a feeling in customers that they are also a part of the bank.	3.02	0.99	3.45	0.80	3.46	1.07	3.34	0.62	3.32	0.87
They also help customers in possible ways to solve their non-banking problems also.	2.68	0.99	2.15	0.93	3.00	1.10	2.83	0.89	2.66	0.98
Customers are highly satisfied with their bank's services.	2.73	1.19	3.72	0.79	3.74	0.77	4.25	0.42	3.61	0.79
Customers are highly satisfied in the communication quality of their bank.	3.48	0.92	3.90	0.54	3.95	0.99	3.59	0.62	3.73	0.77
Customers' complaints are always addressed in fair manner.	3.43	0.64	3.73	0.75	3.47	0.62	3.34	0.75	3.49	0.69
Customers are highly satisfied with the behaviour of their bank employees.	3.78	0.54	3.99	0.68	3.99	0.71	3.32	0.71	3.77	0.66
According to the past relationship with the bank, customers think that they are trustworthy.	3.25	0.46	3.86	0.61	3.77	0.94	4.20	0.97	3.77	0.75
Relationship of the customer with the bank has been a highly successful one.	3.25	0.46	3.73	0.68	3.60	0.70	4.09	0.79	3.67	0.66
Overall Score	**3.22**	**0.83**	**3.49**	**0.81**	**3.59**	**0.86**	**3.64**	**0.72**	**3.49**	**0.81**

(Source: Survey Data)

Table 5.4

Result of ANOVA - Age wise presentation of Relationship Quality

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
The most important aspect of the bank is satisfying customer needs	5.040	1.680	3	3.168	0.025
They offer all the services including E- Banking services, which customer needs.	2.339	0.780	3	1.292	0.277
They always take speedy actions to solve the problems.	0.500	0.167	3	0.186	0.906
They are making a feeling that customers are special.	3.529	1.176	3	1.528	0.207
In special occasions, they remember customers by sending a message/card or making a call.	0.983	0.328	3	0.251	0.861
They arrange customers meet regularly.	13.045	4.348	3	6.092	0.000
They address customers by their name.	5.602	1.867	3	1.962	0.120
They regularly identify new needs of customers.	2.117	0.706	3	0.856	0.465
They regularly enquire about the welfare of their customers and their family.	23.445	7.815	3	7.449	0.000
They inform the customers about new schemes/ services launched.	12.009	4.003	3	4.902	0.002
They always provide reliable information	3.453	1.151	3	2.495	0.060
They remind customers politely when installments are due in their loan account.	18.497	6.166	3	11.095	0.000
They encourage customers to tell them if things are not right.	10.431	3.477	3	7.981	0.000
They intimate customers in advance the date of maturity for Fixed Deposit.	2.318	0.773	3	1.621	0.184
They listen to customers and speak in a language that customers can understand.	12.051	4.017	3	10.542	0.000

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
The employees of the bank are willing and able to provide services in a timely manner.	2.178	0.726	3	1.389	0.246
The employees are approachable and easy to contact.	9.965	3.322	3	6.034	0.001
The employees are courteous and polite.	9.932	3.311	3	5.560	0.001
The employees provide services reliably and consistently.	2.313	0.771	3	1.812	0.145
The employees show much concern in resolving the complaints of customers.	3.177	1.059	3	1.351	0.258
The employees show empathy towards their customers and their family	4.888	1.629	3	2.053	0.107
Through their behaviour they create a feeling in customers that they are also a part of the bank.	1.937	0.646	3	0.840	0.473
They also help customers in possible ways to solve their non-banking problems also.	37.712	12.571	3	14.789	0.000
Customers are highly satisfied with their bank's services.	8.229	2.743	3	4.381	0.005
Customers are highly satisfied in the communication quality of their bank.	3.734	1.245	3	2.144	0.095
Customers' complaints are always addressed in fair manner.	1.892	0.631	3	1.305	0.273
Customers are highly satisfied with the behaviour of their bank employees.	1.842	0.614	3	1.291	0.278
According to the past relationship with the bank, customers think that they are trustworthy.	4.798	1.599	3	2.907	0.035
Relationship of the customer with the bank has been a highly successful one.	2.992	0.997	3	2.144	0.095

(Source: Survey Data)

Education wise classification of Relationship Quality

The Relationship Quality has been analysed on the basis of the educational qualification of the respondents also. The result of this analysis is presented in table 5.5. It can be evaluated from the table that the customers having educational qualification of below SSLC agree with all variables except, “They arrange customers meet regularly”, “They address customers by their name”, “They regularly identify new needs of customers”, “They encourage customers to tell them if things are not right”, “The employees are courteous and polite”, “They also help customers in possible ways to solve their non-banking problems also”, “Customers are highly satisfied with their bank’s services” and “Customers are highly satisfied in the communication quality of their bank”. They moderately agree with these eight variables. The variables which got highest mean score is “They offer all the services including E- Banking services, which customer needs” with a mean score of 4.25 and Standard deviation of 0.94. The variable which got least mean score is “They arrange customers meet regularly” with a mean score of 2.69 and Standard deviation of 1.06.

Customers having SSLC qualification disagree with the variable “They regularly enquire about the welfare of their customers and their family”. They moderately agree with the variables “In special occasions, they remember customers by sending a message/card or making a call”, “They arrange customers meet regularly”, “They regularly identify new needs of customers”, “They inform the customers about new schemes/ services launched”, “They intimate customers in advance the date of maturity for Fixed Deposit”, “The employees are courteous and polite”, “The employees provide services reliably and consistently”, “The employees show much concern in resolving the complaints of customers”, “The employees show empathy towards their customers and their family”, “Through their behaviour they create a feeling in customers that they are also a part of the bank", "They also help customers in possible ways to solve their non-banking problems also", "Customers are highly satisfied in the communication quality of their bank", "Customers' complaints are always addressed in fair manner" and "According to the past relationship with the bank, customers think that they are trustworthy". They agree with all other variables. The variable which got highest mean score is "They listen to customers and speak in a language that customers can understand" with a mean score of 3.89 and Standard deviation of 0.76. The variable which got least mean score is "They regularly enquire about the welfare of their customers and their family" with a mean score of 2.09 and Standard deviation of 1.04.

Customers belonging to the category of Pre-degree as the educational qualification agree with all variables except "They always take speedy actions to solve the problems", "They are making a feeling that customers are special", "In special occasions, they remember customers by sending a message/card or making a call", "They arrange customers meet regularly", "They regularly identify new needs of customers", "They regularly enquire about the welfare of their customers and their family", "They inform the customers about new schemes/ services launched", "They encourage customers to tell them if things are not right", "They show empathy towards you and your family as customers" and "They also help customers in possible ways to solve their non-banking problems also". They moderately agree with these variables. The variable which got highest mean score is "The most important aspect of the bank is satisfying customer needs" with a mean score of 4.28 and Standard deviation of 0.72. It implies that the customers agree that their banks are satisfying their needs. The variable which got least mean score is "They regularly enquire about the welfare of their customers and their family" with a mean score of 2.63 and Standard deviation of 1.12.

The customers having degree as their educational qualification agree with all variables except the variables, “In special occasions, they remember customers by sending a message/card or making a call”, “They arrange customers meet regularly”, “They address customers by their name”, “They regularly identify new needs of customers”, “They regularly enquire about the welfare of their customers and their family”, “They remind customers politely when installments are due in their loan account”, “They encourage customers to tell them if things are not right”, “They intimate customers in advance the date of maturity for Fixed Deposit”, “They show empathy towards you and your family as customers”, “Through their behaviour they create a feeling in customers that they are also a part of the bank” and “They also help customers in possible ways to solve their non-banking problems also”. For these variables they have only moderate agreement. The variable which got highest mean score is “According to the past relationship with the bank, customers think that they are trustworthy” with a mean score of 4.14 and Standard deviation of 0.48. It implies that the customers treat their bank as a trustworthy one. The variable which got least mean score is “They arrange customers meet regularly” with a mean score of 2.57 and Standard deviation of 0.86. The customers have only moderate agreement with this variable.

The customers having PG as their educational qualification agree with the variables “The most important aspect of the bank is satisfying customer needs”, “They offer all the services including E- Banking services, which customer needs”, “They are making a feeling that customers are special”, “They listen to customers and speak in a language that customers can understand”, “The employees of the bank are willing and able to provide services in a timely manner”, “The employees are approachable and easy to contact”, “The employees are courteous and polite”, “The employees provide services reliably and consistently”, “Customers are highly satisfied in the communication quality of their bank”, “Customers are highly satisfied with the behaviour of their bank employees", "According to the past relationship with the bank, customers think that they are trustworthy" and "Relationship of the customer with the bank has been a highly successful one". They moderately agree with all other variables. The variable which got highest mean score is "They listen to customers and speak in a language that customers can understand" with a mean score of 4.16 and Standard deviation of 0.68. It means that the customers agree with this variable. The variable which got least mean score is "They regularly enquire about the welfare of their customers and their family" with a mean score of 2.52 and Standard deviation of 1.14. It implies that the customers have only moderate agreement with this variable.

Customers having Professional qualification disagree with the variables "They arrange customers meet regularly", "They regularly enquire about the welfare of their customers and their family" and "They also help customers in possible ways to solve their non-banking problems also". They moderately agree with the variables "They address customers by their name", "They regularly identify new needs of customers", "They inform the customers about new schemes/ services launched", "They encourage customers to tell them if things are not right", "They intimate customers in advance the date of maturity for Fixed Deposit" and "They show empathy towards you and your family as customers". They agree with all other variables. The variable which got highest mean score is "They listen to customers and speak in a language that customers can understand" with a mean score of 4.25 and Standard deviation of 0.85. It means that the customers agree with this variable. The variable which got least mean score is "They regularly enquire about the welfare of their customers and their family" with a mean score of 2.14 and Standard deviation of 1.30. It implies that the customers have only moderate agreement with this variable.

It can be inferred from the overall score that the relationship quality perception of customers having educational qualification of Below SSLC, Pre-degree, Degree and Professional qualification is high as revealed by the mean value of 3.61 (S.D. of 0.95), 3.50 (S.D. of 0.79), 3.55 (S.D. of 0.66) and 3.54 (S.D. of 0.80) respectively. At the same time there is moderate level of relationship quality perceived by the customers having SSLC and P.G. as their educational qualification as revealed by the mean score of 3.34 (S.D. of 0.83) and 3.38 (S.D. of 0.81) respectively. It can be inferred from the table 5.5 that the perceived relationship quality is higher among the customers having below SSLC qualification and lower among the customers having SSLC qualification.

The result of ANOVA presented in table 5.6 reveals that significant difference exists in the all variables of Relationship quality between the customers having different educational qualification.

Table 5.5
Education wise classification of Relationship Quality

Relationship Quality	Below SSLC		SSLC		Pre-Degree		Degree		PG		Professional qualification		Total	
	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D
The most important aspect of the bank is satisfying customer needs	3.71	0.79	3.80	0.83	4.28	0.72	4.00	0.65	3.80	0.78	4.06	0.60	3.94	0.73
They offer all the services including E- Banking services, which customer needs.	4.25	0.94	3.87	0.62	3.63	0.79	4.10	0.78	3.91	0.74	4.14	0.57	3.98	0.74
They always take speedy actions to solve the problems.	4.07	0.88	3.64	0.96	3.38	0.89	3.85	0.78	3.42	1.26	4.01	0.81	3.73	0.93
They are making a feeling that customers are special.	3.67	0.82	3.48	1.04	3.23	0.72	3.81	0.60	3.67	1.10	3.81	0.76	3.61	0.84
In special occasions, they remember customers by sending a message/card or making a call.	3.88	1.08	2.92	1.25	3.15	0.96	2.66	0.99	3.06	1.21	3.58	1.35	3.21	1.14
They arrange customers meet regularly.	2.69	1.06	2.60	0.72	3.18	0.89	2.57	0.86	2.65	0.90	2.35	0.78	2.67	0.87
They address customers by their name.	3.42	1.02	3.61	0.76	3.68	0.98	2.86	0.94	3.38	1.00	3.38	1.13	3.39	0.97
They regularly identify new needs of customers.	3.29	0.96	3.00	1.05	2.88	0.96	3.33	0.76	3.15	0.83	2.67	0.87	3.05	0.91
They regularly enquire about the welfare of their customers and their family.	3.50	1.06	2.09	1.04	2.63	1.12	2.70	0.66	2.52	1.14	2.14	1.30	2.60	1.05
They inform the customers about new schemes/ services launched.	3.50	1.29	3.10	0.93	2.75	0.68	3.86	0.69	3.21	0.88	3.13	1.01	3.26	0.91
They always provide reliable information	3.54	0.88	3.62	0.61	3.50	0.67	3.62	0.67	3.42	0.69	3.86	0.54	3.60	0.68
They remind customers politely when installments are due in their loan account.	3.73	1.09	3.62	0.61	3.78	1.09	3.09	0.60	3.18	0.45	3.62	0.86	3.50	0.78
They encourage customers to tell them if things are not right.	3.38	0.77	3.60	0.68	3.38	0.85	3.38	0.50	3.32	0.61	3.09	0.62	3.36	0.67
They intimate customers in advance the date of maturity for Fixed Deposit.	3.82	0.83	3.46	0.83	3.58	0.50	3.19	0.62	3.25	0.57	3.05	0.72	3.39	0.68
They listen to customers and speak in a language that customers can understand.	4.00	0.66	3.89	0.76	3.75	0.45	4.07	0.41	4.16	0.68	4.25	0.85	4.02	0.63

The employees of the bank are willing and able to provide services in a timely manner.	3.75	0.79	3.75	0.67	3.88	0.62	3.95	0.62	3.73	0.82	4.25	0.78	3.88	0.72
The employees are approachable and easy to contact.	4.16	0.82	3.64	0.86	4.03	0.81	3.85	0.62	3.82	0.80	3.76	0.67	3.88	0.76
The employees are courteous and polite.	3.29	1.27	3.39	0.63	4.00	0.89	4.05	0.58	3.58	0.72	4.12	0.63	3.74	0.79
The employees provide services reliably and consistently.	3.95	0.81	3.48	0.50	3.82	0.89	3.86	0.38	3.58	0.69	3.85	0.57	3.75	0.64
The employees show much concern in resolving the complaints of customers.	3.74	0.98	3.26	0.85	3.50	0.89	3.66	0.84	3.30	0.95	4.03	0.83	3.58	0.89
The employees show empathy towards their customers and their family.	3.57	0.70	2.64	1.18	3.08	0.89	2.75	0.92	2.75	0.70	2.64	0.88	2.90	0.88
Through their behaviour they create a feeling in customers that they are also a part of the bank.	3.73	0.99	2.67	0.86	3.50	0.89	3.10	0.70	3.27	0.89	3.68	0.89	3.32	0.87
They also help customers in possible ways to solve their non-banking problems also.	2.84	0.93	2.82	1.09	2.90	0.96	2.66	0.91	2.53	0.84	2.23	1.18	2.66	0.98
Customers are highly satisfied with their bank's services.	3.37	1.35	3.65	0.81	3.63	0.72	4.02	0.46	3.38	0.85	3.63	0.55	3.61	0.79
Customers are highly satisfied in the communication quality of their bank.	3.46	1.02	3.34	1.00	3.73	0.72	4.00	0.55	3.78	0.53	4.07	0.80	3.73	0.77
Customers' complaints are always addressed in fair manner.	3.55	0.82	3.27	0.67	3.63	0.61	3.75	0.62	3.27	0.76	3.51	0.65	3.49	0.69
Customers are highly satisfied with the behaviour of their bank employees.	3.68	0.92	3.61	0.67	3.89	0.73	4.01	0.40	3.61	0.70	3.85	0.52	3.77	0.66
According to the past relationship with the bank, customers think that they are trustworthy.	3.46	1.29	3.38	0.71	3.60	0.62	4.14	0.48	3.80	0.59	4.25	0.85	3.77	0.75
Relationship of the customer with the bank has been a highly successful one.	3.68	0.68	3.59	0.82	3.65	0.45	3.98	0.54	3.50	0.70	3.65	0.75	3.67	0.66
Overall Score	**3.61**	**0.95**	**3.34**	**0.83**	**3.50**	**0.79**	**3.55**	**0.66**	**3.38**	**0.81**	**3.54**	**0.80**	**3.49**	**0.81**

(Source: Survey Data)

Table 5.6

Result of ANOVA - Education wise classification of Relationship Quality

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
The most important aspect of the bank is satisfying customer needs	10.049	2.010	5	3.888	0.002
They offer all the services including E- Banking services, which customer needs.	7.046	1.409	5	2.383	0.039
They always take speedy actions to solve the problems.	28.182	5.636	5	6.993	0.000
They are making a feeling that customers are special.	8.957	1.791	5	2.368	0.040
In special occasions, they remember customers by sending a message/card or making a call.	31.369	6.274	5	5.167	0.000
They arrange customers meet regularly.	11.949	2.390	5	3.308	0.006
They address customers by their name.	11.158	2.232	5	2.375	0.039
They regularly identify new needs of customers.	18.841	3.768	5	4.872	0.000
They regularly enquire about the welfare of their customers and their family.	32.215	6.443	5	6.277	0.000
They inform the customers about new schemes/ services launched.	14.569	2.914	5	3.582	0.004
They always provide reliable information	8.608	1.722	5	3.852	0.002
They remind customers politely when installments are due in their loan account.	14.142	2.828	5	4.925	0.000
They encourage customers to tell them if things are not right.	7.021	1.404	5	3.119	0.009
They intimate customers in advance the date of maturity for Fixed Deposit.	16.735	3.347	5	7.771	0.000
They listen to customers and speak in a language that customers can understand.	8.392	1.678	5	4.237	0.001

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
The employees of the bank are willing and able to provide services in a timely manner.	13.514	2.703	5	5.541	0.000
The employees are approachable and easy to contact.	7.310	1.462	5	2.595	0.026
The employees are courteous and polite.	32.311	6.462	5	12.346	0.000
The employees provide services reliably and consistently.	16.694	3.339	5	8.799	0.000
The employees show much concern in resolving the complaints of customers.	28.478	5.696	5	8.099	0.000
The employees show empathy towards their customers and their family	21.499	4.300	5	5.791	0.000
Through their behaviour they create a feeling in customers that they are also a part of the bank.	50.440	10.088	5	16.584	0.000
They also help customers in possible ways to solve their non-banking problems also.	14.986	2.997	5	3.212	0.008
Customers are highly satisfied with their bank's services.	13.978	2.796	5	4.576	0.000
Customers are highly satisfied in the communication quality of their bank.	20.989	4.198	5	7.983	0.000
Customers' complaints are always addressed in fair manner.	6.674	1.335	5	2.837	0.016
Customers are highly satisfied with the behaviour of their bank employees.	11.514	2.303	5	5.165	0.000
According to the past relationship with the bank, customers think that they are trustworthy.	32.241	6.448	5	13.999	0.000
Relationship of the customer with the bank has been a highly successful one.	8.908	1.782	5	3.975	0.002

(Source: Survey Data)

Occupation wise analysis of Relationship Quality

The Relationship quality has been analysed on the basis of the occupation status of the respondents also and presented in table 5.7. As regards the daily wage earners, they disagree with the variable “They regularly enquire about the welfare of their customers and their family”. They agree with all other variables except “They arrange customers meet regularly”, “They address customers by their name”, “They regularly identify new needs of customers”, “They inform the customers about new schemes/ services launched”, “They remind customers politely when installments are due in their loan account”, “They encourage customers to tell them if things are not right”, “They show empathy towards you and your family as customers”, “Through their behaviour they create a feeling in customers that they are also a part of the bank”, “They also help customers in possible ways to solve their non-banking problems also” and “Customers’ complaints are always addressed in fair manner”. They moderately agree with these ten variables. The variable which got highest mean score is “They listen to customers and speak in a language that customers can understand” with a mean score of 4.37 and Standard deviation of 0.49. It means that the customers agree with this variable. The variable which got least mean score is “They regularly enquire about the welfare of their customers and their family” with a mean score of 2.26 and Standard deviation of 1.22. It implies that the customers have disagreement with this variable.

As regards the salaried class of respondents they disagree with the variables “They regularly enquire about the welfare of their customers and their family” and “They also help customers in possible ways to solve their non-banking problems also”. They moderately agree with the variables “In special occasions, they remember customers by sending a message/card or making a call”, “They arrange customers meet regularly”, “They address customers by their name”, “They regularly identify new needs of customers”, “They inform the customers about new schemes/ services launched”, “They remind customers politely when installments are due in their loan account”, “They encourage customers to tell them if things are not right”, “They intimate customers in advance the date of maturity for Fixed Deposit”, “The employees show much concern in resolving the complaints of customers”, “They show empathy towards you and your family as customers”, “Through their behaviour they create a feeling in customers that they are also a part of the bank” “Customers are highly satisfied with their bank’s services” and “Customers’ complaints are always addressed in fair manner”. They agree with all other variables. The variable which got highest mean score is “They offer all the services including E- Banking services, which customer needs” with a mean score of 4.13 and Standard deviation of 0.95. It means that the customers agree that their bank provide all services needed by them. The variable which got least mean score is “They regularly enquire about the welfare of their customers and their family” with a mean score of 2.07 and Standard deviation of 1.03. It implies that the salaried class of customers have disagreement with this variable.

In the case of agriculturists, they agree with all variables except “In special occasions, they remember customers by sending a message/card or making a call”, “They arrange customers meet regularly”, “They regularly identify new needs of customers”, “They regularly enquire about the welfare of their customers and their family”, “They inform the customers about new schemes or services launched”, “They show empathy towards you and your family as customers”, “Through their behaviour they create a feeling in customers that they are also a part of the bank”, “They also help customers in possible ways to solve their non-banking problems also” and “Customers’ complaints are always addressed in fair manner”. The variable which got highest mean score is “They offer all the services including E- Banking services, which customer needs” with a mean score of 4.26 and Standard deviation of 0.75. It means that the customers agree that their bank provide all services needed by them. The variable which got least mean score is “They regularly enquire about the welfare of their customers and their family” with a mean score of 2.55 and Standard deviation of 1.21. It implies that the agriculturists have disagreement with this variable.

As regards the self employed respondents they strongly agree with the variables “The most important aspect of the bank is satisfying customer needs”, “They always provide reliable information”, “They remind customers politely when installments are due in their loan account”, “The employees of the bank are willing and able to provide services in a timely manner” and “The employees provide services reliably and consistently”. It implies that the self employed respondents were highly satisfied with respect to these variables. They moderately agree with the variables “They regularly identify new needs of customers”, “They encourage customers to tell them if things are not right”, “They listen to customers and speak in a language that customers can understand”, “They show empathy towards you and your family as customers” and “Through their behaviour they create a feeling in customers that they are also a part of the bank”. They disagree with the variable “They arrange customers meet regularly”. It implies that the customers are dissatisfied with this variable. The table further reveals that the customers strongly disagree with the variables “They regularly enquire about the welfare of their customers and their family” and “They also help customers in possible ways to solve their non-banking problems also”. This implies that the customers highly disagree with this variable. The self employed respondents have moderate agreement with all other variables.

In the case of business men, they strongly agree with the variables “They offer all the services including E- Banking services, which customer needs” and “They listen to customers and speak in a language that customers can understand”. It implies that the customers strongly agree with these two variables. The business men have moderate agreement with the variables “They arrange customers meet regularly”, “They inform the customers about new schemes/ services launched”, “They always provide reliable information”, “They remind customers politely when installments are due in their loan account” and “They encourage customers to tell them if things are not right”. They agree with all other variables. The variable which got highest mean score is “They offer all the services including E- Banking services, which customer needs” with a mean score of 4.60 and Standard deviation of 1.00. It means that the customers agree that their bank provide all services needed by them. The variable which got least mean score is “They always provide reliable information” with a mean score of 3.05 and Standard deviation of 0.68. It implies that the customers have moderate agreement with this variable.

As far as concerned with house wives they agree with all variables except “They offer all the services including E- Banking services, which customer needs”, “In special occasions, they remember customers by sending a message/card or making a call”, “They arrange customers meet regularly”, “They address customers by their name”, “They regularly identify new needs of customers”, “They regularly enquire about the welfare of their customers and their family”, “They inform the customers about new schemes/ services launched”, “They remind customers politely when installments are due in their loan account”, “They encourage customers to tell them if things are not right”, “They intimate customers in advance the date of maturity for Fixed Deposit”, “They show empathy towards you and your family as customers”, “Through their behaviour they create a feeling in customers that they are also a part of the bank” and “They also help customers in possible ways to solve their non-banking problems also”. The house wives moderately agree with these variables. The variable which got highest mean score is “The most important aspect of the bank is satisfying customer needs” with a mean score of 4.08 and Standard deviation of 0.49. It means that the customers agree that their bank provide all services needed by them. The variable which got least mean score is “They also help customers in possible ways to solve their non-banking problems also” with a mean score of 2.52 and Standard deviation of 0.99. It implies that the customers have moderate agreement with this variable.

So far as concerned with the students, they agree with all variables except, “In special occasions, they remember customers by sending a message/card or making a call”, “They arrange customers meet regularly”, “They address customers by their name”, “They regularly identify new needs of customers”, “They regularly enquire about the welfare of their customers and their family”, “They inform the customers about new schemes/ services launched”, “They always provide reliable information”, “They remind customers politely when installments are due in their loan account”, “They encourage customers to tell them if things are not right” and “They intimate customers in advance the date of maturity for Fixed Deposit”. For these thirteen variables they have only moderate agreement. The variable which got highest mean score is “They listen to customers and speak in a language that customers can understand” with a mean value of 4.16 and Standard deviation of 0.52. It implies that the customers are satisfied with this variable. The variable which got lowest mean score is “They arrange customers meet regularly” with a mean score of 2.92 and standard deviation of 0.96. It indicates that the customers were moderately agreed with this variable.

The overall score reveals that the level of relationship quality perceived by Agriculturists, Business man and Students are high as revealed by the mean value of 3.51 (S.D. of 0.84), 3.69 (S.D. of 0.84), and 3.53 (S.D.

of 0.80) respectively. The relationship quality perception of Self Employed respondents is almost high as revealed by the mean value of 3.49 (S.D. of 0.82). At the same time customers having the occupational status of Daily Wage Earners, Salaried, and House wives have perceived only a moderate level of Relationship quality as revealed by the mean value of 3.43 (S.D. of 0.66), 3.37 (S.D. of 0.93), and 3.38 (S.D. of 0.76) respectively. The perceived relationship quality is higher among the business people and lower among the salaried people.

Even though there are differences in the relationship quality perceived by the customers of different occupational status, it is important to know the statistical significance of these differences. Analysis of Variance was carried out to test the statistical significance and the result of this analysis is presented in table 5.8. The results show that significant difference exist between the customers of different occupational status with regard to the majority variables of relationship quality.

Table 5.7
Occupation wise analysis of Relationship Quality

Relationship Quality	Daily wage Earner		Salaried		Agriculturist		Self employed		Businessman		House wife		Student		Total	
	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D
The most important aspect of the bank is satisfying customer needs	3.51	0.59	4.08	0.88	4.14	0.84	4.50	0.58	3.50	1.00	4.08	0.49	3.79	0.74	3.94	0.73
They offer all the services including E- Banking services, which customer needs.	4.05	0.21	4.13	0.95	4.26	0.75	3.50	0.58	4.60	1.00	3.37	0.82	3.99	0.91	3.98	0.74
They always take speedy actions to solve the problems.	3.88	0.99	3.81	1.17	3.62	0.80	3.50	0.88	3.98	0.95	3.54	0.86	3.76	0.90	3.73	0.93
They are making a feeling that customers are special.	3.86	0.47	3.62	1.08	3.61	0.91	3.50	0.58	3.50	1.00	3.64	0.91	3.57	0.95	3.61	0.84
In special occasions, they remember customers by sending a message/card or making a call.	3.51	1.38	2.82	1.21	3.01	1.07	3.50	1.73	3.55	0.96	2.89	0.74	3.22	0.85	3.21	1.14
They arrange customers meet regularly.	2.52	0.67	2.65	1.16	2.76	0.75	2.00	0.64	3.31	1.00	2.54	0.92	2.92	0.96	2.67	0.87
They address customers by their name.	3.47	0.50	3.28	1.44	3.72	0.62	3.50	1.73	3.50	0.75	3.00	0.89	3.25	0.82	3.39	0.97
They regularly identify new needs of customers.	2.89	0.59	2.54	1.12	2.65	0.83	3.21	0.98	3.95	1.00	2.76	0.92	3.36	0.96	3.05	0.91
They regularly enquire about the welfare of their customers and their family.	2.26	1.22	2.07	1.03	2.55	1.21	1.00	0.96	3.71	0.98	3.18	0.97	3.45	0.98	2.60	1.05
They inform the customers about new schemes/ services launched.	3.03	0.51	3.06	1.10	3.12	0.95	3.74	0.78	3.41	1.12	3.16	0.92	3.29	1.02	3.26	0.91
They always provide reliable information	3.51	0.51	3.67	0.62	3.64	0.66	4.50	0.58	3.05	0.68	3.55	0.93	3.30	0.81	3.60	0.68
They remind customers politely when installments are due in their loan account.	3.28	0.65	3.38	0.65	4.01	0.93	4.50	0.88	3.15	0.74	3.09	0.80	3.12	0.77	3.50	0.78
They encourage customers to tell them if things are not right.	3.44	0.67	3.29	0.68	3.82	0.74	3.09	0.51	3.21	0.42	3.37	0.97	3.29	0.69	3.36	0.67
They intimate customers in advance the date of maturity for Fixed Deposit.	3.51	0.64	3.05	0.69	3.51	0.51	3.57	0.87	3.62	0.96	3.08	0.41	3.35	0.68	3.39	0.68
They listen to customers and speak in a language that customers can understand.	4.37	0.49	4.03	0.83	3.94	0.49	3.28	1.01	4.50	0.58	3.83	0.47	4.16	0.52	4.02	0.63

Relationship Quality	Daily wage Earner		Salaried		Agriculturist		Self employed		Businessman		House wife		Student		Total	
	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D
The employees of the bank are willing and able to provide services in a timely manner.	3.51	0.59	3.87	1.00	3.86	0.71	4.50	0.78	3.98	0.50	3.62	0.81	3.80	0.65	3.88	0.72
The employees are approachable and easy to contact.	4.09	0.29	3.89	1.01	3.70	0.92	4.00	1.16	3.91	0.82	3.72	0.51	3.81	0.66	3.88	0.76
The employees are courteous and polite.	3.58	0.93	3.56	0.92	3.51	0.85	4.08	0.58	4.05	0.71	3.57	0.81	3.81	0.76	3.74	0.79
The employees provide services reliably and consistently.	3.65	0.65	3.66	0.82	3.77	0.68	4.50	0.58	3.31	0.50	3.82	0.69	3.56	0.59	3.75	0.64
The employees show much concern in resolving the complaints of customers.	3.51	0.60	3.32	1.01	3.64	0.98	3.82	0.88	3.65	0.97	3.54	0.87	3.59	0.92	3.58	0.89
The employees show empathy towards their customers and their family.	2.60	0.75	2.74	0.88	2.65	1.06	2.79	1.16	3.51	0.78	2.82	0.75	3.17	0.77	2.90	0.88
Through their behaviour they create a feeling in customers that they are also a part of the bank.	3.28	0.55	3.45	0.98	3.41	1.17	3.00	1.16	3.50	0.68	3.24	0.80	3.37	0.74	3.32	0.87
They also help customers in possible ways to solve their non-banking problems also.	2.57	0.85	2.42	1.11	3.02	0.97	1.00	0.95	3.91	0.99	2.52	0.99	3.21	0.99	2.66	0.98
Customers are highly satisfied with their bank’s services.	3.81	0.66	3.25	0.96	3.74	0.75	3.50	0.58	3.75	1.15	3.55	0.55	3.65	0.85	3.61	0.79
Customers are highly satisfied in the communication quality of their bank.	3.61	0.74	3.66	0.66	3.85	1.05	3.62	0.58	3.60	1.00	3.96	0.60	3.78	0.80	3.73	0.77
Customers’ complaints are always addressed in fair manner.	3.47	0.59	3.38	0.88	3.45	0.66	3.50	0.58	3.55	0.52	3.53	0.89	3.54	0.70	3.49	0.69
Customers are highly satisfied with the behaviour of their bank employees.	3.55	0.72	3.55	0.89	3.67	0.68	4.13	0.58	4.05	0.76	3.62	0.41	3.83	0.58	3.77	0.66
According to the past relationship with the bank, customers think that they are trustworthy.	3.60	0.49	3.86	0.64	3.61	1.08	4.28	0.58	3.75	0.87	3.62	0.76	3.68	0.81	3.77	0.75
Relationship of the customer with the bank has been a highly successful one.	3.51	0.50	3.53	0.72	3.57	0.77	3.71	0.42	3.85	0.96	3.72	0.51	3.78	0.73	3.67	0.66
Overall Score	**3.43**	**0.66**	**3.37**	**0.93**	**3.51**	**0.84**	**3.49**	**0.82**	**3.69**	**0.84**	**3.38**	**0.76**	**3.53**	**0.80**	**3.48**	**0.81**

(Source: Survey Data)

Table 5.8

Result of ANOVA – Occupation wise analysis of Relationship Quality

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
The most important aspect of the bank is satisfying customer needs	16.349	2.336	7	4.681	0.000
They offer all the services including E- Banking services, which customer needs.	16.269	2.324	7	4.122	0.000
They always take speedy actions to solve the problems.	11.794	1.685	7	1.942	0.063
They are making a feeling that customers are special.	7.259	1.037	7	1.351	0.226
In special occasions, they remember customers by sending a message/card or making a call.	17.605	2.515	7	1.981	0.058
They arrange customers meet regularly.	12.729	1.818	7	2.509	0.016
They address customers by their name.	31.177	4.454	7	5.076	0.000
They regularly identify new needs of customers.	21.461	3.066	7	3.983	0.000
They regularly enquire about the welfare of their customers and their family.	46.859	6.694	7	6.807	0.000
They inform the customers about new schemes/ services launched.	9.233	1.319	7	1.575	0.142
They always provide reliable information	8.997	1.285	7	2.865	0.007
They remind customers politely when installments are due in their loan account.	40.713	5.816	7	11.936	0.000
They encourage customers to tell them if things are not right.	20.805	2.972	7	7.318	0.000
They intimate customers in advance the date of maturity for Fixed Deposit.	20.124	2.875	7	6.811	0.000
They listen to customers and speak in a language that customers can understand.	11.970	1.710	7	4.424	0.000

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
The employees of the bank are willing and able to provide services in a timely manner.	12.460	1.780	7	3.598	0.001
The employees are approachable and easy to contact.	5.438	0.777	7	1.354	0.225
The employees are courteous and polite.	11.192	1.599	7	2.668	0.011
The employees provide services reliably and consistently.	4.903	0.700	7	1.658	0.119
The employees show much concern in resolving the complaints of customers.	5.584	0.798	7	1.014	0.421
The employees show empathy towards their customers and their family	16.642	2.377	7	3.111	0.004
Through their behaviour they create a feeling in customers that they are also a part of the bank.	4.769	0.681	7	.886	0.518
They also help customers in possible ways to solve their non-banking problems also.	66.333	9.476	7	12.409	0.000
Customers are highly satisfied with their bank’s services.	12.572	1.796	7	2.897	0.006
Customers are highly satisfied in the communication quality of their bank.	10.125	1.446	7	2.553	0.014
Customers’ complaints are always addressed in fair manner.	3.252	0.465	7	.957	0.463
Customers are highly satisfied with the behaviour of their bank employees.	9.465	1.352	7	2.966	0.005
According to the past relationship with the bank, customers think that they are trustworthy.	7.507	1.072	7	1.955	0.061
Relationship of the customer with the bank has been a highly successful one.	3.827	0.547	7	1.167	0.322

(Source: Survey Data)

Income wise presentation of Relationship Quality

The above data is also analysed on the basis of the income level of the respondents and the result of analysis in this regard is given in table 5.9. It can be evaluated from the table that the customers of the low income category agree with all variables except the variables “In special occasions, they remember customers by sending a message/card or making a call”, “They arrange customers meet regularly”, “They regularly identify new needs of customers”, “They regularly enquire about the welfare of their customers and their family”, “They inform the customers about new schemes/ services launched”, “They encourage customers to tell them if things are not right”, “They intimate customers in advance the date of maturity for Fixed Deposit”, “They show empathy towards you and your family as customers”, “Through their behaviour they create a feeling in customers that they are also a part of the bank” and “They also help customers in possible ways to solve their non-banking problems also”. They moderately agree with these ten variables. The variable which got highest mean score is “They listen to customers and speak in a language that customers can understand” with a mean value of 4.42 and Standard deviation of 0.60. The variable which got lowest mean score is “They also help customers in possible ways to solve their non-banking problems also” with a mean score of 2.72 and standard deviation of 0.96.

The respondents belonging to middle income category were agree with the variables “The most important aspect of the bank is satisfying customer needs”, “They offer all the services including E- Banking services, which customer needs”, “They remind customers politely when installments are due in their loan account”, “They listen to customers and speak in a language that customers can understand”, “The employees of the bank are willing and able to provide services in a timely manner”, “The employees are approachable and easy to contact”, “The employees are courteous and polite”, “The employees provide services reliably and consistently", "Customers are highly satisfied in the communication quality of their bank", "Customers are highly satisfied with the behaviour of their bank employees", "According to the past relationship with the bank, customers think that they are trustworthy" and "Relationship of the customer with the bank has been a highly successful one". They moderately agree with all other variables. The variable which got highest mean score is "They listen to customers and speak in a language that customers can understand" with a mean value of 4.25 and Standard deviation of 0.52. The variable which got lowest mean score is "They arrange customers meet regularly" with a mean score of 2.59 and standard deviation of 0.76.

As far as concerned with the customers of high income category, they disagree with the variables "They arrange customers meet regularly", "They address customers by their name", "They regularly identify new needs of customers", "They regularly enquire about the welfare of their customers and their family", "They inform the customers about new schemes/ services launched" and "They also help customers in possible ways to solve their non-banking problems also". It implies that they are dissatisfied with these variables. They agree with all other variables except "They are making a feeling that customers are special", "In special occasions, they remember customers by sending a message/card or making a call", "They remind customers politely when installments are due in their loan account", "They encourage customers to tell them if things are not right", "They intimate customers in advance the date of maturity for Fixed Deposit", "The employees provide services reliably and consistently", "The employees show much concern in resolving the complaints of customers", "They show empathy towards you and your family as customers", "Through their behaviour they create a feeling in customers that they are also a part of the bank" and "Customers' complaints are always addressed in fair manner".

They moderately agree with these ten variables of relationship quality. The variable which got highest mean score is “Customers are highly satisfied with the behaviour of their bank employees” with a mean value of 4.05 and Standard deviation of 0.69. The variable which got lowest mean score is “They also help customers in possible ways to solve their non-banking problems also” with a mean score of 2.3 and standard deviation of 1.11.

As far as concerned with the customers of very high income category they strongly agree with the variable “They offer all the services including E-Banking services, which customer needs”. It implies that they are highly satisfied with the ability of their bank to offer the services needed by the customers. They moderately agree with all other variables except “The most important aspect of the bank is satisfying customer needs”, “They inform the customers about new schemes/ services launched”, “They remind customers politely when installments are due in their loan account”, “They intimate customers in advance the date of maturity for Fixed Deposit”, “Customers are highly satisfied with their bank’s services” and “According to the past relationship with the bank, customers think that they are trustworthy”. They agree with these six variables. The variable which got highest mean score is “They offer all the services including E- Banking services, which customer needs” with a mean value of 4.57 and Standard deviation of 0.56. The variable which got lowest mean score is “They regularly enquire about the welfare of their customers and their family” with a mean score of 2.77 and standard deviation of 1.07.

It is revealed from the overall score that the level of relationship quality perceived by the customers belonging to lower income category is high with a mean value of 3.69 and Standard deviation of 0.76. At the same time the level of relationship quality perceived by the customers belonging to middle income category, high income category and very high income category are moderately high as revealed by the mean score of 3.48 (S.D. of 0.82), 3.33 (S.D. of 0.91) and 3.44 (S.D. of 0.74) and respectively. So the perceived relationship quality is higher among the low income customers and lower among the high income customers.

The result of ANOVA presented in table 5.10 shows that significant differences exists in the perceived relationship quality of customers of different income groups with regard to majority variables of relationship quality.

Table 5.9

Income wise presentation of Relationship Quality

Relationship Quality	Up to Rs. 2 Lakhs		Between Rs. 2 – 4 Lakhs		Between Rs. 4 – 6 Lakhs		Rs. 6 Lakhs & Above		Total	
	Mean	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**
The most important aspect of the bank is satisfying customer needs	4.01	0.74	3.75	0.65	3.86	0.83	4.15	0.69	3.94	0.73
They offer all the services including E- Banking services, which customer needs.	3.90	0.73	3.57	0.81	3.87	0.87	4.57	0.56	3.98	0.74
They always take speedy actions to solve the problems.	4.17	0.80	3.44	1.02	3.88	0.98	3.43	0.91	3.73	0.93
They are making a feeling that customers are special.	4.04	0.78	3.46	1.09	3.46	0.95	3.47	0.56	3.61	0.84
In special occasions, they remember customers by sending a message/card or making a call.	3.32	1.10	3.35	1.08	2.75	1.30	3.43	1.07	3.21	1.14
They arrange customers meet regularly.	2.75	0.83	2.59	0.76	2.14	1.16	3.20	0.76	2.67	0.87
They address customers by their name.	4.25	0.84	3.38	0.99	2.45	1.21	3.47	0.86	3.39	0.97
They regularly identify new needs of customers.	3.31	0.80	3.10	0.93	2.48	1.24	3.32	0.66	3.05	0.91
They regularly enquire about the welfare of their customers and their family.	2.75	1.06	2.62	0.95	2.27	1.11	2.77	1.07	2.60	1.05
They inform the customers about new schemes/ services launched.	3.40	0.84	3.35	0.93	2.45	1.09	3.86	0.80	3.26	0.91
They always provide reliable information	3.77	0.59	3.62	0.94	3.65	0.57	3.35	0.60	3.60	0.68
They remind customers politely when installments are due in their loan account.	3.50	0.82	3.52	0.77	3.41	0.63	3.57	0.92	3.50	0.78
They encourage customers to tell them if things are not right.	3.41	0.69	3.38	0.61	3.37	0.77	3.28	0.59	3.36	0.67
They intimate customers in advance the date of maturity for Fixed Deposit.	3.43	0.72	3.36	0.54	3.11	0.82	3.67	0.66	3.39	0.68
They listen to customers and speak in a language that customers can understand.	4.42	0.60	4.25	0.52	3.99	0.66	3.41	0.74	4.02	0.63

Relationship Quality	Up to Rs. 2 Lakhs		Between Rs. 2 – 4 Lakhs		Between Rs. 4 – 6 Lakhs		Rs. 6 Lakhs & Above		Total	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
The employees of the bank are willing and able to provide services in a timely manner.	4.26	0.67	3.99	0.66	3.89	1.00	3.37	0.53	3.88	0.72
The employees are approachable and easy to contact.	4.11	0.72	4.20	0.72	3.89	0.97	3.32	0.62	3.88	0.76
The employees are courteous and polite.	4.40	0.73	3.94	0.70	3.76	0.84	2.87	0.87	3.74	0.79
The employees provide services reliably and consistently.	4.19	0.61	3.95	0.51	3.45	0.59	3.42	0.85	3.75	0.64
The employees show much concern in resolving the complaints of customers.	4.12	0.72	3.43	1.01	3.45	1.01	3.31	0.82	3.58	0.89
The employees show empathy towards their customers and their family.	2.81	0.87	2.74	0.86	3.04	0.91	3.00	0.89	2.90	0.88
Through their behaviour they create a feeling in customers that they are also a part of the bank.	3.40	0.85	3.25	0.84	3.31	1.15	3.33	0.66	3.32	0.87
They also help customers in possible ways to solve their non-banking problems also.	2.72	0.96	2.71	0.94	2.10	1.11	3.12	0.89	2.66	0.98
Customers are highly satisfied with their bank’s services.	3.63	0.76	3.44	0.99	3.79	0.78	3.57	0.62	3.61	0.79
Customers are highly satisfied in the communication quality of their bank.	3.83	0.80	3.89	0.73	3.79	0.83	3.43	0.73	3.73	0.77
Customers’ complaints are always addressed in fair manner.	3.77	0.57	3.41	0.80	3.38	0.71	3.39	0.65	3.49	0.69
Customers are highly satisfied with the behaviour of their bank employees.	3.91	0.59	3.82	0.78	4.05	0.69	3.31	0.59	3.77	0.66
According to the past relationship with the bank, customers think that they are trustworthy.	3.75	0.74	3.69	0.76	3.73	0.81	3.91	0.69	3.77	0.75
Relationship of the customer with the bank has been a highly successful one.	3.69	0.64	3.80	0.79	3.76	0.71	3.43	0.52	3.67	0.66
Overall Score	**3.69**	**0.76**	**3.48**	**0.82**	**3.33**	**0.91**	**3.44**	**0.74**	**3.48**	**0.81**

(Source: Survey Data)

Table 5.10

Result of ANOVA – Income wise classification of Relationship Quality

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
The most important aspect of the bank is satisfying customer needs	3.297	1.099	3	2.049	0.107
They offer all the services including E- Banking services, which customer needs.	9.881	3.294	3	5.700	0.001
They always take speedy actions to solve the problems.	14.512	4.837	3	5.713	0.001
They are making a feeling that customers are special.	10.214	3.405	3	4.557	0.004
In special occasions, they remember customers by sending a message/card or making a call.	15.522	5.174	3	4.108	0.007
They arrange customers meet regularly.	12.544	4.181	3	5.844	0.001
They address customers by their name.	43.921	14.640	3	17.801	0.000
They regularly identify new needs of customers.	17.962	5.987	3	7.763	0.000
They regularly enquire about the welfare of their customers and their family.	5.912	1.971	3	1.778	0.151
They inform the customers about new schemes/ services launched.	24.704	8.235	3	10.643	0.000
They always provide reliable information	3.292	1.097	3	2.376	0.070
They remind customers politely when installments are due in their loan account.	0.419	0.140	3	0.226	0.878
They encourage customers to tell them if things are not right.	3.795	1.265	3	2.761	0.042
They intimate customers in advance the date of maturity for Fixed Deposit.	1.938	0.646	3	1.352	0.258
They listen to customers and speak in a language that customers can understand.	11.002	3.667	3	9.536	0.000

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
The employees of the bank are willing and able to provide services in a timely manner.	6.356	2.119	3	4.165	0.007
The employees are approachable and easy to contact.	6.261	2.087	3	3.707	0.012
The employees are courteous and polite.	9.059	3.020	3	5.046	0.002
The employees provide services reliably and consistently.	6.845	2.282	3	5.563	0.001
The employees show much concern in resolving the complaints of customers.	13.973	4.658	3	6.231	0.000
The employees show empathy towards their customers and their family	3.969	1.323	3	1.660	0.176
Through their behaviour they create a feeling in customers that they are also a part of the bank.	1.532	0.511	3	0.664	0.575
They also help customers in possible ways to solve their non-banking problems also.	10.432	3.477	3	3.691	0.012
Customers are highly satisfied with their bank’s services.	2.759	0.920	3	1.427	0.235
Customers are highly satisfied in the communication quality of their bank.	1.759	0.586	3	0.998	0.394
Customers’ complaints are always addressed in fair manner.	2.895	0.965	3	2.010	0.113
Customers are highly satisfied with the behaviour of their bank employees.	4.092	1.364	3	2.916	0.035
According to the past relationship with the bank, customers think that they are trustworthy.	0.554	0.185	3	0.327	0.806
Relationship of the customer with the bank has been a highly successful one.	0.722	0.241	3	0.509	0.676

(Source: Survey Data)

5.3. FACTOR ANALYSIS OF RELATIONSHIP QUALITY

Another objective of this study was to analyse the various dimensions of relationship quality. The objective was fulfilled by the use of a factor analysis. This analysis was used to condense the twenty nine set of variables of relationship quality in to a smaller number of basic components, which include some connected variables. Here factor analysis reduced the twenty nine variables in to four factors corresponding to *Customer Orientation, Communication Quality, Behavioural Quality* and *Satisfaction with the Relationship*. Table 5.11 and 5.12 shows the result of the factor analysis.

Table 5.11

Mean and SD of Relationship Quality

Variables	Problems	Mean	S.D.
Variable 1	The most important aspect of the bank is satisfying customer needs	3.94	0.73
Variable 2	They offer all the services including E- Banking services, which customer needs.	3.98	0.74
Variable 3	They always take speedy actions to solve the problems.	3.73	0.93
Variable 4	They are making a feeling that customers are special.	3.61	0.84
Variable 5	In special occasions, they remember customers by sending a message/card or making a call.	3.21	1.14
Variable 6	They arrange customers meet regularly.	2.67	0.87
Variable 7	They address customers by their name.	3.39	0.97
Variable 8	They regularly identify new needs of customers.	3.05	0.91
Variable 9	They regularly enquire about the welfare of their customers and their family.	2.60	1.05
Variable 10	They inform the customers about new schemes/ services launched.	3.26	0.91
Variable 11	They always provide reliable information	3.60	0.68
Variable 12	They remind customers politely when installments are due in their loan account.	3.50	0.78

Variables	Problems	Mean	S.D.
Variable 13	They encourage customers to tell them if things are not right.	3.36	0.67
Variable 14	They intimate customers in advance the date of maturity for Fixed Deposit.	3.39	0.68
Variable 15	They listen to customers and speak in a language that customers can understand.	4.02	0.63
Variable 16	The employees of the bank are willing and able to provide services in a timely manner.	3.88	0.72
Variable 17	The employees are approachable and easy to contact.	3.88	0.76
Variable 18	The employees are courteous and polite.	3.74	0.79
Variable 19	The employees provide services reliably and consistently.	3.75	0.64
Variable 20	The employees show much concern in resolving the complaints of customers.	3.58	0.89
Variable 21	The employees show empathy towards their customers and their family	2.90	0.88
Variable 22	Through their behaviour they create a feeling in customers that they are also a part of the bank.	3.32	0.87
Variable 23	They also help customers in possible ways to solve their non-banking problems also.	2.66	0.98
Variable 24	Customers are highly satisfied with their bank's services.	3.61	0.79
Variable 25	Customers are highly satisfied in the communication quality of their bank.	3.73	0.77
Variable 26	Customers' complaints are always addressed in fair manner.	3.49	0.69
Variable 27	Customers are highly satisfied with the behaviour of their bank employees.	3.77	0.66
Variable 28	According to the past relationship with the bank, customers think that they are trustworthy.	3.77	0.75
Variable 29	Relationship of the customer with the bank has been a highly successful one.	3.67	0.66

(Source: Survey Data)

Table 5.12
Estimated Factor Loadings- Relationship Quality

Variables	Problems	Estimated Factor Loadings				Commu-nality
		Factor 1	Factor 2	Factor 3	Factor 4	
Variable 1	The most important aspect of the bank is satisfying customer needs	**.715**	.321	.105	-.065	.630
Variable 2	They offer all the services including e- banking services, which customer needs.	**.480**	.273	-.101	.183	.349
Variable 3	They always take speedy actions to solve the problems.	**.576**	.370	.368	-.156	.629
Variable 4	They are making a feeling that customers are special.	**.441**	.337	.349	.189	.466
Variable 5	In special occasions, they remember customers by sending a message/card or making a call.	**.705**	.221	.235	.064	.604
Variable 6	They arrange customers meet regularly.	**.750**	.206	.022	.043	.608
Variable 7	They address customers by their name.	**.640**	.256	.152	.003	.499
Variable 8	They regularly identify new needs of customers.	**.743**	-.112	.241	.235	.678
Variable 9	They regularly enquire about the welfare of their customers and their family.	**.696**	.046	.401	.097	.656
Variable 10	They inform the customers about new schemes/ services launched.	.057	**.685**	.180	.214	.551
Variable 11	They always provide reliable information	.247	**.550**	.236	.045	.422
Variable 12	They remind customers politely when installments are due in their loan account.	-.214	**.663**	-.104	.460	.708
Variable 13	They encourage customers to tell them if things are not right.	.131	**.735**	-.153	.192	.618
Variable 14	They intimate customers in advance the date of maturity for fixed deposit.	.328	**.566**	.026	.043	.430
Variable 15	They listen to customers and speak in a language that customers can understand.	.147	**.672**	.295	-.076	.567

Variables	Problems	Estimated Factor Loadings				Commu-nality
		Factor 1	Factor 2	Factor 3	Factor 4	
Variable 16	The employees of the bank are willing and able to provide services in a timely manner.	.258	.532	**.536**	.033	.638
Variable 17	The employees are approachable and easy to contact.	.094	.071	**.846**	.165	.757
Variable 18	The employees are courteous and polite.	-.017	.564	**.587**	-.108	.675
Variable 19	The employees provide services reliably and consistently.	-.002	.597	**.598**	.130	.731
Variable 20	The employees show much concern in resolving the complaints of customers.	.453	.112	**.611**	.324	.696
Variable 21	The employees show empathy towards their customers and their family	.410	-.103	**.571**	.254	.570
Variable 22	Through their behaviour they create a feeling in customers that they are also a part of the bank.	.275	.406	**.414**	.357	.540
Variable 23	They also help customers in possible ways to solve their non-banking problems also.	-.111	-.063	**.673**	.442	.665
Variable 24	Customers are highly satisfied with their bank's services.	.288	-.045	-.064	**.514**	.353
Variable 25	Customers are highly satisfied in the communication quality of their bank.	.169	.253	-.031	**.458**	.303
Variable 26	Customers' complaints are always addressed in fair manner.	.102	.226	.295	**.726**	.676
Variable 27	Customers are highly satisfied with the behaviour of their bank employees.	.131	.360	.196	**.623**	.573
Variable 28	According to the past relationship with the bank, customers think that they are trustworthy.	.209	-.089	.169	**.661**	.518
Variable 29	Relationship of the customer with the bank has been a highly successful one.	.146	.113	.169	**.784**	.678
Eigen value		9.701	2.767	2.396	1.922	
Percentage variation		48	14	10	7	**79% (Total)**

(Source: Survey Data)

From a principal component factor analysis perspective, the first four eigen values (9.701, 2.767, 2.396, 1.922) of dispersion matrix of 29 variables are taken, which suggest a factor solution with four factors as in Table 5.12. The factor loadings are estimated by principal component factor analysis method.

In case of first factor, the 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th and 9th variables (ie., “The most important aspect of the bank is satisfying customer needs”, “They offer all the services including E- Banking services which customer needs”, “They always take speedy actions to solve the problems”, “They are making a feeling that customers are special”, “In special occasions, they remember customers by sending a message/card or making a call”, “They arrange customers meet regularly”, “They address customers by their name”, “They regularly identify new needs of customers” and “They regularly enquire about the welfare of their customers and their family”), have heavy loadings with an eigen value of 9.701 which explains 48 percent of variance. This factor is labelled as ***Customer Orientation.***

In factor 2, 10th, 11th, 12th, 13th, 14th, and 15th variables (ie., “They inform the customers about new schemes/ services launched”, “They always provide reliable information”, “They remind customers politely when instalments are due in their loan account”, “They encourage customers to tell them if things are not right”, “They intimate customers in advance the date of maturity for Fixed Deposit” and “They listen to customers and speak in a language that customers can understand”), have high loadings with a variance of 14 percent in contrast to all other variables. This factor is labelled as ***Communication Quality.***

In factor 3, 16th, 17th, 18th, 19th, 20th, 21st, 22nd and 23rd variables (ie., “The employees of the bank are willing and able to provide services in a timely manner”, “The employees are approachable and easy to contact”, “The employees are courteous and polite", "The employees provide services reliably and consistently", "The employees show much concern in resolving the complaints of customers", "The employees show empathy towards their customers and their family", "Through their behaviour they create a feeling in customers that they are also a part of the bank" and "They also help customers in possible ways to solve their non-banking problems also"), have close relationship with each other with a variance of 10 percent in contrast to all other variables. This factor is labelled as ***Behavioural Quality.***

In factor 4, 24th, 25th, 26th, 27th,28th and 29th variables (ie., "Customers are highly satisfied with their bank's services", "Customers are highly satisfied in the communication quality of their bank", "Customers' complaints are always addressed in fair manner", "Customers are highly satisfied with the behaviour of their bank employees", "According to the past relationship with the bank", "Customers think that they are trustworthy" and "Relationship of the customer with the bank has been a highly successful one"), have high loading with a variance of 7 percent as compared to other variables. This factor is labelled as ***Satisfaction with the Relationship.***

The total variance explained by the four factors together is approximately 79 percent.

5.4. ASSOCIATION BETWEEN RELATIONSHIP QUALITY AND CUSTOMER LOYALTY

After reducing the twenty nine variables of relationship quality into four factors through factor analysis, it is important to know the association between relationship quality and customer loyalty. For finding out the relationship, regression analysis was conducted and the results are discussed below.

5.4.1. REGRESSION ANALYSIS

The four factors such as **Customer Orientation**, **Communication Quality**, **Behavioural Quality** and **Satisfaction with the Relationship** which were emerged from among the twenty nine variables of relationship quality are used as predictor variables in a regression analysis where the response variable refers to the level of loyalty among the customers. The regression test done between the factor variables and the level of customer loyalty has yielded R^2 value of 0.626 with F value of 40.025 (Table 5.13) which implies that the four factors together predict 63 percent of the variations in customer loyalty. R^2 is often called proportion of variation explained by regression variable. Value for R^2 close to one; imply that most of the variability in output variable is explained by regression model. This shows that there is a significant relationship between relationship quality and customer loyalty.

Table 5.13

Results of Regression Test

Model	R	R^2	DF	F value	Significance
Regression	.791	.626	4	40.025	0.000

Beta coefficients of regression equation are computed and presented in Table 5.14.

Table 5.14

Beta Coefficients of Regression Equation

Factors	Beta
Constant Value	1.267
Customer Orientation	0.321
Communication Quality	0.135
Behavioural Quality	0.023
Satisfaction with the Relationship	0.142

The regression equation of perceptual variables is

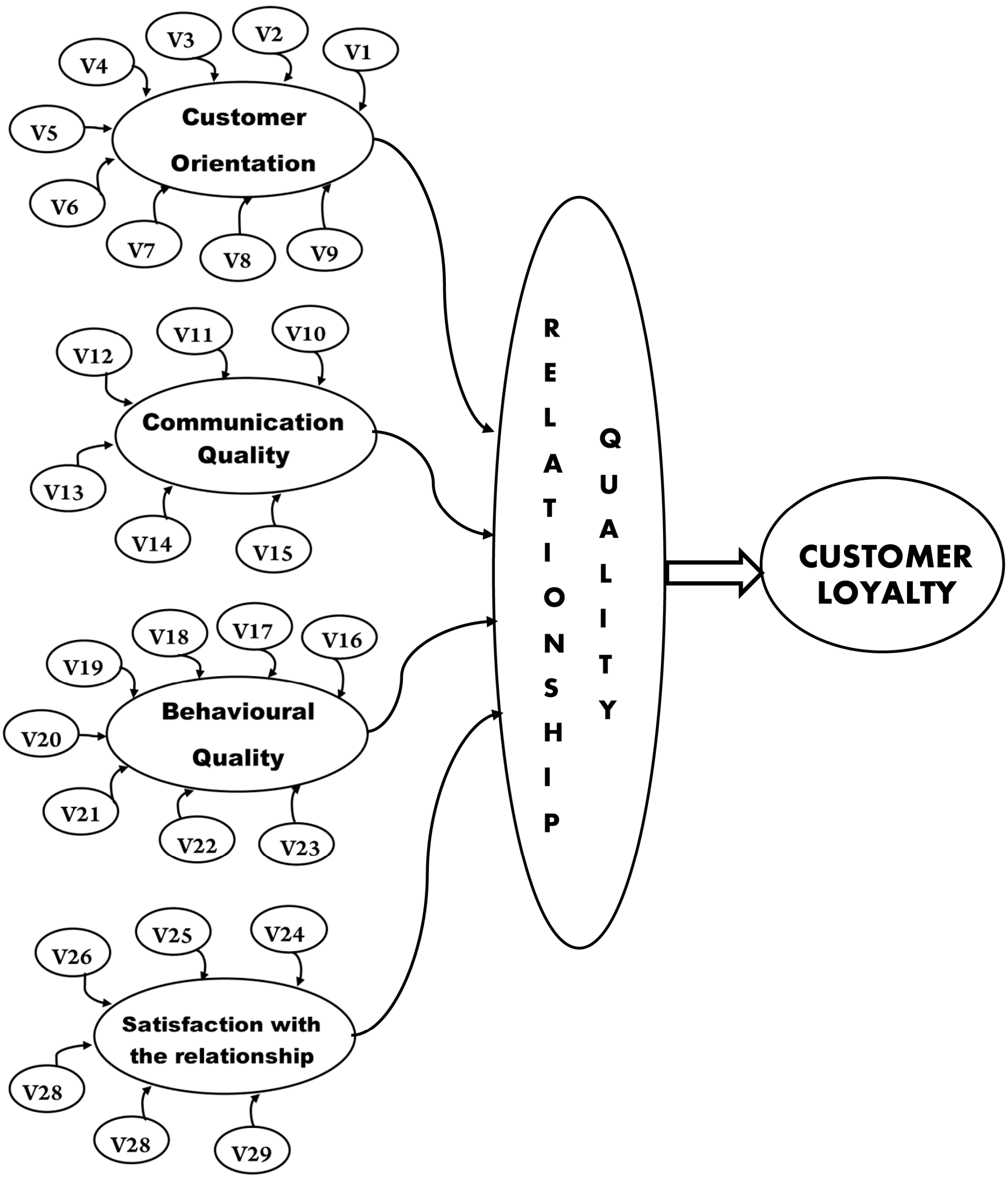
$$\mathbf{Y = 1.267 + 0.321\ V1 + 0.135\ V2 + 0.023\ V3 + 0.142\ V4.}$$

Here, the dependent variable Y represents the level of customer loyalty and V1 represents the factor Customer Orientation, V2 is Communication Quality, V3 shows the factor Behavioural Quality and V4 represents Satisfaction with the Relationship. The regression analysis suggests that all the factors are positively associated with the level of customer loyalty. These four factors are important in predicting the level of customer loyalty. These results indicate that the important factor of relationship quality that helps to build customer loyalty is "Customer Orientation". It is seen that the value of Co-efficient of determination, R^2 is 0.626 which implies that 62.6% of level of customer loyalty is explained by this model. If we add more related variables to the model, the regression coefficient's explanatory power would increase.

5.5. CONCEPTUAL MODEL OF RELATIONSHIP QUALITY AND CUSTOMER LOYALTY

Researcher has developed a conceptual model of relationship quality and customer loyalty based on the results of factor analysis and regression analysis. This conceptual model is presented below.

Figure 5.1



5.6. EFFECTIVENESS OF RELATIONSHIP MARKETING ORIENTATION

No matter the type of business, the firms have recognized the value of relationships with their customers because customer retention in intensifying competition is more and more important. They identified the need for a change in the traditional marketing approach to a relationship centric approach. So now they are concentrating on relationship quality than service quality because it is only a part of relationship quality. For getting a competitive advantage in the market, they have to design their relationship marketing strategies effectively. One of the objectives of the study was to evaluate the effectiveness of the relationship oriented strategies of commercial banks in Kerala. So the respondents were asked to make their opinion regarding the eight variables of relationship marketing orientation. The effectiveness of the relationship marketing orientation was analysed by considering the overall score. The result of the analysis is presented in following pages.

Bank wise analysis of Effectiveness of Relationship Marketing Orientation

Table 5.15 shows the bank wise analysis of the effectiveness of Relationship Marketing Orientation of commercial banks in Kerala. It is clear from the table that the customers agree with all the variables of RMO. It indicates that the relationship marketing orientation strategies of commercial banks are effective because the customers have a feeling that the bank is dependable, the bank has high integrity, the bank can be trusted completely, the bank is highly competent, the bank is very responsive to customers, they have developed a closer relationship with this bank than other banks, they want to remain with this bank because they enjoy their relationship with the bank and the relationship with the bank is something that the customer intended to maintain for a long time. It can be further observed from the table that, the most effective variable of RMO is “Customers felt that the bank is dependable” as it got the highest mean score of 3.86 and a Standard deviation of 0.51. The second most effective variable is “The bank has high integrity” with a mean score of 3.77 (Standard deviation of 0.60). The least effective variable is “Customers want to remain with this bank because they enjoy their relationship with the bank” as it got the lowest mean score of 3.51 with a Standard deviation of 0.70. On an overall basis the customers have the opinion that their bank’s Relationship Marketing Orientation measures are effective as revealed by the overall mean score of 3.67 with a Standard deviation of 0.66.

As regards the customers of public sector banks, they agree with all variables of RMO. On an overall basis it can be inferred that the relationship marketing orientation measures of public sector banks are effective as revealed by the overall mean score of 3.73 with a standard deviation of 0.68. The most effective variable of RMO as regards the customers of public sector banks is “Customers felt that the bank is dependable” as it got the highest mean score of 3.89 and a standard deviation of 0.58. The second effective variable is “The bank can be trusted completely” with a mean score of 3.83 (standard deviation of 0.74). The least effective variable is “Customers want to remain with this bank because they enjoy their relationship with the bank” as it got the lowest mean score of 3.55 with a Standard deviation of 0.71.

In the case of Private Sector Bank customers they agree with all variables except the two variables “The bank can be trusted completely” and “Customers want to remain with this bank because they enjoy their relationship with the bank”. For these variables they have only moderate agreement. The most effective variable of RMO as regards the customers of private sector banks is “Customers felt that the bank is dependable” as it got the highest mean score of 3.83 and a Standard deviation of 0.43. The second effective variable is “The bank has high integrity” with a mean score of 3.75 (Standard deviation of 0.65). The least effective variable is “The bank can be trusted completely” as it got the lowest mean score of 3.43 with a Standard deviation of 0.67. On an overall basis it can be inferred that the relationship marketing orientation measures of private sector banks are effective as revealed by the overall mean score of 3.61 with a Standard deviation of 0.64.

Even though the effectiveness of relationship marketing orientation measures of public sector banks are slightly higher than that of private sector banks, that difference is not statistically significant as revealed by the result of t-test which is presented in Table 5.16.

Table 5.15

Bank wise Classification of Effectiveness of Relationship Marketing Orientation

Relationship Marketing Orientation	Public Sector Bank		Private Sector Bank		Total	
	Mean	S.D.	Mean	S.D.	Mean	S.D.
Customers felt that the bank is dependable.	3.89	0.58	3.83	0.43	3.86	0.51
The bank has high integrity.	3.8	0.56	3.75	0.65	3.77	0.60
The bank can be trusted completely.	3.83	0.74	3.43	0.67	3.63	0.70
The bank is highly competent.	3.79	0.64	3.71	0.47	3.75	0.55
The bank is very responsive to customers.	3.71	0.75	3.59	0.7	3.65	0.73
Customers have developed a closer relationship with this bank than other banks.	3.61	0.78	3.6	0.88	3.61	0.83
Customers want to remain with this bank because they enjoy their relationship with the bank.	3.55	0.71	3.46	0.68	3.51	0.70
The relationship with the bank is something that the customer intended to maintain for a long time.	3.69	0.67	3.53	0.63	3.61	0.66
Overall score	**3.73**	**0.68**	**3.61**	**0.64**	**3.67**	**0.66**

(Source: Survey Data)

The above data is also presented in the following chart.

Chart 5.2
Bank wise Classification of Effectiveness of Relationship Marketing Orientation

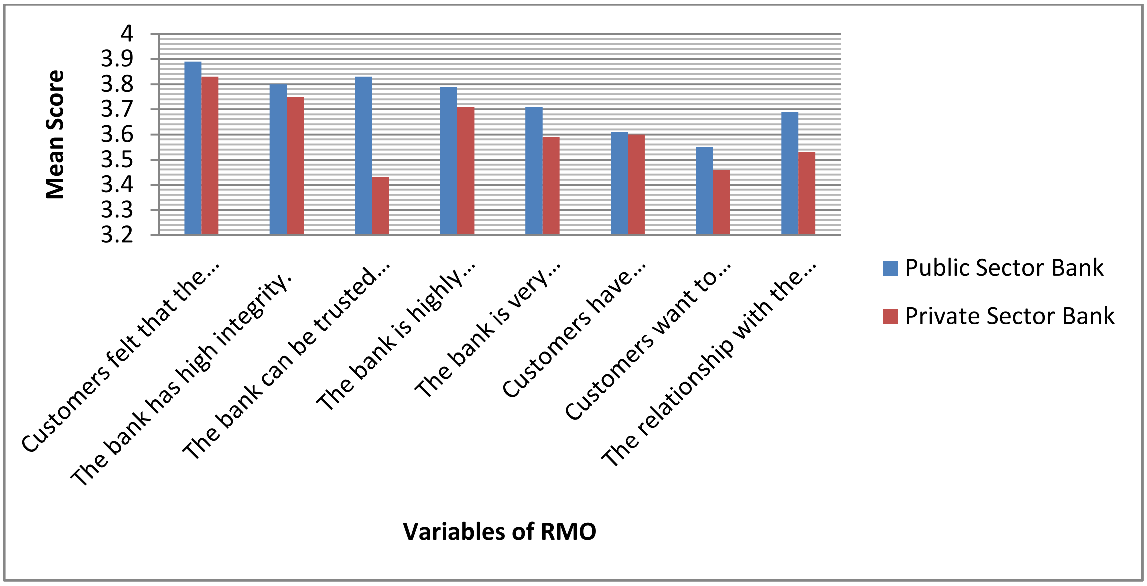


Table 5.16

Result of t-test - Bank wise classification of Effectiveness of relationship marketing orientation

Variable	Degrees of freedom	t value	P value
Customers felt that the bank is dependable.	298	0.858	0.391
The bank has high integrity	298	0.832	0.406
The bank can be trusted completely.	298	5.029	0.000
The bank is highly competent.	298	1.023	0.307
The bank is very responsive to customers.	298	1.528	0.128
Customers have developed a closer relationship with this bank than other banks.	298	0.082	0.935
Customers want to remain with this bank because they enjoy their relationship with the bank.	298	1.289	0.198
The relationship with the bank is something that the customer intended to maintain for a long time.	298	1.751	0.081

(Source: Survey Data)

Age wise classification of Effectiveness of Relationship Marketing Orientation

The data presented in table 5.15 is also analysed on the basis of the age of respondents. The result of analysis is presented in table 5.17. It can be noted from the table that the teenage customers in the age group of up to 19 years are agree with all variables except the three variables “The bank is very responsive to customers”, “Customers have developed a closer relationship with this bank than other banks” and “The relationship with the bank is something that the customer intended to maintain for a long time”. The teenagers moderately agree with all these variables. The most effective variable of RMO as regards the teenage customers is “The bank can be trusted completely” as it got the highest mean score of 3.68 and a standard deviation of 0.95. The second effective variable is “Customers felt that the bank is dependable” with a mean score of 3.63 (standard deviation of 0.74). The least effective variable is “Customers have developed a closer relationship with this bank than other banks” as it got the lowest mean score of 3.25 with a Standard deviation of 1.26.

The younger customers in the age group of 20 years – 39 years agree with all variables of RMO. The most effective variable of RMO as regards the younger customers is “Customers felt that the bank is dependable” with a mean score of 3.85 and Standard deviation of 0.51. The second effective variable is “The bank is highly competent” with a mean score of 3.73 (standard deviation of 0.62). The least effective variable is “Customers have developed a closer relationship with this bank than other banks” as it got the lowest mean score of 3.54 with a Standard deviation of 1.05.

As regards the middle aged customers in the category of 40-59 years, they agree with all variables except “The bank can be trusted completely”. For this variable the middle aged customers have moderate agreement. The most effective variable of RMO as regards the middle aged customers is "Customers felt that the bank is dependable" with a mean score of 3.97 and Standard deviation of 0.78. The second effective variable is "The bank has high integrity" with a mean score of 3.93 (standard deviation of 0.61). The least effective variable is "The bank can be trusted completely" as it got the lowest mean score of 3.26 with a Standard deviation of 0.93.

The elder customers in the age group of 60 years and above category agree with all variables (with mean score of 4.00 and S.D. of 0.00) except, "Customers want to remain with this bank because they enjoy their relationship with the bank". For this variable, the elder customers have only moderate agreement with a mean score of 3.00 (S.D. of 0.00).

On an overall basis the Relationship Marketing Orientation is effective among the younger, middle aged and elder customers as revealed by the mean score of 3.66 (S.D. of 0.85**),** 3.68 (S.D. of 0.88**)** and 3.88 respectively (S.D. of 0.00**).** The Relationship Marketing Orientation practised by the banks has only a moderate effect on teenagers with a mean score of 3.47 (S.D. of 0.90). The present RMO strategies are more effective on elder customers and less effective on teenagers. The result of ANOVA shows that significant difference exists in the majority variables of Relationship Marketing Orientation between the customers belonging to different age groups.

Table 5.17

Age wise classification of Effectiveness of relationship marketing orientation

Relationship Marketing Orientation	Up to 19 Years		20-39 Years		40-59 Years		60 Years & Above		Total	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Customers felt that the bank is dependable.	3.63	0.74	3.85	0.51	3.97	0.78	4.00	0.00	3.86	0.51
The bank has high integrity	3.50	0.93	3.64	0.86	3.93	0.61	4.00	0.00	3.77	0.60
The bank can be trusted completely.	3.68	0.95	3.57	0.93	3.26	0.93	4.00	0.00	3.63	0.70
The bank is highly competent.	3.50	0.76	3.73	0.62	3.75	0.80	4.00	0.00	3.75	0.55
The bank is very responsive to customers.	3.38	0.82	3.66	1.00	3.55	1.08	4.00	0.00	3.65	0.73
Customers have developed a closer relationship with this bank than other banks.	3.25	1.26	3.54	1.05	3.65	1.01	4.00	0.00	3.61	0.83
Customers want to remain with this bank because they enjoy their relationship with the bank.	3.57	0.84	3.69	0.95	3.77	1.02	3.00	0.00	3.51	0.70
The relationship with the bank is something that the customer intended to maintain for a long time.	3.28	0.92	3.56	0.87	3.59	0.83	4.00	0.00	3.61	0.66
Overall score	**3.47**	**0.90**	**3.66**	**0.85**	**3.68**	**0.88**	**3.88**	**0.00**	**3.67**	**0.66**

(Source: Survey Data)

Table 5.18

Result of ANOVA – Age wise classification of Effectiveness of relationship marketing orientation

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
Customers felt that the bank is dependable.	2.626	0.875	3	3.43	0.017
The bank has high integrity	5.155	1.718	3	4.92	0.002
The bank can be trusted completely.	5.955	1.985	3	3.82	0.010
The bank is highly competent.	0.936	0.312	3	0.99	0.398
The bank is very responsive to customers.	0.859	0.286	3	0.55	0.652
Customers have developed a closer relationship with this bank than other banks.	3.293	1.098	3	1.62	0.184
Customers want to remain with this bank because they enjoy their relationship with the bank.	3.716	1.239	3	2.60	0.043
The relationship with the bank is something that the customer intended to maintain for a long time.	9.966	3.322	3	8.36	0.000

(Source: Survey Data)

Education wise classification of Effectiveness of Relationship Marketing Orientation

The effectiveness of Relationship Marketing Orientation has been analysed on the basis of the educational qualification of the respondents also. The result of this analysis is presented in table 5.19. It can be evaluated from the table that the customers having educational qualification of below SSLC moderately agree with the variable “The relationship with the bank is something that the customer intended to maintain for a long time” and agree with all other variables. The most effective variable of RMO as regards these customers is “Customers felt that the bank is dependable” with a mean score of 4.08 and Standard deviation of 0.72. The second effective variable is “The bank has high integrity” with a mean score of 3.85 (standard deviation of 0.61). The least effective variable is “The relationship with the bank is something that the customer intended to maintain for a long time” as it got the lowest mean score of 3.46 with a standard deviation of 0.98.

Customers having SSLC qualification agree with all variables except “The bank can be trusted completely” and “The bank is very responsive to customers”. They moderately agree with these two variables. The most effective variable of RMO as regards these customers is “Customers felt that the bank is dependable” with a mean score of 3.97 and Standard deviation of 0.41. The second effective variable is “The bank has high integrity” with a mean score of 3.66 (standard deviation of 0.54). The least effective variable is “The bank can be trusted completely” as it got the lowest mean score of 3.39 with a Standard deviation of 0.78.

Customers belonging to the category of Pre-degree as the educational qualification moderately agree with all variables except four variables such as “The bank has high integrity”, “The bank is highly competent”, “The bank is very responsive to customers” and “The relationship with the bank is something that the customer intended to maintain for a long time”. They agree with these four variables. The most effective variable of RMO as regards these customers is “The bank is highly competent” with a mean score of 4.00 and Standard deviation of 0.73. The second effective variable is “The bank has high integrity” with a mean score of 3.75 (standard deviation of 0.65). The least effective variable is “Customers have developed a closer relationship with this bank than other banks” as it got the lowest mean score of 3.13 with a standard deviation of 0.74.

The customers having degree qualification agree with all variables of RMO. The most effective variable of RMO as regards the graduates is “The bank can be trusted completely” with a mean score of 4.10 and Standard deviation of 0.60. The second effective variable is “Customers have developed a closer relationship with this bank than other banks” with a mean score of 4.05 (standard deviation of 0.88). The least effective variable is “Customers want to remain with this bank because they enjoy their relationship with the bank” as it got the lowest mean score of 3.66 with a standard deviation of 0.54.

The customers having PG as their educational qualification agree with all variables except the variables “Customers have developed a closer relationship with this bank than other banks”, “Customers want to remain with this bank because they enjoy their relationship with the bank” and “The relationship with the bank is something that the customer intended to maintain for a long time”. They moderately agree with these three variables. The most effective variable of RMO as regards these customers is “Customers felt that the bank is dependable” with a mean score of 3.85 and Standard deviation of 0.46. The second effective variable is “The bank has high integrity” with a mean score of 3.63 (standard deviation of 0.76). The least effective variable is “Customers want to remain with this bank because they enjoy their relationship with the bank” as it got the lowest mean score of 3.06 with a standard deviation of 0.85.

Customers having Professional qualification agree with all variables except the variable “The bank can be trusted completely”. The customers have moderate agreement with this variable. The most effective variable of RMO as regards professionally qualified customers is “Customers have developed a closer relationship with this bank than other banks” with a mean score of 4.08 and Standard deviation of 0.73. The second effective variable is “The bank has high integrity” with a mean score of 3.95 (standard deviation of 0.71). The least effective variable is “The bank can be trusted completely” as it got the lowest mean score of 3.49 with a standard deviation of 0.73.

It can be inferred from the overall score that the customers having educational qualification of below SSLC, SSLC, Pre-degree, Degree and Professional qualification have the opinion that the Relationship Marketing Orientation practices of their banks is effective as revealed by the mean value of 3.77 (S.D. of 0.76), 3.60 (S.D. of 0.65), 3.51 (S.D. of 0.74), 3.91 (S.D. of 0.46) and 3.81 (S.D. of 0.67) respectively. At the same time post graduate customers opined that the Relationship Marketing Orientation practised by their banks is moderately effective as revealed by the mean score of 3.47 (S.D. of 0.72). So the present RMO strategies of banks are more effective on customers having degree qualification and less effective on customers having P.G. qualification. The result of ANOVA shows that significant difference exists in all the variables of Relationship Marketing Orientation between the customers having different educational qualification.

Table 5.19

Education wise classification of Effectiveness of Relationship Marketing Orientation

Relationship Marketing Orientation	**Below SSLC**		**SSLC**		**Pre-Degree**		**Degree**		**PG**		**Professional qualification**		**Total**	
	Mean	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**
Customers felt that the bank is dependable.	4.08	0.72	3.97	0.41	3.38	0.72	4	0	3.85	0.46	3.88	0.73	3.86	0.51
The bank has high integrity	3.85	0.42	3.66	0.54	3.75	0.65	3.81	0.54	3.63	0.76	3.95	0.71	3.77	0.60
The bank can be trusted completely.	3.81	0.65	3.39	0.78	3.38	0.71	4.1	0.6	3.62	0.72	3.49	0.73	3.63	0.70
The bank is highly competent.	3.72	0.74	3.62	0.61	4	0.73	3.91	0.3	3.57	0.5	3.72	0.43	3.75	0.55
The bank is very responsive to customers.	3.82	0.78	3.48	0.77	3.5	0.62	3.91	0.48	3.55	0.92	3.68	0.73	3.65	0.73
Customers have developed a closer relationship with this bank than other banks.	3.71	0.92	3.53	0.89	3.13	0.74	4.05	0.88	3.19	0.83	4.08	0.73	3.61	0.83
Customers want to remain with this bank because they enjoy their relationship with the bank.	3.68	0.85	3.59	0.7	3.25	0.55	3.66	0.54	3.06	0.85	3.85	0.73	3.51	0.70
The relationship with the bank is something that the customer intended to maintain for a long time.	3.46	0.98	3.59	0.47	3.65	0.86	3.85	0.32	3.29	0.69	3.82	0.56	3.61	0.66
Overall Score	**3.77**	**0.76**	**3.60**	**0.65**	**3.51**	**0.70**	**3.91**	**0.46**	**3.47**	**0.72**	**3.81**	**0.67**	**3.67**	**0.66**

(Source: Survey Data)

Table 5.20

Result of ANOVA - Education wise classification of Effectiveness of Relationship Marketing Orientation

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
Customers felt that the bank is dependable.	6.551	1.310	5	5.37	0.000
The bank has high integrity	8.476	1.695	5	5.12	0.000
The bank can be trusted completely.	14.516	2.903	5	5.86	0.000
The bank is highly competent.	10.389	2.078	5	7.27	0.000
The bank is very responsive to customers.	9.574	1.915	5	3.84	0.002
Customers have developed a closer relationship with this bank than other banks.	53.697	10.739	5	21.04	0.000
Customers want to remain with this bank because they enjoy their relationship with the bank.	41.106	8.221	5	23.25	0.000
The relationship with the bank is something that the customer intended to maintain for a long time.	21.372	4.274	5	11.83	0.000

(Source: Survey Data)

Occupation wise classification of Effectiveness of Relationship Marketing Orientation

The effectiveness of Relationship Marketing Orientation has been also analysed on the basis of the occupation status of the respondents and presented in table 5.21. As regards the daily wage earners, they moderately agree with the variables “The bank has high integrity”, “The bank can be trusted completely”, “The bank is very responsive to customers” and “Customers have developed a closer relationship with this bank than other banks”. The most effective variable of RMO as regards daily wage earners is “Customers felt that the bank is dependable” with a mean score of 3.87 and standard deviation of 0.57. The second effective variable is “The bank is highly competent” with a mean score of 3.84(standard deviation of 0.62). The least effective variable is “Customers have developed a closer relationship with this bank than other banks” as it got the lowest mean score of 3.02 with a standard deviation of 0.91.

As regards the salaried class of respondents they agree with all the variables of RMO except two variables such as “Customers want to remain with this bank because they enjoy their relationship with the bank” and “The relationship with the bank is something that the customer intended to maintain for a long time”. They moderately agree with these variables. The most effective variable of RMO as regards salaried people is “Customers felt that the bank is dependable” with a mean score of 3.94 and standard deviation of 0.50. The second effective variable is “The bank has high integrity” with a mean score of 3.89(standard deviation of 0.66). The least effective variable is “Customers want to remain with this bank because they enjoy their relationship with the bank” as it got the lowest mean score of 3.22 with a standard deviation of 0.70.

In the case of agriculturists, they agree with all variables of RMO except “The bank can be trusted completely”. They moderately agree with this variable. The most effective variable of RMO as regards agriculturists is “The bank has high integrity” with a mean score of 4.20 and standard deviation of 0.76. The second effective variable is “Customers felt that the bank is dependable” with a mean score of 3.98 (standard deviation of 0.61). The least effective variable is “The bank can be trusted completely” as it got the lowest mean score of 3.19 with a standard deviation of 0.77.

As regards the self employed respondents they strongly agree with the variable “The bank can be trusted completely” with the highest mean value of 4.50 and Standard deviation of 0.78. It implies that the RMO strategies of the commercial banks are very effective to make a feeling among the customers that their bank is trustworthy. They agree with all other variables of RMO. The least effective variable of RMO is “The bank has high integrity” as it got the lowest mean score of 3.50 with a standard deviation of 0.68.

In the case of business men, they moderately agree with all variables of RMO except “The bank has high integrity”, “The bank can be trusted completely” and “Customers have developed a closer relationship with this bank than other banks”. They agree with these three variables. The most effective variable of RMO as regards business men is “Customers have developed a closer relationship with this bank than other banks” with a mean score of 3.75 and standard deviation of 0.91. The second effective variable is “The bank can be trusted completely” with a mean score of 3.55 (standard deviation of 0.60). The least effective variable is “Customers want to remain with this bank because they enjoy their relationship with the bank” as it got the lowest mean score of 2.81 with a standard deviation of 0.50.

As far as the house wives are concerned, they agree with all variables of RMO. The most effective variable of RMO as regards these customers is “The bank has high integrity” with a mean score of 4.00 and standard deviation of 0.41. The second effective variable is “Customers felt that the bank is dependable” with a mean score of 3.92 (standard deviation of 0.41). The least effective variable is “The bank can be trusted completely” as it got the lowest mean score of 3.63 with a standard deviation of 0.70.

So far as the student customers are concerned, they also agree with all variables of RMO. The most effective variable of RMO as regards these customers is “Customers felt that the bank is dependable” with a mean score of 3.92 and standard deviation of 0.44. The second effective variable is “The bank can be trusted completely” with a mean score of 3.89 (standard deviation of 0.71). The least effective variable is “Customers want to remain with this bank because they enjoy their relationship with the bank" as it got the lowest mean score of 3.42 with a standard deviation of 0.79.

The overall score reveals that the RMO strategies of commercial banks are effective on salaried people, Agriculturists, Self Employed, House wives and Students. At the same time the RMO strategies of commercial banks are only moderately effective on Daily Wage Earners and Business people. The present RMO strategies of banks are more effective on Self Employed customers and less effective on business people. Result of ANOVA shows that significant difference exists in the majority variables of Relationship Marketing Orientation between the customers having different occupational status.

Table 5.21
Occupation wise classification of Effectiveness of Relationship Marketing Orientation

Relationship Marketing Orientation	Daily wage Earner		Salaried		Agriculturist		Self employed		Businessman		House wife		Student		Total	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Customers felt that the bank is dependable.	3.87	0.57	3.94	0.5	3.98	0.61	4	0.58	3.39	0.5	3.92	0.41	3.92	0.44	3.86	0.51
The bank has high integrity	3.46	0.59	3.89	0.66	4.2	0.76	3.5	0.68	3.5	0.58	4	0.41	3.88	0.52	3.77	0.60
The bank can be trusted completely.	3.04	0.65	3.58	0.71	3.19	0.77	4.5	0.78	3.55	0.6	3.63	0.7	3.89	0.71	3.63	0.70
The bank is highly competent.	3.84	0.62	3.76	0.62	3.81	0.58	3.82	0.58	3.35	0.5	3.83	0.47	3.88	0.47	3.75	0.55
The bank is very responsive to customers.	3.19	0.63	3.66	0.78	3.68	0.67	4	0.72	3.35	0.66	3.82	0.81	3.87	0.77	3.65	0.73
Customers have developed a closer relationship with this bank than other banks.	3.02	0.91	3.61	0.9	3.66	0.91	4.02	0.88	3.75	0.91	3.64	0.61	3.61	0.68	3.61	0.83
Customers want to remain with this bank because they enjoy their relationship with the bank.	3.51	0.59	3.22	0.7	3.78	0.52	4	1.16	2.81	0.5	3.82	0.66	3.42	0.79	3.51	0.70
The relationship with the bank is something that the customer intended to maintain for a long time.	3.56	0.5	3.31	0.73	3.78	0.6	4	0.46	3.28	0.96	3.66	0.67	3.66	0.65	3.61	0.66
Overall Score	**3.44**	**0.63**	**3.62**	**0.70**	**3.76**	**0.68**	**3.98**	**0.73**	**3.37**	**0.65**	**3.79**	**0.59**	**3.77**	**0.63**	**3.67**	**0.66**

(Source: Survey Data)

Table 5.22

Result of ANOVA - Occupation wise classification of Effectiveness of Relationship Marketing Orientation

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
Customers felt that the bank is dependable.	5.235	0.748	7	2.996	0.005
The bank has high integrity.	20.463	2.923	7	9.686	0.000
The bank can be trusted completely.	35.989	5.141	7	12.113	0.000
The bank is highly competent.	2.528	0.361	7	1.150	0.332
The bank is very responsive to customers.	19.233	2.748	7	5.855	0.000
Customers have developed a closer relationship with this bank than other banks.	17.772	2.539	7	3.990	0.000
Customers want to remain with this bank because they enjoy their relationship with the bank.	17.315	2.474	7	5.657	0.000
The relationship with the bank is something that the customer intended to maintain for a long time.	9.980	1.426	7	3.540	0.001

(Source: Survey Data)

Income wise classification of Effectiveness of Relationship Marketing Orientation

The above data is also analysed on the basis of the income level of the respondents and the result of analysis in this regard is given in table 5.23. It can be evaluated from the table that the customers of the low income category agree with all the variables of RMO. The most effective variable of RMO as regards these customers is “The bank is highly competent” with a mean score of 3.90 and standard deviation of 0.55. The second effective variable is “The relationship with the bank is something that the customer intended to maintain for a long time" with a mean score of 3.89 (standard deviation of 0.57). The least effective variable is "Customers have developed a closer relationship with this bank than other banks" as it got the lowest mean score of 3.66 with a standard deviation of 0.82.

The respondents belonging to middle income category agree with all variables except the variable, "Customers want to remain with this bank because they enjoy their relationship with the bank". They moderately agree with this variable. The most effective variable of RMO as regards these customers is "Customers have developed a closer relationship with this bank than other banks" with a mean score of 3.92 and standard deviation of 0.78. The second effective variable is "The bank can be trusted completely" with a mean score of 3.89 (standard deviation of 0.76).

As far as the customers of high income category is concerned, they agree with all variables except, "The bank can be trusted completely", "Customers have developed a closer relationship with this bank than other banks" and "Customers want to remain with this bank because they enjoy their relationship with the bank". They moderately agree with these three variables. The most effective variable of RMO as regards high income customers is "The bank is highly competent" with a mean score of 3.82 and standard deviation of 0.70. The second effective variable is "The bank has high integrity" with a mean score of 3.76 (standard deviation of 0.54). The least effective variable is "The bank can be trusted completely" as it got the lowest mean score of 3.28 with a standard deviation of 0.70.

As far as the customers of very high income category are concerned, they agree with only three variables of RMO such as "Customers felt that the bank is dependable", "The bank has high integrity" and "The bank can be trusted completely". They moderately agree with the remaining variables. The most effective variable of RMO as regards very high income customers is “Customers felt that the bank is dependable” with a mean score of 4.13 and standard deviation of 0.52. The second effective variable is “The bank has high integrity” with a mean score of 4.00 (standard deviation of 0.79). The least effective variable is “Customers want to remain with this bank because they enjoy their relationship with the bank” as it got the lowest mean score of 3.36 with a standard deviation of 0.69.

The overall score reveals that the RMO strategies of commercial banks are effective among all customers belonging to different income category and the RMO strategies of banks are more effective on low income customers and less effective on high income customers.

Analysis of variance carried out to test the statistical significance of the perception of customers belonging to different income category with regard to the effectiveness of Relationship Marketing Orientation of their banks. The results of the analysis shows that significant difference is seen among the customers of different income groups with regard to the perceived effectiveness of Relationship Marketing Orientation of banks as the p value is higher than 0.05 with regard to majority variables of RMO. The result of this analysis is presented in table 5.24.

Table 5.23

Income wise classification of Effectiveness of Relationship Marketing Orientation

Relationship Marketing Orientation	Upto Rs. 2 Lakhs		Between Rs. 2-4 Lakhs		Between Rs. 4-6 Lakhs		Above Rs. 6 Lakhs		Total	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Customers felt that the bank is dependable.	3.88	0.46	3.82	0.49	3.62	0.57	4.13	0.52	3.86	0.51
The bank has high integrity.	3.67	0.57	3.65	0.51	3.76	0.54	4	0.79	3.77	0.60
The bank can be trusted completely.	3.7	0.6	3.89	0.76	3.28	0.7	3.67	0.76	3.63	0.70
The bank is highly competent.	3.9	0.55	3.84	0.51	3.82	0.62	3.43	0.52	3.75	0.55
The bank is very responsive to customers.	3.73	0.61	3.78	0.86	3.72	0.7	3.37	0.69	3.65	0.73
Customers have developed a closer relationship with this bank than other banks.	3.66	0.82	3.92	0.78	3.41	0.9	3.43	0.84	3.61	0.83
Customers want to remain with this bank because they enjoy their relationship with the bank.	3.82	0.55	3.4	0.93	3.48	0.63	3.36	0.69	3.51	0.70
The relationship with the bank is something that the customer intended to maintain for a long time.	3.89	0.57	3.58	0.74	3.53	0.78	3.43	0.52	3.61	0.66
Overall Score	**3.78**	**0.59**	**3.74**	**0.70**	**3.58**	**0.68**	**3.60**	**0.67**	**3.67**	**0.66**

(Source: Survey Data)

Table 5.24

Result of ANOVA - Income wise classification of Effectiveness of Relationship Marketing Orientation

Variable	Sum of squares	Mean sum of squares	Degrees of freedom	F value	P value
Customers felt that the bank is dependable.	2.041	0.680	3	2.647	0.041
The bank has high integrity	0.431	0.144	3	0.394	0.758
The bank can be trusted completely.	7.769	2.590	3	5.037	0.002
The bank is highly competent.	3.112	1.037	3	3.369	0.019
The bank is very responsive to customers.	3.459	1.153	3	2.234	0.084
Customers have developed a closer relationship with this bank than other banks.	2.329	0.776	3	1.142	0.332
Customers want to remain with this bank because they enjoy their relationship with the bank.	9.929	3.310	3	7.254	0.000
The relationship with the bank is something that the customer intended to maintain for a long time.	4.714	1.571	3	3.785	0.011

(Source: Survey Data)

5.7. RESULT OF HYPOTHESES TESTING

Based on the objectives relating to Relationship Quality and Relationship Marketing Orientation, three hypotheses were framed. The results of these hypotheses testing are presented in the following pages.

5.7.1. Result of hypothesis testing – H3

The third hypothesis set for the study is "There is no significant difference in the relationship quality perception of customers according to the type of bank in which they maintain account, their age, education, occupation and income”. This main hypothesis is divided in to five sub hypotheses and results are presented below. ‘t – test’ is used for testing H5a and Analysis of Variance is used for testing the remaining sub hypothesis.

H3a – There is no significant difference in the relationship quality perception of customers according to the type of bank in which they maintain account.

The result of t -test shows that there is no significant difference in the relationship quality of public sector and private sector banks with regard to majority variables as the P value is more than 0.05. So the hypothesis is accepted.

H3b – There is no significant difference in the relationship quality perception of customers according to the age of the customers.

The result of ANOVA shows that there is significant difference exists among the customers of various age groups with regard to majority variables of relationship quality as the P value is less than 0.05. So the hypothesis is rejected.

H3c – There is no significant difference in the relationship quality perception of customers according to their educational qualification.

The result of ANOVA shows that there is significant difference in the relationship quality perception of customers of various educational categories with regard to majority variables as the P value is less than 0.05. So the hypothesis is rejected.

H3d– There is no significant difference in the relationship quality perception of customers according to the occupation of the customers.

The result of ANOVA shows that there is significant difference in the relationship quality perception of customers of various occupational categories with regard to majority variables as the P value is less than 0.05. So the hypothesis is rejected.

H3e – There is no significant difference in the relationship quality perception of customers according to the income of the customers.

The result of ANOVA shows that there is significant difference in the relationship quality perception of customers of various income groups with regard to majority variables as the P value is less than 0.05. So the hypothesis is rejected.

5.7.2. Result of Hypothesis testing – H4

The fourth hypothesis was "There is no significant relationship between relationship quality and customer loyalty". The results of factor analysis and regression analysis revealed that there is close association between relationship quality and customer loyalty. Hence H4 is rejected.

5.7.3. Result of Hypothesis testing – H5

Fifth hypothesis set for the study is "There is no significant difference in the effectiveness of relationship marketing orientation according to the type of bank in which they maintain account, their age, education, occupation and income". This main hypothesis is divided in to five sub hypotheses and results are presented below. 't – test' is used for testing H5a and Analysis of Variance is used for testing the remaining sub hypothesis.

H5a – There is no significant difference in the effectiveness of relationship marketing orientation according to the type of bank in which they maintain account.

The result of t -test shows that there is no significant difference in the effectiveness of relationship marketing orientation of public sector and private sector banks with regard to majority variables as the P value is more than 0.05. So the hypothesis is accepted.

H5b – There is no significant difference in the effectiveness of relationship marketing orientation according to the age of the customers.

The result of ANOVA shows that there is significant difference exists among the customers of various age groups with regard to the effectiveness of relationship marketing orientation as the P value is less than 0.05. So the hypothesis is rejected.

H5c – There is no significant difference in the effectiveness of relationship marketing orientation according to the education of the customers.

The result of ANOVA shows that there is significant difference in the effectiveness of the relationship marketing orientation among customers of various educational categories as the P value is less than 0.05. So the hypothesis is rejected.

H5d– There is no significant difference in the effectiveness of relationship marketing orientation according to the occupation of the customers.

The result of ANOVA shows that there is significant difference in the effectiveness of the relationship marketing orientation among customers of various occupational categories as the P value is less than 0.05. So the hypothesis is rejected.

H5e – There is no significant difference in the effectiveness of the relationship marketing orientation according to the income of the customers.

The result of ANOVA shows that there is significant difference in the effectiveness of the relationship marketing orientation among customers of various income groups with regard to majority variables as the P value is less than 0.05. So the hypothesis is rejected.

5.8. CONCLUSION

The present chapter provides the details about the analysis of primary data collected from bank customers relating to Relationship Quality and Relationship Marketing Orientation. The analysis also revealed the role of Relationship Quality in building customer loyalty. The details regarding the testing of third, fourth and fifth hypotheses are also mentioned in this chapter. After getting an idea about these things, it is essential to analyse the switching behaviour of bank customers. The next chapter deals with the analysis of primary data relating to switching behaviour of bank customers.

CHAPTER 6

SWITCHING BEHAVIOUR OF BANK CUSTOMERS

CHAPTER VI

SWITCHING BEHAVIOUR OF BANK CUSTOMERS

CHAPTER VI

SWITCHING BEHAVIOUR OF BANK CUSTOMERS

6.1. INTRODUCTION

The previous chapter discussed the details about the relationship quality, effectiveness of the relationship marketing orientation of commercial banks and the role of relationship quality in building customer loyalty. If the quality of the relationships maintained by the banker with their customers is poor, the customers may look for another bank. So after analysing the relationship quality and relationship marketing orientation it is important to examine the switching behaviour of bank customers. This chapter is devoted for analysing the past switching behaviour and future switching intentions of customers and the important reasons for switching (if any). This chapter also deals with the results of the prediction of the most preferred type of commercial bank i.e., public sector or private sector by the customers in the future.

6.2. SWITCHING BEHAVIOUR OF BANK CUSTOMERS

Service switching is the process of choosing to switch from routine use of one product or service of a service provider to steady use of a different but similar product or service of another service provider. One of the objectives of the present study is to analyse the switching behaviour of the bank customers. Here, the switching behaviour is analysed in terms of the past switching behaviour of the customers and their future switching intentions. The data relating to these aspects were collected and presented in the following pages.

6.2.1. Past Switching Behaviour

The data regarding the past switching behaviour of the customers have been collected from the respondents by asking them whether they have changed their bank in the past five years. Some customers may not switch in the past and they continued with the present bank. Some of them have switched over from some other banks to the present bank. This data has been collected and analysed on the basis of type of bank in which the customers maintain their account, their age, education, occupation and income.

It can be observed from Table 6.1 that 73.33% of the total respondents never changed their bank in the past. But 26.67% of the total respondents switched their bank in the past.

Bank wise classification of Past Switching Behaviour

Table 6.1 shows the bank wise classification of past switching behaviour of customers. It can be observed from the table that 82.00% of the customers of public sector banks never changed their bank in the past. But 18.00% of them switched their bank in the past. 35.33% of the customers of private sector banks have changed their bank in the past and 64.67% of them never changed their bank in the past. It can be noted that private sector bank customers have switched more in the past than public sector bank customers. The result of Chi- square analysis shows that significant difference exists in the past switching behaviour of public sector and private sector bank customers.

Table 6.1

Bank wise classification of Past Switching Behaviour

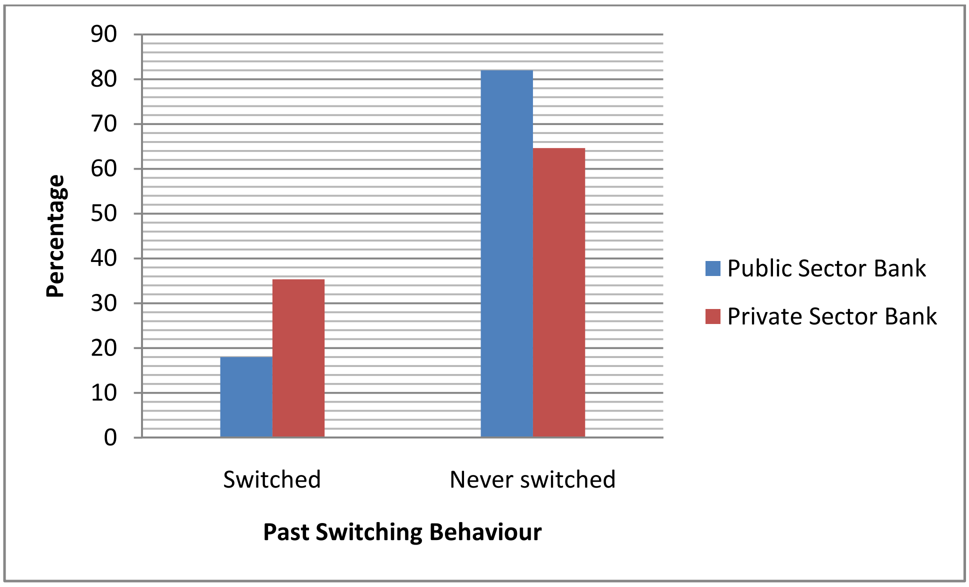
Past switching behaviour	Public Sector Bank		Private Sector Bank		Total	
	No.	%	No.	%	No.	%
Switched	27	18.00	53	35.33	80	26.67
Never switched	123	82.00	97	64.67	220	73.33
Total	150	100.00	150	100.00	300	100.00

(Chi-Sq = 11.523, DF = 1, P-Value = 0.001)
(Source: Survey Data)

The above data is also presented in the following chart.

Chart 6.1

Bank wise classification of Past Switching Behaviour



Age wise analysis of Past Switching Behaviour

The data presented in table 6.1 is also analysed on the basis of age of the respondents and the result of this analysis is presented in table 6.2. It can be noted from the table that all the teenage customers of up to 19 years age group, 76.73% of the younger customers of 20 years - 39 years age group, 65.77% of the middle aged customers of 40 years – 59 years age groups and 58.33% of the elder customers of 60 years and above age groups never changed their bank in the past. It indicates that the past switching behaviour is higher among the elder customers who are in the age group of 60 years and above and it is lower among the teenage customers of up to 19 years age group. The result of Chi- square analysis shows that significant difference exists in the past switching behaviour of customers of different age groups.

Table 6.2

Age wise analysis of Past Switching Behaviour

Past switching behaviour	Up to 19 Years		20 Years - 39 Years		40 Years - 59 Years		60 Years & Above		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Switched	0	0.00	37	23.27	38	34.23	5	41.67	80	26.67
Never switched	18	100.00	122	76.73	73	65.77	7	58.33	220	73.33
Total	18	100.00	159	100.00	111	100.00	12	100.00	300	100.00

(Chi-Sq = 12.115, DF = 3, P-Value = 0.007)
(Source: Survey Data)

Education wise classification of Past Switching Behaviour

Table 6.3 shows the result of the analysis of past switching behaviour of the respondents on the basis of their education. It can be observed from the table that 79.17% of the respondents having the educational qualification of up to SSLC, 72.13% of the respondents having the educational qualification of SSLC, 68.75% of the respondents having Pre Degree qualification, 80.95% of the graduate respondents, 87.50% of the post graduate respondents and 51.35% of the professionally qualified respondents have never changed their bank in the past. It is clear from the table that professionally qualified respondents switched more in the past and post graduates have switched less in the past. It indicates that the switching behaviour of customers of different educational groups is different. The result of the Chi- square analysis also confirms this.

Table 6.3

Education wise classification of Past Switching Behaviour

Past switching behaviour	Up to SSLC		SSLC		Pre-Degree		Degree		PG		Professional Qualification		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Switched	5	20.83	17	27.87	5	31.25	4	19.05	13	12.50	36	48.65	80	26.67
Never switched	19	79.17	44	72.13	11	68.75	17	80.95	91	87.50	38	51.35	220	73.33
Total	24	100.00	61	100.00	16	100.00	21	100.00	104	100.00	74	100.00	300	100.00

(Chi-Sq = 30.216, DF = 5, P-Value = 0.000)
(Source: Survey Data)

Occupation wise presentation of Past Switching Behaviour

Past switching behaviour of customers is also analysed on the basis of their occupation and the result of this analysis is presented in table 6.4. It can be observed from the table that 48.84% of daily wage earners, 10.94% of salaried people, 38.96% of agriculturists, 35.71% of self employed, 35.71% of business persons, 38.46% of house wives and 9.33% of students have changed their bank in the past. It can be inferred from the table that daily wage earners switched more in the past and students switched less in the past. It indicates that the past switching behaviour varies between customers of different occupational status and the result of the Chi- square analysis also confirms this.

Table 6.4

Occupation wise presentation of Past Switching Behaviour

Past switching behaviour	Daily wage Earner		Salaried		Agriculturist		Self employed		Businessman		House wife		Student		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Switched	21	48.84	7	10.94	30	38.96	5	35.71	5	35.71	5	38.46	7	9.33	80	26.67
Never switched	22	51.16	57	89.06	47	61.04	9	64.29	9	64.29	8	61.54	68	90.67	220	73.33
Total	43	100.00	64	100.00	77	100.00	14	100.00	14	100.00	13	100.00	75	100.00	300	100.00

(Chi-Sq = 38.476, DF = 6, P-Value = 0.000)
(Source: Survey Data)

Income wise classification of Past Switching Behaviour

Table 6.5 shows the result of the analysis of past switching behaviour of the respondents on the basis of their annual income. It can be noted from the table that 30.41% of low income customers in the income group of up to Rs.2 lakhs, 3.14% of middle income customers in the income group of Between Rs. 2-4 Lakhs, 8.11% of high income customers in the income group of Between Rs. 4-6 Lakhs and 58.33% of very high income customers in the income group of Above Rs. 6 Lakhs have changed their bank in the past. It can be inferred from the table that people belonging to very high income category switched more in the past and middle income customers switched less in the past. It indicates that there is variation in the past switching behaviour of the customers of different income groups. The result of the Chi-square analysis also reveals that this difference is statistically significant.

Table 6.5

Income wise classification of Past Switching Behaviour

Past switching behaviour	Up to Rs. 2 Lakhs		Between Rs. 2-4 Lakhs		Between Rs. 4-6 Lakhs		Rs. 6 Lakhs & Above		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Switched	59	30.41	5	3.14	9	8.11	7	58.33	80	26.67
Never switched	135	69.59	24	15.09	52	46.85	9	75.00	220	73.33
Total	194	100.00	29	18.24	61	54.95	16	133.33	300	100.00

(Chi-Sq = 9.524, DF = 3, P-Value = 0.023)
(Source: Survey Data)

6.2.2. Future Switching Intention

Switching behaviour of customers is analysed in terms of their past switching behaviour and their future switching intention. In the beginning of this chapter the past switching behaviour of customers has been analysed. Then, it is essential to examine whether the customers have any plan to change their present bank in the future. The data in this regard has been collected and analysed on the basis of the type of bank in which they maintain account, their age, education, occupation and income. The results of analysis are presented in the following pages.

It can be observed from Table 6.6 that 78.00% of the total respondents do not have any plan to change their bank in the future. But 22.00% of the total respondents have intention to change their bank in the future.

Bank wise classification of Future Switching Intention of customers

Table 6.6 shows the bank wise classification of future switching intention of customers. It can be observed from the table that 16.67% of the customers of public sector banks and 27.33% of the customers of private sector banks have plan to change their present bank in the future. It implies that the future switching intention is higher among the customers of private sector banks and lower among the customers of Public Sector Banks. Chi-square test was conducted to test the significance of differences in the future switching intention of the customers of public sector banks and customers of private sector banks. The result indicates that significant difference exist in the future switching intention of the customers of public sector banks and customers of private sector banks as the P Value is less than 0.05.

Table 6.6

Bank wise classification of Future Switching Intention of customers

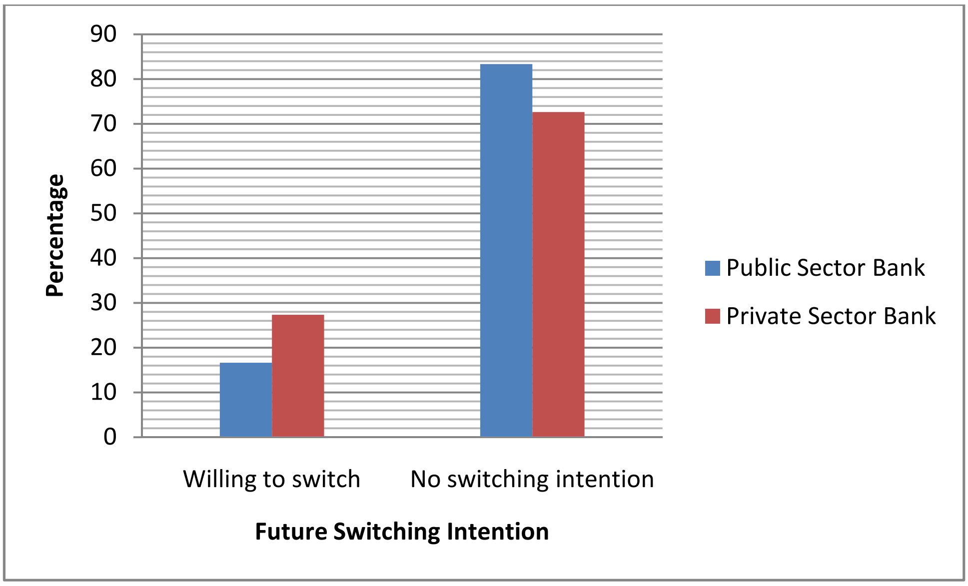
Future Switching Intention	Public Sector Bank		Private Sector Bank		Total	
	No.	%	No.	%	No.	%
Willing to switch	25	16.67	41	27.33	66	22.00
No switching intention	125	83.33	109	72.67	234	78.00
Total	150	100.00	150	100.00	300	100.00

(Chi-Sq = 4.973, DF = 1, P-Value = 0.026)
(Source: Survey Data)

The above data is also presented in the following chart.

Chart 6.2

Bank wise classification of Future Switching Intention of customers



Age wise analysis of Future Switching Intention of customers

Table 6.7 shows the result of the analysis of future switching intention on the basis of the age of the respondents. It can be noted from the table that 66.67% of the teenage customers of up to 19 years of age, 22.01% of the younger customers of 20-39 years of age group, 16.22% of the middle aged customers of 40-59 years age group and 8.33% of the elder customers of 60 years & above age groups have intention to change their present bank in the future. Future switching intention is higher among the teenage customers and it is lower among the elder customers. It indicates that there is difference in the future switching intention of customers of different age groups and the result of Chi- square analysis confirms this.

Table 6.7

Age wise analysis of Future Switching Intention of customers

Future Switching Intention	Up to 19 Years		20 - 39 Years		40 - 59 Years		60 Years & Above		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Willing to switch	12	66.67	35	22.01	18	16.22	1	8.33	66	22.00
No switching intention	6	33.33	124	77.99	93	83.78	11	91.67	234	78.00
Total	18	100.00	159	100.00	111	100.00	12	100.00	300	100.00

(Chi-Sq = 25.935, DF = 3, P-Value = 0.000)
(Source: Survey Data)

Education wise classification of Future Switching Intention of customers

Table 6.8 shows the result of the analysis of future switching intention of the respondents on the basis of their education. It can be observed from the table that 25.00% of the respondents having the educational qualification of up to SSLC, 14.75% of the respondents having the educational qualification of SSLC, 43.75% of the respondents having Pre Degree qualification, 23.81% of the graduate respondents, 31.73% of the post graduate respondents and 2.74% of the professionally qualified respondents have an intention to change their present bank in the future. It implies that future switching intention is higher among Pre Degree qualified respondents and lower among professionally qualified respondents. The result of Chi- square analysis also indicates that significant difference exist in the future switching intention of customers of different educational qualifications as the P Value is less than 0.05.

Table 6.8

Education wise classification of Future Switching Intention of customers

Past switching behaviour	Up to SSLC		SSLC		Pre-Degree		Degree		PG		Professional Qualification		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Switched	6	25.00	9	14.75	7	43.75	5	23.81	33	31.73	6	2.74	66	22.00
Never switched	18	75.00	52	85.25	9	56.25	16	76.19	71	68.27	68	97.26	234	78.00
Total	24	100.00	61	100.00	16	100.00	21	100.00	104	100.00	74	100.00	300	100.00

(Chi-Sq = 20.504, DF = 5, P-Value = 0.001)
(Source: Survey Data)

Occupation wise presentation of Future Switching Intention of customers

Future switching intention of customers is also analysed on the basis of their occupation and the result of this analysis is presented in table 6.9. It can be observed from the table that 23.26% of daily wage earners, 34.38% of salaried people, 10.39% of agriculturists, 35.71% of self employed, 42.86% of business persons, 38.46% of house wives and 13.33% of students have intention to change their present bank in the future. The switching tendency is higher among business people and it is lower among agriculturists. It shows that the future switching intention varies between customers of different occupational status. The result of the Chi- square analysis also confirms this.

Table 6.9

Occupation wise presentation of Future Switching Intention of customers

Future Switching Intention	**Daily wage Earner**		**Salaried**		**Agriculturist**		**Self employed**		**Businessman**		**House wife**		**Student**		**Total**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Willing to switch	10	23.26	22	34.38	8	10.39	5	35.71	6	42.86	5	38.46	10	13.33	66	22.00
No switching intention	33	76.74	42	65.63	69	89.61	9	64.29	8	57.14	8	61.54	65	86.67	234	78.00
Total	43	100.00	64	100.00	77	100.00	14	100.00	14	100.00	13	100.00	75	100.00	300	100.00

(Chi-Sq = 22.219, DF = 6, P-Value = 0.001)
(Source: Survey Data)

Income wise classification of future switching intention of customers

The data presented in Table 6.9 is also analysed on the basis of the annual income of the respondents and is presented in Table 6.10. It can be noted from the table that 17.53% of low income customers in the income group of up to Rs.2 lakhs, 27.59% of middle income customers in the income group of Between Rs. 2-4 Lakhs, 29.51% of high income customers in the income group of Between Rs. 4-6 Lakhs and 37.50% of very high income customers in the income group of Above Rs. 6 Lakhs have a plan to change their present bank in the future. The future switching intention is higher among the very high income category of people and it is lower among low income customers. It indicates that there is variation in the future switching intention of the customers of different income groups. But the result of the Chi- square analysis reveals that this difference is not statistically significant as the P value is more than 0.05.

Table 6.10

Income wise classification of future switching intention of customers

Future Switching Intention	Up to Rs. 2 Lakhs		Between Rs. 2-4 Lakhs		Between Rs. 4-6 Lakhs		Rs. 6 Lakhs & Above		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Willing to switch	34	17.53	8	27.59	18	29.51	6	37.50	66	22.00
No switching intention	160	82.47	21	72.41	43	70.49	10	62.50	234	78.00
Total	194	100.00	29	100.00	61	100.00	16	100.00	300	100.00

(Chi-Sq = 7.035, DF = 3, P-Value = 0.071)
(Source: Survey Data)

6.3. REASONS FOR BANK SWITCHING

A bank's earnings and profits will be reduced when a customer shifts from one bank to another. Furthermore it can bring a negative word-of-mouth publicity which will spoil the reputation of the bank. Because of these outcomes, it is imperative for the banks to reduce their defection rate. In order to reduce the defection rate, it is important for banks to identify the critical factors affecting the customer switching behaviour. Hence, an analysis has been made to understand the reasons for bank switching by the customers. Here the respondents were asked to assign ranks for various reasons in the order of their importance. The data so collected has been analysed after giving values to these ranks and classified on the basis of type of bank in which the customers maintain their account, their age, education, occupation and income.

It can be observed from Table 6.11 that the most important reason for bank switching is 'Poor quality of service' as it got the highest mean score of 6.46 with S.D. of 2.17. The second important reason is 'Lack of proper communication' with a mean score of 5.81 and S.D of 1.85. The third important reason is 'Difficulty in accessing bank branches' with a mean score of 5.73 and S.D of 2.36. The least important reason is 'Poor Customer Awareness Programmes' as it got the lowest mean score of 3.88 with a S.D of 2.78. The second least important reason is 'Lack of personal attention' as it got the second lowest mean score of 3.96 with a S.D of 2.64.

Bank wise analysis of Reasons for Switching

The table 6.11 indicates that some differences exist in the reasons for switching by the customers of public sector and private sector banks. 'Difficulty in accessing bank branches' is the main reason for switching by the customers of public sector banks (with a mean score of 6.45 and S.D of

2.47). But ‘Poor quality of service’ is the main reason for switching by the private sector bank customers as it got the highest mean score of 6.82 and S.D of 1.87. The second important reason is ‘Poor quality of service’ (with a mean score of 6.09 and S.D of 2.46) as far as the public sector bank customers are concerned and ‘Lack of proper communication’ (with a mean score of 6.00 and S.D of 1.79) as far as the private sector bank customers are concerned. The least important reason is ‘Higher fees and other charges’ with regard to the customers of public sector banks. So far as concerned with the private sector bank customers, ‘Poor Customer Awareness Programmes’ is the least important reason as it got the lowest mean score of 3.39 and S.D of 2.77.

To test the statistical significance of the differences in the reasons for switching by the customers of public sector and private sector bank, ‘t – test’ is conducted. The result of the analysis presented in table 6.12 shows that there is no significant difference in the reasons for switching by the public sector and private sector bank customers except the reason ‘Difficulty in accessing bank branches’.

Table 6.11

Bank wise analysis of Reasons for Switching

Reasons	Public Sector Bank		Private Sector Bank		Total	
	Mean	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**
Poor quality of service	6.09	2.46	6.82	1.87	6.46	2.17
Lack of proper communication	5.62	1.91	6.00	1.79	5.81	1.85
Discourtesy of employees	5.53	2.33	5.84	2.33	5.69	2.33
Lack of E- Banking services	4.13	2.72	4.40	2.49	4.27	2.61
Difficulty in accessing bank branches	6.45	2.47	5.00	2.26	5.73	2.36
Poor Customer Awareness Programmes	4.36	2.785	3.39	2.77	3.88	2.78
Poor Complaint Redressal System	4.62	2.04	4.82	1.525	4.72	1.78
Lack of personal attention	4.21	2.65	3.70	2.64	3.96	2.64
Higher fees and other charges	4.02	2.65	5.04	3.23	4.53	2.94

(Source: Survey Data)

The above data is also presented in the following chart.

Chart 6.3

Bank wise analysis of Reasons for Switching

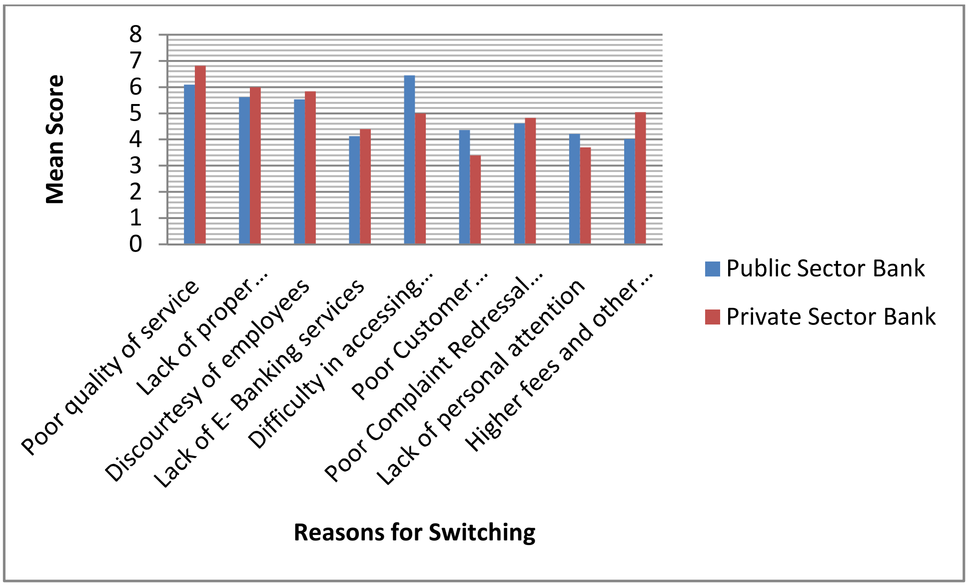


Table 6.12

Result of t-test - Bank wise analysis of Reasons for Switching

Variable	Degrees of freedom	t value	P value
Poor quality of service	64	-1.902	0.059
Lack of proper communication	64	-1.141	0.256
Discourtesy of employees	64	-0.726	0.469
Lack of E- Banking services	64	-0.583	0.561
Difficulty in accessing bank branches	64	3.384	0.001
Poor Customer Awareness Programmes	64	1.913	0.058
Poor Complaint Redressal System	64	-0.633	0.528
Lack of personal attention	64	1.070	0.286
Higher fees and other charges	64	-1.828	0.070

(Source: Survey Data)

Age wise analysis of Reasons for Switching

The above data has been analysed on the basis of age of the respondents and presented in table 6.13. It can be evaluated from the table that, the main reason for changing bank by the teenage customers in the age group of up to 19 years is ‘Poor quality of service’ with a mean score of 8.15 and S.D of 2.20. The second important reason is ‘Discourtesy of employees’ with a mean score of 6.20 and S.D. of 1.69. The least important reason is ‘Higher fees and other charges’ with a mean score of 2.03 and S.D. of 2.42. The main reason for bank switching by the younger customers in the age group of 20 years – 39 years is ‘Difficulty in accessing bank branches’ with a mean score of 6.03 and S.D. of 2.74. The second important reason is ‘Lack of proper communication’ with a mean score of 5.93 and S.D. of 1.96. The least important reason is ‘Poor Customer Awareness Programmes’ with a mean score of 3.14 and S.D. of 2.68. The main reason for bank switching by the middle aged customers in the age group of 40 years – 59 years is ‘Lack of proper communication’ with a mean score of 6.55 and S.D. of 1.54. The second important reason is ‘Poor quality of service’ with a mean score of 5.70 and S.D. of 2.18. The least important reason is ‘Lack of E- Banking services’ with a mean score of 3.45 and S.D. of 2.92. The main reason for bank switching by the elder customers in the age group of 60 years and above is ‘Poor quality of service’ with a mean score of 6.60 and S.D. of 2.07. The second important reason is ‘Difficulty in accessing bank branches’ with a mean score of 6.20 and S.D. of 2.18. The least important reason is ‘Poor Customer Awareness Programmes’ with a mean score of 2.63 and S.D. of 2.74.

An analysis of variance test is carried out to test the statistical significance of the differences in the reasons for switching by the customers of different age groups. The result shows that there is no significant variation in the different reasons for bank switching by the customers of different age groups except three reasons such as ‘Lack of E- Banking services’, ‘Poor Customer Awareness Programmes’ and ‘Higher fees and other charges’. The result of this analysis is presented in Table 6.13.

Table 6.13

Age wise analysis of Reasons for Switching

Reasons	Up to 19 Years		20-39 Years		40-59 Years		60 Years & Above		Total	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Poor quality of service	8.15	2.20	5.40	2.21	5.70	2.18	6.60	2.07	6.46	2.17
Lack of proper communication	5.87	1.18	5.93	1.96	6.55	1.54	4.87	2.73	5.81	1.85
Discourtesy of employees	6.20	1.69	5.47	2.39	5.27	2.60	5.80	2.66	5.69	2.33
Lack of E-Banking services	3.99	2.62	5.40	2.34	3.45	2.92	4.23	2.56	4.27	2.61
Difficulty in accessing bank branches	5.53	2.73	6.03	2.74	5.14	1.78	6.20	2.18	5.73	2.36
Poor Customer Awareness Programmes	5.57	2.75	3.14	2.68	4.16	2.95	2.63	2.74	3.88	2.78
Poor Complaint Redressal System	4.80	2.26	4.59	1.99	4.37	1.02	5.12	1.86	4.72	1.78
Lack of personal attention	3.67	2.55	3.47	2.76	4.52	2.74	4.17	2.52	3.96	2.64
Higher fees and other charges	2.03	2.42	5.69	2.77	5.12	3.44	5.27	3.14	4.53	2.94

(Source: Survey Data)

Table 6.14

Result of ANOVA - Age wise classification of Reasons for Switching

Variable	Sum of squares	Mean sum of squares	Degrees of Freedom	F value	P value
Poor quality of service	25.570	8.523	3	1.929	0.128
Lack of proper communication	16.553	5.518	3	1.662	0.179
Discourtesy of employees	5.959	1.986	3	0.361	0.781
Lack of E- Banking services	55.126	18.375	3	2.907	0.037
Difficulty in accessing bank branches	18.964	6.321	3	1.072	0.364
Poor Customer Awareness Programmes	62.669	20.890	3	2.766	0.045
Poor Complaint Redressal System	3.950	1.317	3	0.437	0.727
Lack of personal attention	29.902	9.967	3	1.440	0.234
Higher fees and other charges	73.908	24.636	3	2.733	0.047

(Source: Survey Data)

Education wise analysis of Reasons for Switching

The reasons for bank switching by the customers have been analysed on the basis of their education and the result is presented in table 6.15. It can be evaluated from the table that, ‘Poor quality of service’ (mean score of 8.03 and S.D. of 1.46) is the main reason for changing present bank by the customers having educational qualification of below SSLC. The second important reason for them is ‘Discourtesy of employees’ with a mean score of 7.01 and S.D. of 2.22. The least important reason for them is ‘Lack of E-Banking services’ as it got the lowest mean score of 2.26 with S.D. of 2.57. The main reason for bank switching by the customers having SSLC qualification is ‘Poor Customer Awareness Programmes’ with a mean score of 7.55 and S.D. of 2.75. The second important reason for them is ‘Poor quality of service’ with a mean score of 7.36 and S.D. of 1.44. The least important reason for them is ‘Lack of E- Banking services’ as it got the lowest mean score of 2.01 with S.D. of 2.88. ‘Difficulty in accessing bank branches’ is the main reason for changing the present bank by the customers having Pre-Degree qualification with a mean score of 7.60 and S.D. of 2.93. The second important reason for them is ‘Poor quality of service’ with a mean value of 6.85 and S.D. of 2.07. The least important reason for the customers having Pre-Degree qualification is ‘Lack of personal attention’ with a lowest mean score of 2.62 and S.D. of 2.64. The main reason for bank switching by the customers having Degree qualification is ‘Higher fees and other charges’ with a mean score of 7.39 and S.D. of 2.70. The second important reason for them is ‘Lack of proper communication’ with a mean score of 7.33 and S.D. of 1.54. The least important reason for them is ‘Poor Customer Awareness Programmes’ as it got the lowest mean score of 1.61 with S.D. of 2.69. ‘Difficulty in accessing bank branches’ is the main reason for changing the present bank by the post graduates customers with a mean score of 6.90 and S.D. of 2.75. The second important reason for them is ‘Poor Complaint Redressal System’ with a mean value of 5.57 and S.D. of 2.18. The least important reason for the customers having P.G. qualification is ‘Customer Awareness Programmes’ with a lowest mean score of 3.39 and S.D. of 2.61. The main reason for bank switching by the customers having professional qualification is ‘Lack of proper communication’ with a mean score of 6.95 and S.D. of 2.15. The second important reason for them is ‘Lack of E-Banking services’ with a mean score of 6.06 and S.D. of 2.75. The least important reason for them is ‘Poor Customer Awareness Programmes’ as it got the lowest mean score of 2.24 with S.D. of 2.97.

Analysis of variance is carried out to test the statistical significance of the differences of various reasons for bank switching among the customers of different educational qualifications. The result of the analysis presented in Table 6.16 shows that significant difference exists between the customers of various educational qualifications with regard to all the reasons for bank switching as the P value is less than 0.05.

Table 6.15

Education wise analysis of Reasons for Switching

Reasons	Below SSLC		SSLC		Pre-Degree		Degree		PG		Professional qualification		Total	
	Mean	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**	**Mean**	**S.D.**
Poor quality of service	8.03	1.46	7.36	1.44	6.85	2.07	6.21	2.89	5.08	2.27	5.22	2.88	6.46	2.17
Lack of proper communication	5.12	1.49	5.36	1.99	5.30	1.63	7.33	1.54	4.79	2.31	6.95	2.15	5.81	1.85
Discourtesy of employees	7.01	2.22	5.67	2.22	6.50	2.25	6.16	2.85	4.10	1.70	4.69	2.77	5.69	2.33
Lack of E-Banking services	2.26	2.57	2.01	2.88	5.10	2.94	5.20	2.20	5.00	2.34	6.06	2.75	4.27	2.61
Difficulty in accessing bank branches	5.35	2.86	3.85	1.09	7.60	2.93	4.74	2.46	6.90	2.75	5.91	2.06	5.73	2.36
Poor Customer Awareness Programmes	4.20	2.89	7.55	2.75	4.30	2.81	1.61	2.69	3.39	2.61	2.24	2.97	3.88	2.78
Poor Complaint Redressal System	5.96	2.48	4.14	1.82	3.90	1.47	4.29	1.49	5.57	2.18	4.47	1.21	4.72	1.78
Lack of personal attention	4.83	2.59	6.67	2.60	2.62	2.64	2.17	2.59	4.97	2.68	2.48	2.73	3.96	2.64
Higher fees and other charges	2.53	2.99	2.29	2.86	3.10	2.89	7.39	2.70	4.61	3.30	7.28	2.92	4.53	2.94

(Source: Survey Data)

Table 6.16

Result of ANOVA - Education wise analysis of Reasons for Switching

Variable	Sum of squares	Mean sum of squares	Degrees of Freedom	F value	P value
Poor quality of service	128.699	25.740	5	7.048	0.000
Lack of proper communication	106.310	21.262	5	8.042	0.000
Discourtesy of employees	106.832	21.366	5	4.480	0.001
Lack of E- Banking services	293.396	58.679	5	13.080	0.000
Difficulty in accessing bank branches	185.921	37.184	5	8.021	0.000
Poor Customer Awareness Programmes	494.471	98.894	5	23.754	0.000
Poor Complaint Redressal System	58.040	11.608	5	4.427	0.001
Lack of personal attention	379.582	75.916	5	18.108	0.000
Higher fees and other charges	485.300	97.060	5	16.688	0.000

(Source: Survey Data)

Occupation wise analysis of Reasons for Switching

The above data has been analysed on the basis of occupational categories of the respondents and presented in table 6.17. It can be noticed from the table that 'Discourtesy of employees' is the main reason for bank switching by the daily wage earners with a mean score of 8.00 and S.D. of 2.05. The second important reason is 'Lack of proper communication' with a mean score of 7.10 and S.D. of 0.41. The least important reason for them is 'Lack of personal attention' as it got the lowest mean score of 2.60 and S.D. of 3.28. 'Difficulty in accessing bank branches' is the main reason for bank switching as far as the salaried people are concerned with a mean score of 7.76 and S.D. of 2.11. The second important reason for them is 'Poor quality of service' and the least important reason is 'Poor Customer Awareness Programmes' with a lowest mean score of 2.85 and S.D. of 2.93. The main reason for bank switching by the agriculturists is 'Lack of proper communication' with a mean score of 6.17 and S.D. of 1.35. The second important reason for them is 'Poor quality of service' with a mean score of 6.14 and S.D. of 2.13. The least important reason is 'Lack of E- Banking services' with a mean score of 3.93 and S.D. of 3.04. 'Difficulty in accessing bank branches' is the main reason for bank switching as far as the self employed people are concerned with a highest mean score of 6.50 and S.D. of 2.26. The second important reason for them is 'Discourtesy of employees' with a mean score of 5.90 and S.D. of 2.53. The least important reason is 'Poor Customer Awareness Programmes' with a lowest mean score of 2.67 and S.D. of 2.52. The main reason for bank switching by the business people is 'Poor Customer Awareness Programmes' with a mean score of 8.21 and S.D. of 2.35. The second important reason for them is 'Poor quality of service' with a mean score of 7.80 and S.D. of 2.45. The least important reason for them is 'Higher fees and other charges' with a mean score of 2.27 and S.D. of 1.96. 'Discourtesy of employees' is the main reason for bank switching as far as the house wives are concerned with a highest mean score of 7.8 and S.D. of 2.79. The second important reason for them is 'Poor quality of service' with a mean score of 7.00 and S.D. of 0.00. The least important reason is 'Poor Customer Awareness Programmes' with a lowest mean score of 1.90 and S.D of 2.78. As far as student customers are concerned, 'Lack of personal attention' is the main reason for bank switching as it got a highest mean score of 7.28 and S.D. of 2.96. The second important reason for them is 'Poor Complaint Redressal System' with a mean score of 6.65 and S.D. of 2.25. The least important reason is 'Higher fees and other charges' with a lowest mean score of 3.46 and S.D of 2.95.

The result of the analysis of variance presented in Table 6.18 shows that significant difference exists between the customers of various occupational categories with regard to all the reasons for bank switching except ‘Poor quality of service’ and ‘Lack of E- Banking services’.

Table 6.17

Occupation wise analysis of Reasons for Switching

Reasons	Daily wage Earner		Salaried		Agriculturist		Self employed		Businessman		House wife		Student		Total	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Poor quality of service	6.50	3.46	6.25	2.74	6.14	2.13	5.33	2.14	7.80	2.45	7.00	0.00	6.22	2.26	6.46	2.17
Lack of proper communication	7.10	0.41	3.80	1.75	6.17	1.35	5.70	1.67	5.40	2.80	6.60	2.32	5.90	2.68	5.81	1.85
Discourtesy of employees	8.00	2.05	5.17	1.96	5.37	2.50	5.90	2.53	2.90	2.76	7.80	2.79	4.69	1.72	5.69	2.33
Lack of E-Banking services	4.60	1.72	4.82	2.53	3.93	3.04	4.33	3.33	5.15	2.78	3.00	2.18	4.08	2.67	4.27	2.61
Difficulty in accessing bank branches	3.60	2.23	7.76	2.11	4.91	2.55	6.50	2.26	7.40	2.45	4.50	2.39	5.47	2.52	5.73	2.36
Poor Customer Awareness Programmes	3.00	3.05	2.85	2.93	4.74	3.09	2.67	2.52	8.21	2.35	1.90	2.78	3.80	2.70	3.88	2.78
Poor Complaint Redressal System	4.20	1.41	4.48	1.77	4.58	0.96	5.33	1.86	2.66	1.79	5.15	2.15	6.65	2.50	4.72	1.78
Lack of personal attention	2.60	3.28	3.18	2.90	4.51	2.72	3.67	2.42	4.34	2.27	2.15	1.92	7.28	2.96	3.96	2.64
Higher fees and other charges	5.00	2.75	6.16	2.94	4.14	3.45	4.67	3.39	2.27	1.96	6.00	3.11	3.46	2.95	4.53	2.94

(Source: Survey Data)

Table 6.18

Result of ANOVA - Occupation wise analysis of Reasons for Switching

Variable	Sum of squares	Mean sum of squares	Degrees of Freedom	F value	P value
Poor quality of service	23.269	3.878	6	0.853	0.532
Lack of proper communication	159.030	26.505	6	11.868	0.000
Discourtesy of employees	152.302	25.384	6	5.722	0.000
Lack of E- Banking services	21.543	3.590	6	0.532	0.783
Difficulty in accessing bank branches	275.949	45.992	6	11.685	0.000
Poor Customer Awareness Programmes	122.796	20.466	6	2.825	0.013
Poor Complaint Redressal System	53.984	8.997	6	3.361	0.004
Lack of personal attention	117.636	19.606	6	3.076	0.008
Higher fees and other charges	121.243	20.207	6	2.284	0.040

(Source: Survey Data)

Income wise analysis of Reasons for Switching

The reasons for shifting the present bank by the customers have been analysed on the basis of their annual income and the result is presented in table 6.19. It can be observed from the table that the most important reason for changing the present bank by the customers of the low income category is ‘Poor quality of service’ as it got the highest mean score of 6.34 with S.D. of 2.07. The second important reason for them is ‘Discourtesy of employees’ and the least important factor is ‘Lack of personal attention’ with a lowest mean score of 3.22 with S.D. of 2.82. As far as middle income customers are concerned, the most important reason for bank switching is ‘Poor quality of service' with a mean score of 8.32 with S.D. of 0.96. 'Lack of proper communication' is the second important factor for the middle income customers and 'Higher fees and other charges' is the least important reason as it got the lowest mean score of 3.55 with S.D. of 3.31. 'Discourtesy of employees' is the main reason for changing the present bank by the high income customers with a mean score of 7.21 with S.D. of 2.51. The second important reason is 'Poor quality of service' with a mean score of 6.89 with S.D. of 2.52. The least important reason is 'Lack of E- Banking services' as it got the lowest mean score of 2.82 with S.D. of 2.69. The most important reason for changing the present bank by the customers of the very high income category is 'Difficulty in accessing bank branches' as it got the highest mean score of 7.20 with S.D. of 2.68. The second important reason for them is 'Lack of proper communication' with a mean score of 6.20 with S.D. of 2.30 and the least important factor is 'Lack of personal attention' with a lowest mean score of 3.18 with S.D. of 1.67.

Analysis of variance is carried out to test the statistical significance of the differences of various reasons for bank switching among the customers of different income groups. The result of the analysis presented in Table 6.20 shows that no significant difference exists between the customers of various educational categories with regard to all the reasons for bank switching except in the cases of two reasons such as 'Poor quality of service' and 'Lack of E-Banking services'.

Table 6.19

Income wise analysis of Reasons for Switching

Reasons	Up to Rs. 2 Lakhs		Between Rs. 2-4 Lakhs		Between Rs. 4-6 Lakhs		Above Rs. 6 Lakhs		Total	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
Poor quality of service	6.34	2.07	8.32	0.96	6.89	2.52	4.30	3.12	6.46	2.17
Lack of proper communication	5.79	1.77	5.91	2.02	5.33	1.32	6.20	2.30	5.81	1.85
Discourtesy of employees	5.87	2.48	5.18	1.79	7.21	2.51	4.50	2.55	5.69	2.33
Lack of E- Banking services	5.35	2.51	4.10	2.54	2.82	2.69	4.80	2.68	4.27	2.61
Difficulty in accessing bank branches	5.69	2.55	5.37	2.25	4.66	1.94	7.20	2.68	5.73	2.36
Poor Customer Awareness Programmes	3.15	2.76	4.48	2.87	3.59	2.71	4.30	2.79	3.88	2.78
Poor Complaint Redressal System	3.74	1.19	4.85	3.14	5.69	1.62	4.60	1.18	4.72	1.78
Lack of personal attention	3.22	2.82	3.74	1.75	5.71	2.09	3.18	1.67	3.96	2.08
Higher fees and other charges	5.10	2.99	3.55	3.31	3.66	2.65	5.80	2.80	4.53	2.94

(Source: Survey Data)

Table 6.20

Result of ANOVA - Income wise analysis of Reasons for Switching

Variable	Sum of squares	Mean sum of squares	Degrees of Freedom	F value	P value
Poor quality of service	67.972	22.657	3	5.554	0.001
Lack of proper communication	4.019	1.340	3	0.392	0.759
Discourtesy of employees	29.557	9.852	3	1.855	0.141
Lack of E- Banking services	67.784	22.595	3	3.633	0.015
Difficulty in accessing bank branches	24.296	8.099	3	1.383	0.251
Poor Customer Awareness Programmes	33.073	11.024	3	1.416	0.241
Poor Complaint Redressal System	17.682	5.894	3	2.030	0.113
Lack of personal attention	52.748	17.583	3	2.609	0.055
Higher fees and other charges	60.190	20.063	3	2.199	0.091

(Source: Survey Data)

6.4. FACTOR ANALYSIS OF REASONS FOR BANK SWITCHING

Another objective of this study was to analyse the important reasons for changing the present bank by the customers of public sector and private sector banks. The objective was fulfilled by the use of a factor analysis. This analysis helps in condensing a large set of variables in to a smaller number of basic components, which include some connected variables. Here factor analysis reduced the 9 reasons in to three factors corresponding to *Poor customer orientation, Poor employees' behaviour* and *Poor core offerings*. Table 5.16 and 5.17 shows the result of the factor analysis.

Table 6.21

Mean and SD of Reasons for Bank Switching

Variables	Reasons	Mean	S.D.
Variable 1	Poor quality of service	6.46	2.17
Variable 2	Lack of proper communication	5.81	1.85
Variable 3	Discourtesy of employees	5.69	2.33
Variable 4	Lack of E- Banking services	4.27	2.61
Variable 5	Difficulty in accessing bank branches	5.73	2.36
Variable 6	Poor Customer Awareness Programmes	3.88	2.78
Variable 7	Poor Complaint Redressal System	4.72	1.78
Variable 8	Lack of personal attention	3.96	2.08
Variable 9	Higher fees and other charges	4.53	2.94

(Source: Survey Data)

Table 6.22
Estimated Factor Loadings - Reasons for Bank Switching

Variables	Problems	Estimated Factor Loadings			Commu-nality
		Factor 1	Factor 2	Factor 3	
Variable 1	Poor quality of service	.447	**-.794**	-.085	0.837
Variable 2	Lack of proper communication	.065	**-.829**	.472	0.915
Variable 3	Discourtesy of employees	.384	**-.794**	.228	0.831
Variable 4	Lack of E- Banking services	.021	.061	**-.860**	0.743
Variable 5	Difficulty in accessing bank branches	**-.690**	.128	-.624	0.881
Variable 6	Poor Customer Awareness Programmes	**.700**	.237	-.139	0.566
Variable 7	Poor Complaint Redressal System	**.403**	.334	.047	0.276
Variable 8	Lack of personal attention	**.738**	.478	-.318	0.874
Variable 9	Higher fees and other charges	**.** 238	-.139	**-.838**	0.779
Eigen value		3.416	1.970	1.315	
Percentage variation		38	22	15	**75% (Total)**

(Source: Survey Data)

From a principal component factor analysis perspective, the first three eigen values (3.416, 1.970, and 1.315) of dispersion matrix of 9 variables are taken, which suggest a factor solution with three factors as in Table 6.22. The factor loadings are estimated by principal component factor analysis method.

In case of first factor, the 5th, 6th, 7th and 8th variables (ie "Difficulty in accessing bank branches", "Poor Customer Awareness Programmes", "Poor Complaint Redressal System" and "Lack of personal attention"), have heavy loadings with an eigen value of 3.416 which explains 38 percent of variance. This factor is labelled as ***Poor customer orientation*.**

In factor 2, 1st, 2nd and 3rd variables (ie., "Poor quality of service", "Lack of proper communication" and "Discourtesy of employees"), have high loadings with an eigen value of 1.970 with a variance of 22 percent in contrast to all other variables. This factor is labelled as ***Poor employees' behaviour.***

In factor 3, 4th and 9th variables (ie., "Lack of E- Banking services" and "Higher fees and other charges"), have close relationship with each other with an eigen value of 1.315 with a variance of 15 percent in contrast to all other variables. This factor is labelled as ***Poor core offerings.***

The total variance explained by the three factors together is approximately 75 percent.

6.5. PREDICTION OF FUTURE MARKET PREFERENCE USING MARKOV CHAIN MODEL

People originally select a service agency based on many reasons like General perception about the service provider, Past behaviour, Media impact, Word of mouth communication about the service quality of service provider etc. From all these things the customers expect a particular level of service from the service provider. At the same time, competition for customers is fierce in banking sector. It is difficult to attract customers' attention when there is no logical distinction among the service providers, and moreover, more or less all banks voluntarily choose to be similar in appearance as well as in product range. There is lot of similarities among the banks with regard to the product they are offering to their customers. Due to the fierce competition in the banking sector, the banks are trying hard to win the minds of customers. If the customer found some difficulties with the present bank, they will switch over to a new bank.

Bank Insistence and Past Switching Rates

No matter what type of business, customers are essential to run business; without them business cannot even exist. Firms have realised that one of the crucial ways to business sustainability is retaining the existing customers. Companies have experienced and understood that the cost of retaining a customer is ten times cheaper than the costs incurred to acquire them. In this scenario, the understanding of past switching rates and estimation of future switching rates among the customers would be beneficial for banks. Table 6.23 shows the past switching rates and bank insistence among the customers of various banks. It can be noticed from the table that 93.33% of the customers of Public sector banks and 66.67% of the customers of private sector insisted on their present bank. They never depended on any other bank for their financial needs in the past. The remaining 6.67% of the customers of public sector banks were switched from private sector bank in the past. As far as customers of private sector bank are concerned, 3.33% of the customers were switched from public sector banks.

Table 6.23

Bank Insistence and Past Switching Rates

Past and present commercial Banks	No of Respondents	Percentage	Probability
Presently Public Sector Bank Customer (Pub)			
Insistent with present agency	140	93.33	0.9333
Switched from private sector bank	10	6.67	0.6667
Sub total	150	100.00	1.0000
Presently Private Sector Bank Customer (Pvt)			
Insistent with present agency	100	66.67	0.6667
Switched from public sector bank	50	3.33	0.3333
Sub total	150	100.00	1.0000

Computation of Steady State Probabilities of the Banks

Computation of Steady State Probabilities of the banks helps to predict the probable bank that would be preferred by the customers in the long run. Matrix Algebra Tool V 2.1 and sequel method was used for this analysis. The theory says that customers may change and change and change their bank in the future, but after a particular point or state they will stick on a particular bank. At this point or state, they will not switch to any other bank if things continue to be the same. With the help of the data presented in table 6.23, 12 steps ahead steady state probabilities of the banks were calculated and it is found that the probabilities will be steady after five steps (ie, after forming five transition matrices) in case of all the banks.

Transition matrix

With the help of the results of steady state probabilities of the banks, a transition matrix is formed and presented in matrix 6.1. Transition Matrix represents the breakdown of the total customers of each bank after 12 steps ahead forecasting of steady state probabilities of the banks. It can be noticed from the Matrix 6.1 that with the value of 0.7433, public sector bank seemed to be the preferred bank compared to others in the long run. It also indicates that 74.33% of the total customers will stay with the public sector bank in the long run. Private sector banks will get 25.67% of the total customers in the long run, if things continue to be the same.

Matrix 6.1

Transition matrix (Present and Future)

$$
\begin{array}{llcc}
 & & \multicolumn{2}{c}{\textbf{FUTURE}} \\
 & & \textbf{Public Sector Bank} & \textbf{Private Sector Bank} \\
\textbf{PRESENT} & \textbf{Public sector Bank} & \mathbf{0.7433} & \mathbf{0.2567} \\
 & \textbf{Private Sector Bank} & \mathbf{0.7433} & \mathbf{0.2567}
\end{array}
$$

(Source: Survey Data)

When comparing with table 6.17, it can be observed that there is a decrease in the percentage of customers of Public sector banks who have bank insistence. It indicates that 19% (ie, 0.9333- 0.7433 of the loyal customers of

Public Sector Banks who have bank insistence) will switch to Private Sector Bank in the future. As far as the Private sector bank is concerned, there is a high rate of decrease in their loyal customers. Their loyal customers would be decreased by 41% (ie, 0.6667- 0.2567) in future, if things continue to be same in the future also. All these points necessitate the importance of customer retention programmes.

6.6. CONCLUSION

Present chapter provides the details about the analysis of primary data relating to the past switching behaviour of customers, their future switching intentions and the important reasons for switching. The analysis revealed that that majority of the bank respondents never changed their bank in the past. As regards the future switching intention majority of the total respondents do not have any plan to change their bank in the future. The study further reveals that the most important reason for bank switching is ‘Poor quality of service’. The factor analysis condensed the nine reasons of bank switching in to three factors corresponding to Poor customer orientation, Poor employees’ behaviour and Poor core offerings. This chapter also deals with the results of the prediction of the most preferred type of commercial bank i.e., public sector or private sector by the customers in the future with the help of Markov chain analysis. For doing the Markov chain analysis, the data from equal number of respondents from each bank has been collected. That is, 50% each from Public Sector bank and Private sector Bank. There are customers who may switch over from one bank to another on a continuous fashion. After a number of switchings, the customers may realise that one bank is best suitable for them. And they will continue with that particular bank without any further switching. The result of Markov chain analysis shows that the most preferred bank in the future (when things continue to be the same), by the customers would be public sector banks with 74.33% of customers. It indicates that the private sector bank has to identify the areas which need improvement and take necessary steps to resolve them.

The analysis of primary data has completed with this chapter. The next chapter deals with important findings, suggestions put forwarded by the researcher and conclusion.

CHAPTER 7

SUMMARY, FINDINGS, SUGGESTIONS AND CONCLUSION

Ramya Krishnan K.”A study on the relationship marketing orientation of commercial banks in Kerala” Thesis. Department of Commerce and Management Studies, University of Calicut, 2015

CHAPTER VII

SUMMARY, FINDINGS, SUGGESTIONS AND CONCLUSION

CHAPTER VII

SUMMARY, FINDINGS, SUGGESTIONS AND CONCLUSION

After analysing the primary data in the previous three chapters, a brief summary of the Research work, main Findings, Suggestions, Conclusion and Scope for Further Research are given in this chapter.

7.1. SUMMARY

The central thrust of the marketing activities of a firm is often viewed in terms of development and maintenance of better customer relations and there by the enhancement of customers' loyalty toward the products or services of the firm. Indeed customer loyalty constitutes an underlying objective for strategic marketing planning and represents an important basis for developing a sustainable competitive advantage. In the present environment of increasing global competition with rapid market entry of innovative products and services, on the one hand, and maturity conditions in certain markets, on the other, the task of managing customer relations and loyalty has emerged as a focal managerial challenge. The situation is same in the case of banking sector also. In India the banking sector has undergone a sea change in the late 1990s. Before the liberalization of economic policies, only public sector banks were in the market. As there was no threat of competition the public sector banks paid little attention to customer satisfaction and customer service delivery. Customers had to bear with the poor services rendered by them. When the market was opened for the private sector, the new economic policies paved the way for private banks and foreign banks to enter into the market. The public sector banks realised the heart of the competition when their market share started decreasing. When private banks penetrated deep into the market, the fight for market share became more intense. Ultimately the customer became the king in the competitive banking sector. The differentiating factors among various banks have become minimal and switching cost also become minimal. In this scenario, relationship marketing orientation and relationship quality have emerged as a competitive advantage in the banking sector. So now they are concentrating more on relationship oriented marketing. The problem to be reviewed in the study is to analyse whether the relationship oriented approach presently followed by the commercial banks in Kerala is effective or not. The study has been presented in seven chapters. The chapter details are demonstrated in the following pages.

First chapter deals with the major benefits of developing relationships in business, relationship marketing in banks and its benefits, Significance of the study, Research Problem, Objectives, Hypotheses, Research methodology and Limitations of the study. The present study is limited to Kerala, particularly on the individual customers of public sector and private sector banks. The scope of the study is confined to an in-depth analysis of variables such as General Banking Habits, Customer Satisfaction, Customer Loyalty, Relationship Quality, Relationship Marketing Orientation, Switching Behaviour etc of the bank customers in their perspective. The general banking habits of customers is analysed by way of evaluating their association with their respective banks and their frequency of usage of various banking services. Even though so many commercial banks are operating in the state, the present study is confined to six commercial banks; three from public sector banks three from private sector banks. This study is designed as a descriptive one based on both secondary and primary data. Primary data needed for the study were collected from the customers of various commercial banks by a structured questionnaire. The size of the sample is taken as 300 which were determined by way of applying a scientific formula.

Multi stage Sampling Technique is used for selecting the sample respondents. In the first stage, the whole state is divided in to three geographical regions namely, South, Central and North. One district was randomly selected from each region by applying lottery method. From northern region, Kannur district was selected. From central region it is Thrissur and from southern region, Thiruvananthapuram district was selected. In the second stage, commercial banks operating in the state were divided into two groups such as public sector banks and private sector banks. From each group, one bank was selected using simple random sampling technique applying lottery method. The selected banks were State Bank of Travancore, State Bank of India and Canara bank from public sector banks and Federal Bank, South Indian Bank and ICICI bank from private sector banks. From Northern region, State Bank of India (SBI) and ICICI bank were selected. From Central region, Canara bank and South Indian Bank (SIB) were chosen. From Southern region, State Bank of Travancore (SBT) and Federal Bank were selected. In the last stage, 50 customers each were chosen from among one of the bank branches of each banks using simple random sampling method.

Second chapter deals with a detailed review of the existing literature made by the researcher in order to identify the research gap in the academic literature. The existing literature relating to relationship quality and relationship marketing, customer satisfaction and customer loyalty and switching behaviour were discussed. From the detailed literature review, it is revealed that a number of studies related to banking sector have conducted in Kerala, but there exists a research gap, with regard to a comparative study of public sector and private sector banks about customer satisfaction, customer loyalty, relationship quality, relationship marketing orientation, customer switching behaviour etc. The present study with the main objective to analyse relationship quality and relationship marketing orientation of commercial banks in Kerala is more appropriate because very few studies on these topics are available in the Kerala context. Hence this vital gap needs to be filled and this research study titled – Relationship Marketing Orientation of Commercial Banks in Kerala, was prompted by the necessity to bridge this gap.

Third chapter is devoted for providing a theoretical background for the study. This chapter deals with an overview of the concept of relationship marketing, customer loyalty and customer satisfaction, factors influencing the development of relationship marketing, factors influencing Customer loyalty, types of customer loyalty etc. The chapter also includes the details about the present scenario of Indian Banking System.

Fourth chapter is meant for presenting the analysis of the primary data with regard to the general banking habits of the customers, customer satisfaction and customer loyalty. The primary data collected from 300 customers of various commercial banks has been analysed with the help of mathematical and statistical tools to draw inferences. The chapter is divided into three sections. Section A deals with the Profile of the respondents. Section B is devoted for the General Banking Habits of the Respondents and Section C deals with the Level of Customer Satisfaction and Customer Loyalty among the Respondents. The study reveals that on an average, majority of the respondents are taking the services of their respective banks for nearly five years and their average frequency of usage of banking services is twice in a month i.e., fortnightly. Analysis of level of customer satisfaction with regard to various bank products and services shows that the customers are satisfied with majority of the products and services of the banks. The study also reveals that the respondents have a moderate level of loyalty towards their banks.

Fifth chapter is intended for presenting the results of the analysis of the customers' perception with regard to relationship quality and relationship marketing orientation. The result of the analysis of the role of relationship quality in building customer loyalty is also presented in this chapter. The details regarding the testing of third, fourth and fifth hypotheses as well mentioned in this chapter. The bank wise analysis reveals that the customers agree with majority variables of Relationship Quality. On an overall basis there is high level of relationship quality perceived by the customers. The factor analysis condensed the twenty nine set of variables of relationship quality in to four factors corresponding to Customer Orientation, Communication Quality, Behavioural Quality and Satisfaction with the Relationship. The regression analysis suggests that all the factors are positively associated with the level of customer loyalty. These four factors are important in predicting the level of customer loyalty. The study further reveals that the value of Co-efficient of determination, R^2 is 0.626 which implies that 62.6% of level of customer loyalty is explained by the model. Based on the factor analysis and regression analysis, the researcher has developed a conceptual model of Relationship Quality also. As regards the effectiveness of Relationship Marketing Orientation, the customers have the opinion that the Relationship Marketing Orientation measures adopted by their banks are moderately effective.

Sixth chapter is devoted for analysing the past switching behaviour, future switching intentions and the important reasons for switching (if any). This chapter also deals with the results of the prediction of the most preferred type of commercial bank by the customers in the future. It is revealed from the study that majority of the bank respondents never changed their bank in the past. As regards the future switching intention majority of the total respondents do not have any plan to change their bank in the future. The study further reveals that the most important reason for bank switching is ‘Poor quality of service’. The factor analysis condensed the 9 reasons of bank switching in to three factors corresponding to Poor customer orientation, Poor employees’ behaviour and Poor core offerings**.** The result of Markov chain analysis shows that the most preferred bank in the future (when things continue to be the same), by the customers would be public sector banks.

7.2. FINDINGS

Major findings of the study are listed below:

7.2.1. Period of association with the present bank

The study reveals that on an average, majority of the respondents are taking the services of their respective banks for nearly five years as the median period of association of total customers with their agency is 4.63 years.

7.2.1.1. Bank wise period of association

Bank wise analysis of the period of association shows that the public sector bank customers have been taking the services of their banks for six years whereas private sector bank customers have been availing of the services of their bank for nearly four years which implies that public sector bank customers have long years of experience with their present banker as compared to private sector bank customers.

7.2.1.2. Age wise period of association

Age wise analysis of the period of association shows that the period of association with the bank is higher among the elder customers with a median value of 14.00 years, followed by the middle aged customers of 10.73 years. It implies that the elder customers have been using the services of their respective banks for the last fourteen years and middle aged group have been using the banking services for nearly eleven years. The period of association is very low among the Teenage customers with a median value of 2.65 years, implying that they have been taking the services of their respective banks for the last two years only.

7.2.1.3. Education wise period of association

Education wise analysis of the period of association shows that the median value of graduates is 9.5 whereas that of up to S.S.L.C. group is 9.29 implying that the average period of being the bank customer of these two groups is more than nine years. In the case of SSLC group, the median value is 8.04 whereas that of Pre-Degree group is 8.00 which show that they have been taking the services of their banks for nearly eight years. For post graduates the median value is 3.33 whereas that of professionally qualified respondents is 4.11. This gives the idea that, the post graduates has been using the services of banking for more than three years whereas it is four years in the case of professionally qualified group.

7.2.1.4. Occupation wise period of association

Occupation wise analysis of the period of association shows that the period of association with the bank is higher among the agriculturists with a median value of 16.02 years, followed by the house wife category with a median value of 10.50 years. It implies that the agriculturists have been using the services of their respective banks for the last sixteen years and house wife group have been using the banking services for the last ten years. The period of association is very low among the student customers with a median value of 2.84 years, implying that they have been taking the services of their respective banks for the last two years only.

7.2.1.5. Income wise period of association

It can also be seen from the table that the period of association with the bank is higher among the very high income group customers with a median value of 8.00 years, followed by the middle income group customers of 7.75 years. It implies that the customers belong to these income groups have been using the services of their respective banks for nearly eight years. The period of association is very low among the high income group customers with a median value of 3.81 years, implying that they have been taking the services of their respective banks for the last three years only.

7.2.2. Frequency of Usage of Banking Services

Findings related to the frequency of usage of banking services shows that the average frequency of usage of banking services by customers is twice in a month i.e., fortnightly.

7.2.2.1. Bank wise Frequency of Usage

Bank wise analysis of the frequency of usage of banking services shows that both public sector and private sector bank customers are using banking services twice in a month i.e., fortnightly.

7.2.2.2. Age wise Frequency of Usage

Age wise analysis of the frequency of usage of banking services shows that the frequency of usage of banking services is higher among the middle aged customers followed by the youngsters. They are using banking services twice in a month i.e., fortnightly. The frequency of usage of banking services is low among the elders and teenagers. They are using the banking services once in a month.

7.2.2.3. Education wise Frequency of Usage

Education wise analysis of the frequency of usage of banking services shows that frequency of usage of banking services is higher among the customers having below SSLC qualification. They are using the banking services on a weekly basis. The frequency of banking usage is lower among the customers of SSLC qualification. They are using the banking services twice in a month, ie, fortnightly.

7.2.2.4. Occupation wise Frequency of Usage

Occupation wise analysis of the frequency of usage of banking services shows that frequency of usage of banking services is higher among the business man. They are availing the banking services twice in a week. This is followed by the self employed customers. They are using the banking services on a weekly basis. The frequency of usage of banking services is low among all the other categories of customers such as daily wage earners, House wife, student, agriculturists, and salaried customers. The customers of all these categories are using banking services twice in a month i.e., fortnightly.

7.2.2.5. Income wise Frequency of Usage

Income wise analysis of the frequency of usage of banking services shows that frequency of usage of banking services is higher among the very high income group customers. They are using banking services on a weekly basis. Frequency of usage of banking services is lower among the high income group customers and lower income group customers. They are availing the services of their respective banks fortnightly, ie, twice in a month.

7.2.3. Level of Customer Satisfaction

Analysis of level of customer satisfaction with regard to various bank products and services shows that the customers are satisfied with majority of the products and services of the banks. The factor which gives maximum satisfaction to the customers is Employees' behaviour. The customers are less satisfied with Interest rate charged.

7.2.3.1. Bank wise Satisfaction

Bank wise analysis of level of customer satisfaction shows that the customers of both public sector and private sector banks are satisfied with various aspects of the services offered by their banks. But the overall satisfaction level is higher among customers of public sector banks than private sector banks. Customers of public sector banks are more satisfied with Physical facilities of their banks whereas the customers of private sector banks are more satisfied with Employees' behaviour. The customers of both public sector and private sector banks are less satisfied with Interest rate charged.

7.2.3.2. Age wise Satisfaction

Age wise analysis of level of customer satisfaction shows that the customers of all the age groups are satisfied with various aspects of the services offered by their banks. The overall satisfaction is higher among the younger customers of 20 years – 39 years followed by middle aged customers in the age group of 40 years – 59 years. The overall satisfaction is low among the elder customers of the age group of 60 years and above. Level of satisfaction of teenage customers, younger customers and middle aged groups are less in the case of Interest rate charged.

7.2.3.3. Education wise Satisfaction

Education wise analysis of level of customer satisfaction shows that the customers of all the educational groups are satisfied with various aspects of the services offered by their banks. The overall satisfaction is higher among the customers having below SSLC educational qualification and overall satisfaction is lower among the customers having SSLC qualification.

7.2.3.4. Occupation wise Satisfaction

Occupation wise analysis of level of customer satisfaction shows that the customers of all the occupational groups are satisfied with various aspects of the services offered by their banks. The overall satisfaction is higher among the business people followed by self employed people. The overall satisfaction is lower among students.

7.2.3.5. Income wise Satisfaction

Income wise analysis of level of customer satisfaction shows that the customers of all income groups are satisfied with various aspects of the services offered by their banks. The overall satisfaction level is higher among the low income category of customers followed by very high income category of customers. The overall satisfaction level is lower among the middle income category of customers.

7.2.4. Level of Customer Loyalty

A main finding related to the level of customer loyalty is the respondents have a moderate level of loyalty towards their banks. As far as the sample respondents are concerned, they will consider the bank as first choice for any financial needs and they are not sure that they will stay with the bank even if there is a problem with the bank.

7.2.4.1. Bank wise Loyalty

Bank wise analysis of customer loyalty revealed that only moderate level of customer loyalty exists among the public sector and private sector bank customers and the level of loyalty is slightly higher among the customers of public sector banks than the customers of private sector banks.

7.2.4.2. Age wise Loyalty

Age wise analysis of level of customer loyalty shows that there is moderate level of loyalty among the customers of different age groups. The level of loyalty is higher among the middle aged customers followed by the teenage customers. The level of loyalty is lower among the younger customers.

7.2.4.3. Education wise Loyalty

Education wise analysis of level of customer loyalty revealed that the customers having educational qualification of Pre-degree have high level of customer loyalty. But customers belong to other educational categories have moderate level of loyalty only. The customer loyalty is higher among the customers having educational qualification of Pre-degree and lower among the customers having PG qualification.

7.2.4.4. Occupation wise Loyalty

Occupation wise analysis of level of customer loyalty shows that the agriculturists and daily wage earners have high level of customer loyalty and the remaining groups have moderate level of customer loyalty. The level of customer loyalty is higher among the agriculturists followed by daily wage earners. The customer loyalty is lower among the self employed people.

7.2.4.5. Income wise Loyalty

Income wise analysis of level of customer loyalty revealed that there is moderate level of loyalty among the customers of different income groups. The level of loyalty is higher among the customers of the low income category followed by high income group and the level of loyalty is lower among the customers of middle income category.

7.2.5. Relationship Quality

A main finding related to the relationship quality is that a moderate level of Relationship Quality is maintained by the commercial banks in Kerala. The customers have a feeling that their banker listen to them and speaks in a language that customers can understand. But they rarely help the customers in possible ways to solve their non-banking problems also.

7.2.5.1. Bank wise Relationship Quality

Bank wise analysis of relationship quality shows that both Public sector and Private sector bank customers are almost satisfied with the Relationship Quality of their banks. Relationship Quality perceived by the customers is slightly higher among the public sector banks than private sector banks.

7.2.5.2. Age wise Relationship Quality

Age wise analysis of relationship quality revealed that the relationship quality perceived by the middle aged and elder customers are high. As regards the younger customers, they are almost satisfied with relationship quality of their banks whereas the teenagers are only moderately satisfied with relationship quality of their banks. The perceived relationship quality is higher among the elder customers and lower among the teenagers.

7.2.5.3. Education wise Relationship Quality

Education wise analysis of relationship quality revealed that the customers having educational qualification of Below SSLC, Pre-degree, Degree and Professional qualification are satisfied with the Relationship Quality of their banks. At the same time there is moderate level of relationship quality perceived by the customers having SSLC and P.G. as their educational qualification. The perceived relationship quality is higher among the customers having below SSLC qualification and lower among the customers having SSLC qualification.

7.2.5.4. Occupation wise Relationship Quality

Occupation wise analysis of relationship quality revealed that Agriculturists, Business people and Students are satisfied with the relationship quality of their banks. The Self Employed people are almost satisfied with the relationship quality of their banks. At the same time customers having the occupational status of Daily Wage Earners, Salaried, and House wives have perceived only a moderate level of Relationship quality. The perceived relationship quality is higher among the business people and lower among the salaried people.

7.2.5.5. Income wise Relationship Quality

Income wise analysis of relationship quality showed that the customers belonging to lower income category are satisfied with the Relationship Quality of their banks. At the same time the level of relationship quality perceived by the customers belonging to middle income category, high income category and very high income category are moderately high. So the perceived relationship quality is higher among the low income customers and lower among the high income customers.

7.2.6. Result of Factor Analysis and Regression Analysis

Factor analysis condensed 29 variables of relationship quality in to four factors corresponding to Customer Orientation, Communication Quality, Behavioural Quality and Satisfaction with the Relationship. Result of regression analysis shows that there is a positive association between relationship quality and customer loyalty.

7.2.7. Effectiveness of Relationship Marketing Orientation

A main finding related to the effectiveness of Relationship Marketing Orientation is that the relationship marketing orientation strategies of commercial banks are effective because the customers have a feeling that their bank is dependable, Their bank has high integrity, their bank can be trusted completely, their bank is highly competent, their bank is very responsive to customers, they have developed a closer relationship with this bank than other banks, they want to remain with this bank because they enjoy their relationship with the bank and the relationship with the bank is something that the customer intended to maintain for a long time. The most effective variable of RMO is “Customers felt that the bank is dependable and the least effective variable is “Customers want to remain with this bank because they enjoy their relationship with the bank”.

7.2.7.1. Bank wise Relationship Marketing Orientation

Bank wise analysis of the effectiveness of the relationship marketing orientation revealed that both the customers of public sector banks and private sector banks have the opinion that their bank’s Relationship Marketing Orientation measures are effective and the effectiveness of relationship marketing orientation measures of public sector banks is slightly higher than that of private sector banks.

7.2.7.2. Age wise Relationship Marketing Orientation

Age wise analysis of the effectiveness of the relationship marketing orientation revealed that the Relationship Marketing Orientation is effective among the younger, middle aged and elder customers. The Relationship Marketing Orientation practised by the banks has only a moderate effect on teenagers. The present RMO strategies are more effective on elder customers and less effective on teenagers.

7.2.7.3. Education wise Relationship Marketing Orientation

Education wise analysis of the effectiveness of the relationship marketing orientation revealed that the customers having educational qualification of below SSLC, SSLC, Pre-degree, Degree and Professional qualification have the opinion that the Relationship Marketing Orientation practices of their banks is effective. At the same time post graduate customers opined that the Relationship Marketing Orientation practised by their banks is moderately effective. So the present RMO strategies of banks are more effective on customers having degree qualification and less effective on customers having P.G. qualification.

7.2.7.4. Occupation wise Relationship Marketing Orientation

Occupation wise analysis of the effectiveness of the relationship marketing orientation revealed that the RMO strategies of commercial banks are effective on salaried people, Agriculturists, Self Employed, House wives and Students. At the same time the RMO strategies of commercial banks are only moderately effective on Daily Wage Earners and Business people. The present RMO strategies of banks are more effective on Self Employed customers and less effective on business people.

7.2.7.5. Income wise Relationship Marketing Orientation

Income wise analysis of the effectiveness of the relationship marketing orientation revealed that the RMO strategies of commercial banks are effective among all customers belonging to different income category and the RMO strategies of banks are more effective on low income customers and less effective on high income customers.

7.2.8. Past Switching Behaviour Pattern

A main finding related to the past switching behaviour of bank customers revealed that nearly 74% of the total respondents never changed their bank in the past. Only 26 % of the total respondents switched their bank in the past.

7.2.8.1. Bank wise Past Switching Behaviour

Bank wise classification of past switching behaviour of customers showed that private sector bank customers have switched more in the past than public sector bank customers.

7.2.8.2. Age wise Past Switching Behaviour

Age wise analysis of past switching behaviour indicated that all the teenage customers of up to 19 years age group have never changed their bank in the past and the elder customers who are in the age group of 60 years and above have switched more in the past. The past switching behaviour is higher among the elder customers who are in the age group of 60 years and above and it is lower among the teenage customers of up to 19 years age group.

7.2.8.3. Education wise Past Switching Behaviour

Education wise analysis of past switching behaviour revealed that professionally qualified respondents switched more in the past and post graduates have switched less in the past.

7.2.8.4. Occupation wise Past Switching Behaviour

Occupation wise analysis of past switching behaviour revealed that daily wage earners switched more in the past and students switched less in the past.

7.2.8.5. Income wise Past Switching Behaviour

Income wise analysis of past switching behaviour revealed that very high income category of people are switched more in the past compared to other income groups and middle income group customers are switched less in the past.

7.2.9. Future Switching Intentions

A main finding related to the future switching intentions of bank customers revealed that nearly 78% of the total respondents do not have any plan to change their bank in the future. But 22% of the total respondents have intention to change their bank in the future.

7.2.9.1. Bank wise Future Switching Intentions

Bank wise classification of future switching intentions of customers showed that the future switching intention is higher among the customers of private sector banks than the customers of public sector banks.

7.2.9.2. Age wise Future Switching Intentions

Age wise analysis of future switching intentions indicated that future switching intention is higher among the teenage customers and lower among the elder customers who are in the age group of 60 years and above.

7.2.9.3. Education wise Future Switching Intentions

Education wise analysis of future switching intentions revealed that future switching intention is higher among Pre Degree qualified respondents followed by customers having P.G. qualification. Future switching intention is lower among professionally qualified respondents.

7.2.9.4. Occupation wise Future Switching Intentions

Occupation wise analysis of future switching intentions revealed that switching tendency is higher among business people followed by house wives. Future switching tendency is lower among agriculturists.

7.2.9.5. Income wise Future Switching Intentions

Income wise analysis of future switching intentions revealed that future switching intention is higher among very high income category of people and future switching tendency is lower among low income category of people.

7.2.10. Reasons for Switching

A main finding related to reasons for switching showed that the most important reason for bank switching is 'Poor quality of service' followed by reason ‘Lack of proper communication’. The third important reason is ‘Difficulty in accessing bank branches’. The least important reason is ‘Poor Customer Awareness Programmes’. The second least important reason is ‘Lack of personal attention’.

7.2.10.1. Bank wise Reasons for Switching

Bank wise classification of reasons for switching showed that ‘Difficulty in accessing bank branches’ is the main reason for switching by the customers of public sector banks, whereas ‘Poor quality of service’ is the main reason for switching by the private sector bank customers. The least important reason is ‘Higher fees and other charges’ with regard to the customers of public sector banks. As far as the private sector bank customers are concerned, ‘Poor Customer Awareness Programmes’ is the least important reason.

7.2.10.2. Age wise Reasons for Switching

Age wise analysis of reasons for switching indicated that the main reason for changing bank by the teenage customers in the age group of up to 19 years is ‘Poor quality of service’. The least important reason is ‘Higher fees and other charges’. The main reason for bank switching by the younger customers in the age group of 20 years – 39 years is ‘Difficulty in accessing bank branches’. The least important reason is ‘Poor Customer Awareness Programmes’. The main reason for bank switching by the middle aged customers in the age group of 40 years – 59 years is ‘Lack of proper communication’ and the least important reason is ‘Lack of E- Banking services’. The main reason for bank switching by the elder customers in the age group of 60 years and above is ‘Poor quality of service’ and the least important reason is ‘Poor Customer Awareness Programmes’.

7.2.10.3. Education wise Reasons for Switching

Education wise analysis of reasons for switching revealed 'Poor quality of service' is the main reason for changing present bank by the customers having educational qualification of below SSLC. The least important reason for them is 'Lack of E- Banking services'. The main reason for bank switching by the customers having SSLC qualification is 'Poor Customer Awareness Programmes' and least important reason for them is 'Lack of E- Banking services'. 'Difficulty in accessing bank branches' is the main reason for changing the present bank by the customers having Pre-Degree qualification and least important reason for them is 'Lack of personal attention'. The main reason for bank switching by the customers having Degree qualification is 'Higher fees and other charges' and the least important reason for them is 'Poor Customer Awareness Programmes'. 'Difficulty in accessing bank branches' is the main reason for changing the present bank by the post graduates customers and the least important reason for them is 'Customer Awareness Programmes'. The main reason for bank switching by the customers having professional qualification is 'Lack of proper communication' and the least important reason for them is 'Poor Customer Awareness Programmes'.

7.2.10.4. Occupation wise Reasons for Switching

Occupation wise analysis of reasons for switching revealed that 'Discourtesy of employees' is the main reason for bank switching by the daily wage earners. The least important reason for them is 'Lack of personal attention'. 'Difficulty in accessing bank branches' is the main reason for bank switching as far as the salaried people are concerned and the least important reason is 'Poor Customer Awareness Programmes'. The main reason for bank switching by the agriculturists is 'Lack of proper communication' and the least important reason is 'Lack of E- Banking services'. 'Difficulty in accessing bank branches' is the main reason for bank switching as far as the self employed people are concerned. The least important reason is 'Poor Customer Awareness. The main reason for bank switching by the business people is 'Poor Customer Awareness Programmes' and the least important reason for them is 'Higher fees and other charges'. 'Discourtesy of employees' is the main reason for bank switching as far as the house wives are concerned. The least important reason is 'Poor Customer Awareness Programmes'. As far as student customers are concerned, 'Lack of personal attention". The least important reason is "Higher fees and other charges".

7.2.10.5. Income wise Reasons for Switching

Income wise analysis of reasons for switching revealed that the most important reason for changing the present bank by the customers of the low income category is 'Poor quality of service' and the least important factor is 'Lack of personal attention'. As far as middle income customers are concerned, the most important reason for bank switching is 'Poor quality of service' and 'higher fees and other charges' is the least important reason. 'Discourtesy of employees' is the main reason for changing the present bank by the high income customers and the least important reason is 'Lack of E-Banking. The most important reason for changing the present bank by the customers of the very high income category is 'Difficulty in accessing bank branches' and the least important factor is 'Lack of personal attention'.

7.2.11. Result of Factor Analysis of Reasons for Bank Switching

Factor analysis reduced nine reasons of bank switching in to three factors corresponding to Poor Customer Orientation, Poor Employees' Behaviour and Poor Core Offerings.

7.2.12. Most Preferred Bank in Future (Result of Markov Chain Analysis)

The result of Markov chain analysis shows that the most preferred bank in the future (when things continue to be the same), by the customers would be public sector banks with 74.33% of customers. It indicates that the private sector banks have to identify the areas which need improvement and take necessary steps to resolve them.

7.3. RESULT OF HYPOTHESIS TESTING

The result of hypotheses testing is shown in table 7.1.

Table 7.1

Result of Hypotheses Testing

Sl. No	Hypotheses Name	Hypotheses Tested	Tools Used	Results of Hypotheses Testing
1	H_{1a}	There is no significant difference in the level of customer satisfaction according to the type of bank in which they maintain account.	Independent samples t - test	There is no significant difference in the level of customer satisfaction according to the type of bank in which they maintain account. Hence H_{1a} is accepted.
2	H_{1b}	There is no significant difference in the level of customer satisfaction according to the age of the customers.	One-way ANOVA	There is significant difference in the level of customer satisfaction according to the age of the customers. Hence, H_{1b} is rejected.
3	H_{1c}	There is no significant difference in the level of customer satisfaction according to the education level of the customers.	One-way ANOVA	There is significant difference in the level of customer satisfaction according to the education level of the customers. Hence, H_{1c} is rejected.
4	H_{1d}	There is no significant difference in the level	One-way ANOVA	There is significant difference in the level of

Sl. No	Hypotheses Name	Hypotheses Tested	Tools Used	Results of Hypotheses Testing
		of customer satisfaction according to the occupation of the customers.		customer satisfaction according to the occupation of the customers. Hence, H_{1d} is rejected.
5	H_{1e}	There is no significant difference in the level of customer satisfaction according to the annual income of the customers.	One-way ANOVA	There is significant difference in the level of customer satisfaction according to the annual income of the customers. Hence, H_{1e} is rejected.
6	H_{2a}	There is no significant difference in the level of customer loyalty according to the type of bank in which they maintain account.	Independent samples t - test	There is no significant difference in the level of customer loyalty according to the type of bank in which they maintain account. Hence H_{2a} is accepted.
7	H_{2b}	There is no significant difference in the level of customer loyalty according to the age of the customers.	One-way ANOVA	There is no significant difference in the level of customer loyalty according to the age of the customers. Hence, H_{2b} is accepted.
8	H_{2c}	There is no significant difference in the level of customer loyalty according to the education level of the customers.	One-way ANOVA	There is significant difference in the level of customer loyalty according to the education level of the customers. Hence, H_{2c} is rejected.
9	H_{2d}	There is no significant difference in the level of customer loyalty according to the occupation of the customers.	One-way ANOVA	There is significant difference in the level of customer loyalty according to the occupation of the customers. Hence, H_{2d} is rejected.
10	H_{2e}	There is no significant difference in the level of customer loyalty according to the annual income of the customers.	One-way ANOVA	There is significant difference in the level of customer loyalty according to the annual income of the customers. Hence, H_{2e} is rejected.

Sl. No	Hypotheses Name	Hypotheses Tested	Tools Used	Results of Hypotheses Testing
11	H_{3a}	There is no significant difference in the relationship quality perception of customers according to the type of bank in which they maintain account.	Independent samples t - test	There is no significant difference in the relationship quality perception of customers according to the type of bank in which they maintain account. Hence H_{3a} is accepted.
12	H_{3b}	There is no significant difference in the relationship quality perception of customers according to the age of the customers.	One-way ANOVA	There is significant difference in the relationship quality perception of customers according to the age of the customers. Hence, H_{3b} is rejected.
13	H_{3c}	There is no significant difference in the relationship quality perception of customers according to the education level of the customers.	One-way ANOVA	There is significant difference in the relationship quality perception of customers according to the education level of the customers. Hence, H_{3c} is rejected.
14	H_{3d}	There is no significant difference in the relationship quality perception of customers according to the occupation of the customers.	One-way ANOVA	There is significant difference in the relationship quality perception of customers according to the occupation of the customers. Hence, H_{3d} is rejected.
15	H_{3e}	There is no significant difference in the relationship quality perception of customers according to the annual income of the customers.	One-way ANOVA	There is significant difference in the relationship quality perception of customers according to the annual income of the customers. Hence, H_{3e} is rejected.
16	H_4	There is no association between relationship quality and customer loyalty.	Factor Analysis, Regression Analysis	There is a close positive association between relationship quality and customer loyalty. Hence H_4 is rejected.

Sl. No	Hypotheses Name	Hypotheses Tested	Tools Used	Results of Hypotheses Testing
17	H_{5a}	There is no significant difference in the effectiveness of relationship marketing orientation according to the type of bank in which they maintain account.	Independent samples t - test	There is no significant difference in the effectiveness of relationship marketing orientation according to the type of bank in which they maintain account. Hence H_{5a} is accepted.
18	H_{5b}	There is no significant difference in the effectiveness of relationship marketing orientation according to the age of the customers.	One-way ANOVA	There is significant difference in the effectiveness of relationship marketing orientation according to the age of the customers. Hence, H_{5b} is rejected.
19	H_{5c}	There is no significant difference in the effectiveness of relationship marketing orientation according to the education level of the customers.	One-way ANOVA	There is significant difference in the effectiveness of relationship marketing orientation according to the education level of the customers. Hence, H_{5c} is rejected.
20	H_{5d}	There is no significant difference in the effectiveness of relationship marketing orientation according to the occupation of the customers.	One-way ANOVA	There is significant difference effectiveness of relationship marketing orientation according to the occupation of the customers. Hence, H_{5d} is rejected.
21	H_{5e}	There is no significant difference in the effectiveness of relationship marketing orientation according to the annual income of the customers.	One-way ANOVA	There is significant difference in the effectiveness of relationship marketing orientation according to the annual income of the customers. Hence, H_{5e} is rejected.

7.4. SUGGESTIONS

On the basis of the above findings the following suggestions are given.

- While designing loyalty programmes banks may concentrate younger customers because the level of loyalty is lower among them compared to customers of other age groups.
- There is a positive association between relationship quality and customer loyalty. So through a customer oriented approach, the banks can convert a 'suspect' customer in to 'advocate'.
- Complaint Redressal System of both public sector and private sector banks may be improved because there is a tendency even among the loyal customers to complain to other customers and outsiders, whenever there is a problem with the bank.
- Banks may design their own strategies for maintaining a quality relationship with their customers. Banks may send a message/card or make a call to the customers on festival days and in special occasions such as birthday, wedding day etc. Customer Meets may also be conducted to keep in touch with the customers.
- Private sector banks may improve their physical facilities such as parking, seating arrangements, toilet facility etc because the satisfaction with regard to physical facilities is lower among the customers of private sector banks.
- More branches may be opened by the banks especially by the public sector banks in unbanked areas because difficulty in accessing bank branches is one of the main reasons for switching by the bank customers.

- Since the measures taken by the commercial banks are only moderately effective to make a feeling in customers that their banks are relationship oriented, the banks may give more focus on the marketing of the relationship quality that they have maintained.

7.5. CONCLUSION

The banking sector plays an important role in the mobilization and allocation of savings in Indian economy. The financial sector reforms which commenced in 1991-92 have impacted the Indian banking system to a large extent. One of the major outcomes of the reform measures is increased competition. It compelled the banks to develop new strategies to face the challenges and convert them into opportunities. So, it becomes imperative for the banks to gain new clients, besides retaining their existing customers because losing the customer base will adversely affect the profitability and market share of the banks.

Based on the findings from the primary data, it becomes clear that the customers are satisfied with majority of the products and services of the banks. The overall satisfaction level is higher among customers of public sector banks than those of private sector banks. The customers of public sector banks are more satisfied with physical facilities of their banks whereas the customers of private sector banks are more satisfied with employees' behaviour. The customers of both public sector and private sector banks are less satisfied with the interest rate charged.

The study revealed that the customers have a moderate level of loyalty towards their banks and the level of loyalty is slightly higher among the customers of private sector banks than those of public sector banks. So, it can be concluded that even though the customers are satisfied, they are not really loyal.

The study showed that both public sector and private sector bank customers are almost satisfied with the relationship quality of their banks. The relationship quality is slightly higher among the public sector banks. It can be noted that the measures taken by the commercial banks are moderately effective to make a feeling in the customers that their banks are relationship oriented. So, the banks may give more focus on the marketing of the relationship quality that they have maintained. The present study also revealed that there is a strong positive relationship between the relationship quality and customer loyalty. In order to build customer loyalty, the banks have to improve their relationship quality and they also have to market the relationship quality.

The result of Markov Chain Analysis shows that there will be a decrease in the percentage of customers of private sector banks in the future. These customers will switch to public sector banks if the things remain the same. Evidently, private sector banks have to concentrate more on customer retention programmes.

Since the cost involved in attracting new customers is more than the cost of retaining the existing customers, there is a need for maintaining customer loyalty. As the switching intention of customers is a major threat to the customer loyalty programmes, the banks should provide value-added services to their customers and should pay individual attention in order to curtail the customer defection rate. Because, relationships are very precious and it is painful when a person "you know" becomes a person "you knew".

7.6. SCOPE FOR FURTHER RESEARCH

Some of the research gaps identified by the study are the following:

1. Evaluation of relationship marketing orientation of other sectors such as insurance companies, telecom companies, NBFCs etc.
2. Relationship Marketing Orientation of Co-operative banks.
3. Role of technology in relationship banking.
4. Employees' attitude towards the relationship marketing strategies of their banks.

BIBLIOGRAPHY

Ramya Krishnan K.”A study on the relationship marketing orientation of commercial banks in Kerala” Thesis. Department of Commerce and Management Studies, University of Calicut, 2015

BIBLIOGRAPHY

BIBLIOGRAPHY

Journals

- Achim Walter, Thilo A. Muller, Gabriele Helfert, Thomas Ritter, “Functions of industrial supplier relationships and their impact on relationship quality, *Industrial Marketing Management*, No. 32, (2003):159– 169.
- Aîda Mimouni-Chaabane, Pierre Volle. “Perceive benefits of loyalty programs: Scale development and implications for relational strategies”, *Journal of Business Research*, Vol. 63, Issue 1, (2010): 32-37.
- Alina Filip, Laurentiu-Dan Anghel. “Customer Loyalty and its Determinants in a Banking Services Environment”, *The Amfiteatru Economic Journal*, Vol. 11, Issue 26, (2009): 288-297.
- Amanda Beatson, Ian Lings, Siegfried Gudergan. “Employee Behaviour and Relationship Quality: Impact on Customers”, *The Service Industries Journal*, Vol. 28, No. 2, (2008): 211-223.
- Amin Motamedifar, Ghasem Nadimi, Ebrahim Mabood Mojdehi, Ali Gholami Kandsari, Mehdi Razavipour. “Relationship between relationship quality (RQ) and customer loyalty (Case Study: Refah stores of Rasht)”, *International Research Journal of Applied and Basic Sciences*, Vol. 4, No. 7, (2013):1868-1871.
- Anderson JC, Narus JA. "A model of the vdistributor's perspective of distrobutor - manufacturer working partnerships." *Journal of Marketing*, 48 (1984): 62-74.

- Arun Sharma, “Improving Customer Service and Profitability Through Customer Intervention in Service Relationships”, *Journal of Relationship Marketing*, Vol. 7, No. 4, (2008): 327-340.
- Arun Sharma. “The Metrics of Relationships: Measuring Satisfaction, Loyalty and Profitability of Relational Customers”, *Journal of Relationship Marketing*, Vol. 6, No. 2, (2007):33-50.
- Arvind Sahay, Nivedita Sharma. “Brand relationships and switching behaviour for highly used products in young consumers”, *Vikalpa*, Vol. 35, No. 1 (2010):15-30.
- Athanassopoulos. A.D. “Customer Satisfaction Cues to Support Market Segmentation and Explain Switching Behaviour”, *Journal of Business Research* Vol. 47, (2000): 191–207.
- Awogbemi, Clement Adeyeye, Oloda, Festus Smart, Osama, Caleb Kehinde. "Modeling Brand Switching in Consumers’ Products." *Journal of Economics and Sustainable Development* 3.12 (2012): 82-86.
- Awwad. M.S, Awad Neimat. B (2010), “Factors Affecting Switching Behaviour of Mobile Service Users: The Case of Jordan”, *Journal of Economic & Administrative Sciences*, Vol. 26, No. 1, (2010): 27 -51.
- Ballantyne, D., M. Christopher, and A. Payne, “Relationship Marketing: Looking Back, Looking Forward”, *Marketing Theory*, Vol. 3, No. 1, (2003).
- Berry, L.L..‘Relationship Marketing of Services – Growing Interest, Emerging Perspectives’, *Journal of the Academy of Marketing Science,* Vol. 23, Issue 4, (1995).

- Barbara R Lewis, Magdalini Soureli. "The antecedents of consumer loyalty in retail banking", *Journal of Consumer Behaviour*, Vol. 5, Issue 1, (2006): 15-31.
- Bitner, M.J.. "Building Service Relationships: It's All about Promises", *Journal of the Academy of Marketing Science*, Vol. 23, No. 4, (1995).
- Bruce Money. R. "Word-of-mouth promotion and switching behaviour in Japanese and American business-to-business service clients", *Journal of Business Research*, Vol.57, (2004):297-305.
- Bryan Lilly, Michael J. Tippins, Birgit Leisen Pollack. "The Effects of Relationship Marketing Instruments on Loyalty: The Case of Customer Terminology", *Services Marketing Quarterly***,** Vol. 28, No. 3, (2007).
- Carmen Lages, Cristiana Raquel Lages, Luis Filipe Lages, "The RELQUAL scale: a measure of relationship quality in export market ventures", *Journal of Business Research*, No. 58, (2005):1040– 1048.
- Chaudhari Chetan. "Study on the influence of Demographic factors on Brand switching behaviour of subscribers of GSM mobile services in Pune city", *Sinhgad Business Review*, Vol. I, Issue 1, (2010): 53-60.
- Ching-Hsu Huang. "The Impact of Relationship Quality on Customer Loyalty", *Journal of Contemporary Management*, (2012): 53-68.
- Christian Grönroos. "From Marketing Mix to Relationship Marketing: Towards a Paradigm Shift in Marketing", *Management Decision*, Vol. 32, No. 2, (1994): 4-20.
- Christopher, M., A. Payne and D. Ballantyne, *Relationship Marketing: Bringing Quality, Customer Service and Marketing Together*, Oxford, UK: Butterworth Heinemann, 1991.

- Christopher Selvarajah, Hanoku Bathula. "Services marketing and customer loyalty: Relational factors in New Zealand Banking service encounter", *International Quarterly Journal of Marketing*, Vol.1, Nos. 2, 3&4, (2001).
- Clemes. M.D. "Customer switching behaviour in the New Zealand banking industry", *Banks and Bank Systems*, Vol. 2, Issue 4, (2007): 50-65.
- Crosby, L.A. and N. Stevens, "Effects of Relationship Marketing on Relationship Satisfaction, Retention and Prices in the Life Insurance Industry", *Journal of Marketing Research*, vol. 24, November, (1987).
- Daniel L. Sherrell, David Bejou. "Assessing the Productivity of Relationship Marketing: Moving Toward a Paradigm", *Journal of Relationship Marketing*, Vol. 6, No. 2, (2007): 3-7.
- David L. Jones, Brenda Mak, Janet Sim. "A New Look at the Antecedents and Consequences of Relationship Quality in the Hotel Service Environment", *Services Marketing Quarterly*, Vol. 28, No. 3, (2007).
- Dhruv Grewal, Ram Krishnan, Joan Lindsey-Mullikin. "Building Store Loyalty Through Service Strategies", *Journal of Relationship Marketing,* Vol. 7, No. 4, (2008): 341-358.
- East, R., P. Gendall, K. Hammond and W. Lomax. 'Consumer Loyalty: Singular, Additive to Interactive?', *Australian Marketing Journal*, Vol. 13, No. 2, (2005).
- Edward Malthouse, Frank Mulhern. "Understanding and Using Customer Loyalty and Customer Value", *Journal of Relationship Marketing,* Vol. 6, No. 3/4, (2007):59-86.

- Fang-Ming Hsu, Tser-Yieth Chen Ting-Yi Huang. "The Effects on the Relationship Learning from Relationship Enhancement Activities", *Journal of Relationship Marketing*, Vol. 6, No. 1, (2007): 89-107.
- Gopalkrishnan R. Iyer, Arun Sharma, David Bejou, "Developing Relationship Equity in International Markets", *Journal of Relationship Marketing,* Vol. 5, No. 1, (2006):3-20.
- Gummesson, E.. "The new marketing - developing long-term interactive relationships", *Long Range Planning*, Vol. 20, No. 4, (1987):10 – 20.
- Habibollah Doaei, Abbas Rezaei, Rozita Khajei. "The Impact of Relationship Marketing Tactics on Customer Loyalty: The Mediation Role of Relationship Quality", *International Journal of Business Administration*, Vol. 2, No. 3 (2011):83-93.
- Habibollah Salarzehi, Leila Rahmaninejad. "The Effects of Relationship Quality and Commitment on Customer Loyalty Case Study in Iran", *Elixir Financial Management*, Vol. 57, (2013):13973-13977.
- Hamid Reza Alipour Shirsavar, Amin Torabi, Ali Dalir Saber Jalali, Ali Nemati, Meysam Borjali zadeh, Seyyed Hassan Pour haghshenas. "Assessing the Effect of Customer Relationship System and State of Relationship Quality Effect with Customer Life Cycle (Case Study: Saderat Bank Of Rasht)", *Kuwait Chapter of Arabian Journal of Business and Management Review*, Vol. 2, No.10; (2013).
- Heiner Evanschitzky, Gopalkrishnan R. Iyer, Barbara Caemmerer. "Dimensions of Satisfaction in Retail Settings: A Research Note", *Journal of Relationship Marketing*, Vol. 7, No. 3, (2008): 275-285.

- Inge Geyskens, Jan-Benedict E.M. Steenkamp , Lisa K. Scheer , Nirmalya Kumar. “The effects of trust and interdependence on relationship commitment: A trans-Atlantic study”, *International Journal of Research in Marketing*, No. 13, (1996): 303-317.
- Inger Roos, Anders Gustafsson and Bo Edvardsson. “Defining relationship quality for customer-driven business development A housing- mortgage company case”**,** *International Journal of Service Industry Management*, Vol. 17 No. 2, (2006): 207-223.
- Ishaq. M. “An Empirical Investigation of Customer Satisfaction and Behavioural Responses in Pakistani Banking Sector”, *Management & Marketing Challenges for the Knowledge Society,* Vol. 6, No. 3, (2011): 457-470.
- J S Prasad, A R Aryasri. “Relationship marketing versus relationship quality & customer loyalty in food retailing”, *Pranjana:The Journal of Management Awareness*, Vol. 11, No. 2, (2008).
- Jagsidh N. Sheth, “Organizational buying behavior: past performance and future expectations”, Journal of Business & Industrial Marketing, Vol. 11 Issue: 3/4, (1996).
- Jagdish N. Sheth and Atul Parvatiyar. “The Evolution of Relationship Marketing”, *International Business Review*, Vol. 4, No. 4, (1995):397-418.
- Jamil Bojei, Aryaty Alwie. “The Influence of Relationship Quality on Loyalty in Service Sector”, *International Journal of Economics and Management*, vol. 4, No. 1, (2010): 81 – 100.
- Josee Bloemer, Gaby Odekerken-Schroder. “The Psychological Antecedents of Enduring Customer Relationships: An Empirical Study

in a Bank Setting", *Journal of Relationship Marketing,* Vol. 6, No. 1, (2007): 21-43.

- Kaj Storbacka, Tore Strandvik, Christian Grönroos. "Managing Customer Relationships for Profit: The Dynamics of Relationship Quality", *International Journal of Service Industry Management*, Vol. 5 No. 5, (1994): 21-38.
- Karimii.O, Maymand. M.M, Hossein. M.H, Ahmadinejad. M. "Customer Switching Behavior: Developing model in the Iranian Retail Banking Industry", *Journal of Basic and Applied Scientific Research*, Vol.2, No. 12, (2012):11984-1199.
- Kim. M, Kliger.D, Vale. B. "Estimating switching costs: the case of banking", *Journal of Financial Intermediation*, Vol. 12, (2003): 25-56.
- Kim-Shyan Fam, David S. Waller. "Agency-Client Relationship Factors Across Life-Cycle stages", *Journal of Relationship Marketing,* Vol. 7, No. 2, (2008): 217-236.
- Kumaradeepan. V and Rajumesh. S. "Service Responsiveness on Customer Switching Behaviour in Banking Industry in Jaffna District, Srilanka", *International Journal of Marketing and Technology,*Volume 2, Issue 6, (2012): 1-12.
- Kumaradeepan. V. "The impact of Service Quality on Customer Switching in Telecommunication Industry of Jaffna District, Srilanka", *Zenith International Journal of Business Economics & Management Research,* Vol. 2, Issue 5, (2012):222-231.
- Lam, Shun Yin. "Customer value, Satisfaction, Loyalty and Switching costs: An Illustration from a Business-to-Business Service Context", *Journal of Academy of Marketing Science*, Vol.32, No.3, (2004).

- Lawrie Drysdale. “Relationship Marketing: A New Paradigm for Marketing of School”, *Principal Matters: The Official Journal of Secondary Principals Associationof Australia,* No. 9, (1999): 36-37.
- Leanne H. Y. Too, Anne L. Souchon, Peter C. Thirkell. “Relationship Marketing and Customer Loyalty in a Retail Setting: A Dyadic Exploration”, *Journal of Marketing Management,* Vol. 17, (2001): 287-319.
- Leo Y.M. Sina, Alan C.B. Tsea, Oliver H.M. Yaub, Raymond P.M. Chowb, Jenny S.Y. Leeb, Lorett B.Y. Lauc. "RMO - Relationship Marketing Orientation:Scale development and Cross-cultural validation." *Journal of Business Research* 58 (2005): 185-194.
- Leslier M. Valenzuela, Jay P. Mulki, Jorge Fernando Jaramillo. “Impact of Customer Orientation, Inducements and Ethics on Loyalty to the Firm: Customers’ Perspective”, *Journal of Business Ethics*, No. 93, (2010):277–291.
- Levitt, T.. ‘After the Sale is Over’, *Harvard Business Review*, September, (1983).
- Line Ricard, Jean Perrien. “Explaining and Evaluating the Implementation of Organizational Relationship Marketing in the Banking Industry: Clients’ Perception”, *Journal of Business Research*, Vol. 45, (1999): 199–209.
- Lisa O’Malley and Andrea Prothero. “Beyond the frills of relationship marketing”, *Journal of Business Research,* No. 57, (2004):1286– 1294.
- Mahadevan.S, Balasubramaniam. “Need for Commitment to Quality and Customer Service Quality in Indian Banking Sector”, *Indian Journal of Marketing,* Vol.31, No.9-10, (2001).

- Mallikarjuna. V, Krishna Mohan. G. “Customer switching behaviour – An evaluation of factors affecting mobile users”, *Indian Journal of Marketing,* (2010):42-49.
- Manfred Bruhn, Astrid Frommeyer. “Development of Relationship Marketing Constructs Over Time: Antecedents and Consequences of Customer Satisfaction in a Business-to-Business Environment”, *Journal of Relationship Marketing*, Vol. 3, No. 4, (2004):61-76.
- Maria Saaksjarvi, Katarina Hellen, Johanna Gummerus, Christian Gronroos. “Love at First Sight or a Long-Term Affair? Different Relationship Levels as Predictors of Customer Commitment”, *Journal of Relationship Marketing,* Vol. 6, No. 1, (2007): 45-61.
- Marshall, RA., A. Palmer and S.N. Weisbart, “The Nature and Significance of Agent–Policyholder Relationships”, *CLU Journal*, No. 33, January, (1979).
- Marvri. M, Ioannou. G. “Customer switching behaviour in Greek banking services using survival analysis**”,** *Managerial Finance*, Vol. 34 No. 3, (2008): 186-197.
- Mohsin. A. Ahmad. R, Ahmed. A. “Determinants of Customer Switching Behaviour in Banking Sector”, *Studies In Business And Economics*, Vol. 1, No.2, (2011):20-34.
- Monica Bedi. “An integrated framework for service quality, customer satisfaction and behavioural responses in Indian banking Industry— a comparison of public and private sector banks”, *Journal of Services Research*, Volume 10, No. 1, (2010): 157-172.
- Morgan, R.M. and S.D. Hunt. “The Commitment-trust Theory of Relationship Marketing”, *Journal of Marketing,* Vol. 58, July, (1994).

- Mustafa Karadeniz. “The Relationship Marketing Approach and Strategies in Retailing Management to Constitute Customer and Brand Loyalty”, *Journal of Naval Science and Engineering*, Vol. 6, No.1, (2010): 15-26.
- Nagasimha Kanagal, “Role of Relationship Marketing in Competitive Marketing Strategy”, *Journal of Management & Marketing Research*, Vol. 2, (2009):1-8.
- Nelson Oly Ndubisi, Naresh K. Malhotra, Chan Kok Wah. “Relationship Marketing, Customer Satisfaction and Loyalty: A Theoretical and Empirical Analysis from an Asian Perspective”, *Journal of International Consumer Marketing*, Vol. 21, (2009):5-l 6.
- Oana Preda, Emanuela Avram, Iulia Furdui. “Relationship Banking Marketing and its Implications on Piraeus Bank”, *Romanian Economic and Business Review*, Vol. 4, No. 2, (2010):95-100.
- Papassapa Rauyruen, Kenneth E. Miller, “Relationship quality as a predictor of B2B customer loyalty”, *Journal of Business Research*, Volume 60, No.1, (2007): 21-31.
- Parimal Bhagat. “Relationship Development: Tracking the Formation of Relationship Commitment in a Controlled Setting”, *Journal of Relationship Marketing*, No. 8, (2009): 267–278.
- Parimal Vyas. “*Measurement of Customer Satisfaction on Information Technology Adoption in Banking Services”*, *Prestige Journal of Management and Research*, Vol.8, No.1-2, (2004).
- Peter Clark. “The 6 key factors that influence customer loyalty”, The Loyalty Guide reports, *The Wise Marketer*, August, (2007).
- Richard W. Brookes, Roderick J. Brodie and Nicole E. Coviello, Roger A. Palmer. “How Managers Perceive the Impacts of Information

Technologies on Contemporary Marketing Practices: Reinforcing, Enhancing or Transforming?", *Journal of Relationship Marketing*, Vol. 3, No. 4, (2004):7-26.

- Robert M. Morgan and Shelby D. Hunt. "The Commitment-Trust Theory of Relationship Marketing", *The Journal of Marketing*, Vol. 58, No. 3, (1994): 20-38.
- Robert P. Bush, James H. Underwood, Daniel L. Sherrell. "Agenda for Current and Future Research", *Journal of Relationship Marketing*, Vol. 6, No. 2, (2007):9-32.
- Robert W. Palmatier, Cheryl Burke Jarvis, Jennifer R. Bechkoff, Frank R. Kardes. "The Role of Customer Gratitude in Relationship Marketing", *Journal of Marketing*, Vol. 73, (2009): 1–18.
- Ryan Keams, Neil Hair. "Consumer Perceptions of Business-to-Consumer Relationships in Electronic Retail Environments: A Means-End Chain Approach", *Journal of Relationship Marketing*, Vol. 7, No. 1, (2008):5-27.
- Sandip Ghosh Hazra, Dr. Kailash B.L. Srivastava, "Impact of service quality on customer loyalty, commitment and trust in the Indian banking sector", *The IUP Journal of Marketing Management*, Vol. 8, Nos. 3 & 4, (2009):74-95.
- Sandra Rothenberger, Dhruv Grewal, Gopalkrishnan R. Iyer. "Understanding the Role of Complaint Handling on Consumer Loyalty in Service Relationships", *Journal of Relationship Marketing*, Vol. 7, No.4, (2008):359-376.
- Selvam,M. "Customer Satisfaction of Banking Services: An overview", *SAJOSPS*, (2005).

- Shankar Ganesan, “Determinants of Long-Term Orientation in Buyer-Seller Relationships”, *Journal of Marketing,* Vol. 58 (1994):1-19.
- Soonkwan Hong, Yong J. Wang. “When Relationship Marketing collides with Technology”, *Journal of Relationship Marketing*, Vol. 8, (2009): 218–230.
- Spiros P. Gounaris, Nektarios A. Tzempelikos, Kalliopi Chatzipanagiotou. “The Relationships of Customer-Perceived Value, Satisfaction, Loyalty and Behavioural Intentions”, *Journal of Relationship Marketing*, Vol. 6, No. 1, (2007):63-87.
- Subramaniam. R and Ramachandran. J. “Customers’ Switching Behaviour in Banking Industry-Empirical Evidence from Malaysia”, *International Journal of Business, Economics and Law,* Vol. 1, (2012):156-162.
- Teicher. T, Wagenfuhrer. D. “Effects of Disruptive Events on Consumer Loyalty: Bank Switching After 2008’s Crisis”, *Journal of Business and Policy Research,* Vol. 7, No. 3, (2012): 195 – 205.
- Thorsten Hennig-Thurau, Alexander Klee, “The Impact of Customer Satisfaction and Relationship Quality on Customer Retention: A Critical Reassessment and Model Development”, *Psychology & Marketing,* Vol. 14, No. 8, (1997):737–764.
- Timothy L. Keiningham, Lerzan Aksoy, David Bejou. “Approaches to the Measurement and Management of Customer Value”, *Journal of Relationship Marketing,* Vol. 5, No. 2/3, (2006):37-54.
- Vargo, Stephen L.and Lusch, Robert F. “Evolving to a new service dominant logic for marketing”, *Journal of Marketing,* 68, January, (2004).

- Vanniarajan. T, Boopathi Manickam. P.S. “Antecedents of switching behaviour in retail banking”, *Journal of Marketing and Communication*, Vol. 2, Issue 3 (2007):56-66.
- Vannirajan. “Impact of service quality on customer satisfaction in banking- A comparative study”, *Journal of Business and Management Research*, Vol. 1, No.1, (2006).
- Veloutson, Cleopatra et al. “Are the determinants of bank loyalty brand specific?”, *Journal of Financial Services Marketing,* Vo1.9, No.2, December, (2004):113-125.
- Verhoef, P., P. Frances and J. Hoekstra. “The Effect of Relational Constructs on Consumer Referrals and Number of Services Purchased from a Multi-service Provider: Does Age of Relationship Matter?”, *Journal of the Academy of Marketing Science*, vol.30, no. 3, (2002).
- Victor Danciu. “The Relationship Marketing Era for the Romanian Banking Institutions: Could It Bring Something Different?”, *The Romanian Economic Journal*, Vol. XII, No. 32, (2009): 3-20.
- Vijay Shrimali, Mehtab Kathwala. **“**Brand loyalty in bank customers: A sample study’”, *Southern Economist*, (2008).
- Vilte Auruskeviciene, Laura Salciuviene, Vida Skudiene. “The Relationship Quality Effect on Customer Loyalty”, *Pecvnia*, Vol.10, (2010):23-36.
- Xiaoyun Han, Robert J. Kwortnik Jr., Chunxiao Wang. “Service loyalty: An integrative model and examination across service contexts”, *Journal of Service Research*, Vol. 11, No. 1, (2008): 22-42.
- Yang Gregoire, Thomas M. Tripp, Renaud Legoux. "When Customer Love Turns into Lasting Hate: The Effects of Relationship Strength

and Time on Customer Revenge and Avoidance", *Journal of Marketing*, Vol. 73, No. 6, (2009): 18-32.

- Yany Gregoire, Robert J. Fisher. "The effects of relationship quality on customer retaliation", *Market Lett*, Vol. 17, (2006): 31–46.
- Yingzi Xu, Robert Goedegebuure, Beatrice Van der Heijden. "Customer Perception, Customer Satisfaction, and Customer Loyalty Within Chinese Securities Business: Towards a Mediation Model for Predicting Customer Behaviour", *Journal of Relationship Marketing*, Vol. 5(4), (2006): 79-104.
- Yolanda Polo, Javier Sese. "How to make switching costly? The role of marketing and relationship characteristics", *Journal of service research, V*ol. 12, No. 2, (2009): 119-137.

Books

- Berry, L.L., Relationship Marketing, in Berry, L.L., Shostack, G.L. and Upah, G. D. (eds), *Emerging Perspectives on Services Marketing*, Chicago, IL: American Marketing Association, 1983.
- Christopher, M., Payne, A. and Ballantyne, D. *Relationship Marketing: Bringing Quality, Customer Service and Marketing Together*, Butterworth-Heinemann, Oxford, 1991.
- Dougan, Sarah. *Customer Relationship Management Strategies in Financial Services:Achieving high performance and profiting from CRM.* Business Insights Ltd, 2004.
- Francis Buttle, F. *Relationship Marketing-Theory and Practice.* London : Paul Chapman Publishing Ltd A Sage Publications Company, n.d., 1996.

- Gummesson, Evert, "Relationship Marketing: Its Role in the Service Economy," *Understanding Services Management*, William J. Glynn and James G. Barnes, eds. New York: John Wiley & Sons, 1995.
- Gummesson, Evert. *Total Relationship Marketing.* Elsevier Ltd., 2008.
- Jackson, B.B., *Winning and Keeping Industrial Customers: The Dynamics of Customer Relationships,* Lexington: D. C. Heath. 1985.
- Jalal Alamgir, Michael.F.Maltese. "Beyond the Card: Shaping Next Generation Loyalty Programs in Retail", Customer Loyalty Programs-Trends and Experiences, ICFAI University Press, Hyderabad, 2006.
- Jill, Griffin. *Customer Loyalty*. New York: Lexington Books, 1995.
- Jr, Tom Peters and Robert H Waterman. *In Search Of Excellence.* Harper & Row, 1982.
- Kotler, Philip. *Principles of Marketing.* New Delhi: Prentice Hall of India Private Limited, 1987.
- Martin Christopher, Adrian Payne, David Ballantyne. *Relationship Marketing Creating Stakeholder Value.* Woburn MA: Butterworth-Heinemann, 2002.
- M, Thirulogachander. "Customer Loyalty Program in Banks: An Indian Perspective." *Customer Loyalty Programs-Trends and Experiences.* Hyderabad: ICFAI University Press, 2006.
- M.Thirulogachander. "Customer Loyalty Program in Banks: An Indian Perspective", Customer Loyalty Programs-Trends and Experiences, ICFAI University Press, Hyderabad, 2006.
- Michael.T.Capizzi, Rick Ferguson. "Loyalty Trends for the 21st Century", Customer Loyalty Programs-Trends and Experiences, ICFAI University Press, Hyderabad, 2006.

- Middleton, Hughes Arthur. *The Customer Loyalty Solution.* McGraw-Hill Inc, 2003.
- Oliver, Richard L., *Satisfaction: A Behavioural Perspective on the Consumer*, New York: McGraw Hill, 1997.
- PerspTracy G. Harwood, Anne J. Broderick, Tony Garry. *Relationship Marketing: Perspectives, Dimensions and Contexts*. McGraw-Hill Education, 2008.
- Saju Eapen. "Loyalty Programs: Why Some of Them Fail", Customer Loyalty Programs-Trends and Experiences, ICFAI University Press, Hyderabad, 2006.
- Seren Hougaard, Mogens Bjerre. *The Relationship Marketer-Rethinking Strategic Relationship Marketing.* London, New York: Springer Heidelberg Dordrecht, 2009.
- Steven Howard. "Keeping Good Customers by Earning Customer Loyalty**"**, Customer Loyalty Programs-Trends and Experiences, ICFAI University Press, Hyderabad, 2006.
- Subhashis Nath. "Loyalty Programs – Beyond Behavioural Loyalty", Customer Loyalty Programs-Trends and Experiences, ICFAI University Press, Hyderabad, 2006.
- Wayde Fleener, Mark Oedekoven. "Retail Loyalty Program Design", Customer Loyalty Programs-Trends and Experiences, ICFAI University Press, Hyderabad, 2006.
- Yi, Youjae.. *"A Critical Review of Consumer Satisfaction."* in Review of Marketing. Ed. Valarie A. Zeithaml. Chicago: American Marketing Association, 1990.

Theses and Conference proceedings

- Aypar Uslu and Tuncay Cam. "Analysis of brand loyalty with markov chains", School of Economic and Administrative Science, Turkey.
- C.Ying Li. "Why unsatisfied customers still stay? The roles of switching barriers", Proceedings of International conference on Business and information held at Bali, Indoneasia, 2013.
- Isabelle Prim. "Relationship Marketing of Services: An Analysis of Service Quality and Service Encounters Through Relational Norms -A Dyadic Approach between Bank Account Managers and SMEs", Paper presented in the 9th Workshop on Quality Management in Services, Gothenburg, Sweden, 22-23, 1999.
- Istavan Szuts and Zsolt Toth."Customer Loyalty Problems in Retail Banking", Paper presented in *6th International Conference on Management, Enterprise and Benchmarking*, MEB 2008-Proceedings, 30-31, 2008.
- Joao F. Proenca, Teresa M. Fernandes, P.K. Kannan. "The Relationships in Marketing: Contribution of a Historical Perspective, FEP working papers, Number 274, 2008.
- Keith MacMillan, Kevin Money, Arthur Money, Steve Downing. "Relationship marketing in the not-for-profit sector: an extension and application of the commitment–trust theory", Centre for Organisation Reputation and Relationships, Henley Management College, Greenlands, Henley-on-Thames, Oxfordshire. United Kingdom, 2004.
- Kong Shin Yee. "Customer Perceived Quality, Relationship Quality and Business Loyalty: An Example of B2B Organization", Submitted to the Graduate School of Business, Faculty of Business and Accountancy, University of Malaya, in partial fulfilment of the

requirements for the Degree of Master of Business Administration, 2008.

- Kristof De Wulf, Patrick Van Kenhove, Sarah Steenhaut. “The relationship between consumers’ Unethical behaviour and customer loyalty in a retail environment”, Vlerick Leuven Gent Working Paper Series, Paper No. 2003/17, 2003.
- Matthews. C. “Switching Costs in Banking: The Regulatory Response”, *Paper presented at the 22th Australasian Finance & Banking Conference at Sydney*, Australia, 2009.
- Matthews. C. “The Family Life Cycle and Banking Relationships”, Proceedings of *Academy of Financial Services Conference* held at California, USA, during 9-10 October, 2009.
- Newby. L, Ward. T. “A re-evaluation of customer switching behaviour in service industries”, Paper presented in Australian and New Zealand Marketing Academy (ANZMAC) Conference, 2009.
- Patricia Sorce. “Relationship Marketing Strategy”, A Research Monograph of the Printing Industry Center at RIT Rochester, New York, 2002.
- Peter C. Verhoef. “The Joint Effect of Relationship Perceptions, Loyalty Program and Direct Mailings on Customer Share Development”, Erasmus Research Institute of Management (ERIM) Report Series Reference No. ERS-2002-27-MKT, 2002.
- Yu-Chuan Huang, Dong-Jenn Yang. “The relationship among life insurance industry's service quality, relationship quality and customer loyalty: Regulation of customer involvement”, Paper presentation at conference on Business and Information, Bali, 2013.

APPENDIX

Ramya Krishnan K.”A study on the relationship marketing orientation of commercial banks in Kerala” Thesis. Department of Commerce and Management Studies, University of Calicut, 2015

APPENDIX I

QUESTIONNAIRE FOR CUSTOMERS

Dear Sir/Madam,

I Ramya Krishnan. M, doing my Ph.D in Commerce at University of Calicut, in the topic "A STUDY ON THE RELATIONSHIP MARKETING ORIENTATION OF COMMERCIAL BANKS IN KERALA". I request you to spend a part of your valuable time to fill up the questionnaire. I assure that the data given by you will be kept confidential and used for academic purpose only.

RAMYA KRISHNAN.M

1) **About the Bank**

a) How many bank accounts do you have? (Please ✓)

One ☐ Two ☐ Three ☐ More than three ☐

b) Please mention the name of the bank in which you keep your main account……………….

c) Which type of account do you have? (Please ✓)

SB a/c ☐ Fixed Deposit a/c ☐ Current a/c ☐

Recurring Deposit a/c ☐

d) How long you have been banking with your present bank? (Please ✓)

Less than 5 years ☐ 5-10 years ☐ 10-15 years ☐

15 years &above ☐

e) How often do you use the banking services in a month? (Please ✓)

Daily ☐ Twice in a week ☐ Weekly ☐

Fortnightly ☐ Monthly ☐

2) Satisfaction

Please rate your level of satisfaction about the following banking products or services (Please ✓)

Product or Services	Level of Satisfaction				
	Highly Satis-fied	Satis-fied	Neither satisfied nor dissatis-fied	Dissatis-fied	Highly Dissatis-fied
a) Deposit schemes					
b) Loan schemes					
c) Interest rates					
d) Employees' behaviour					
e) Physical facilities					
f) E-banking services					
g) Complaint Redressel System					
h) Customer Awareness Programmes					

3) Customer Loyalty

Some statements about your bank are given below. Please state your level of agreement towards these statements. (Please ✓)

Statements	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
a) You will consider this bank as your first choice for any financial needs.					
b) You will do more business with this bank in the coming years.					

Statements	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
c) Even if the charges of this bank are slightly higher when compared to other banks, You will remain with this bank.					
d) You will recommend this bank to anyone who seeks your advice.					
e) You intend to use more of the additional services (if any) of this bank in the near future.					
f) You will never complain to other customers and outsiders, even if you experience a problem with this bank.					
g) You will stay with this bank, even if you experience a problem with the bank.					

4) Switching Intention

a) Have you ever changed your bank in which you keep your main account in the past 5 years? (Please ✓)

Yes ☐ No ☐

b) If yes, please mention the name of the old bank…………………….

c) Do you have any plan to change your present bank in the future? (Please ✓)

Yes ☐ No ☐

d) If yes, please mention the name of the new bank………………………

5) Reasons for Switching

Some reasons for changing your bank are given below. Please assign ranks as 1,2,3…10 to these reasons in the order of your preference.

Reasons	Rank
a) Poor quality of service	
b) Lack of proper communication	
c) Discourtesy of employees	
d) Lack of E- Banking services	
e) Difficulty in accessing bank branches	
f) Poor Customer Awareness Programmes	
g) Poor Complaint Redressel System	
h) Lack of personal attention	
i) Higher fees and other charges	
j) Others (Please specify)………………………………..	

6) Relationship Quality

Some statements about the relationship quality of your bank are given below. Please state your level of agreement towards these statements. (Please ✓)

Statements	Strongly agree	Agree	Neither agree nor disagree	Dis-agree	Strongly dis-agree
a) The most important aspect of your bank is satisfying your needs					
b) They offer all the services including E- Banking services, which you need.					
c) They always take speedy actions to solve the problems.					
d) They are making a feeling in you that you are special.					

Statements	Strongly agree	Agree	Neither agree nor disagree	Dis-agree	Strongly dis-agree
e) In special occasions, they remember you by sending a message/card or making a call.					
f) They arrange customers meet regularly.					
g) They address you by your name					
h) They regularly identify your new needs.					
i) They regularly enquire about the welfare of you and your family.					
j) They inform you about new schemes/ services launched.					
k) They always provide reliable information					
l) They remind you politely when installments are due in your loan account.					
m) They encourage you to tell them if things are not right.					
n) They intimate you in advance the date of maturity for Fixed Deposit.					
o) They listen to you and speak in a language that you can understand.					
p) The employees of your bank are willing and able to provide services in a timely manner.					
q) They are approachable and easy to contact.					

Statements	Strongly agree	Agree	Neither agree nor disagree	Dis-agree	Strongly dis-agree
r) They are courteous and polite.					
s) They provide services reliably and consistently.					
t) They show much concern in resolving your complaints.					
u) They show empathy towards you and your family as customers.					
v) Through their behavior they create a feeling in you that you are also a part of the bank.					
w) They also help you in possible ways to solve your non-banking problems also.					
x) You are highly satisfied with your bank's services.					
y) You are highly satisfied in the communication quality of your bank.					
z) Your complaints are always addressed in fair manner.					
aa) You are highly satisfied with the behavior of your bank employees.					
ab) According to your past relationship with the bank, you think that they are trustworthy.					
ac) Your relationship with the bank has been a highly successful one.					

7) Relationship Marketing Orientation

Some statements about the relationship quality of your bank are given below. Please state your level of agreement towards these statements. (Please ✓)

Statements	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
a) You felt that the bank is dependable.					
b) They have high integrity					
c) They can be trusted completely.					
d) They are highly competent.					
e) They are very responsive to customers.					
f) You have a developed a closer relationship with this bank than other banks.					
g) You want to remain a customer of this bank because you enjoy your relationship with them.					
h) The relationship with the bank is something you intended to maintain for a long time.					

Personal Details:

Name (Optional):

Gender: Male ☐ Female ☐

Age(in years): Upto 19 ☐ 20-39 ☐ 40-59 ☐ 60&Above ☐

Area of residence: Panchayath ☐ Municipality ☐ Corporation ☐

Educational qualification: Below SSLC ☐ SSLC ☐ Pre-Degree ☐

Degree ☐ Post Graduation ☐ Professional qualification ☐

Occupation: Daily Wages ☐ Salaried ☐ Agriculturist ☐

Self employed ☐ Businessmen ☐ House wife ☐
Student ☐ Others ☐

Annual income (in Rs): Upto 2Lakhs ☐ Between 2-4Lakhs ☐

Between 4-6Lakhs ☐ 6 Lakhs &Above ☐

THANK YOU