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CUSTOMER ACQUISITION, CUSTOMER SATISFACTION THROUGH IMPLEMENTATION OF CUSTOMER RELATIONSHIP MANAGEMENT IN THE BANKING SECTOR - A STUDY

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ABSTRACT

Banks play a significant role in the minds of customers and their operations play a vital role, which means

banks have a lot of responsibilities to satisfy customers and retain them for a long time. Banks have to cater to customer needs. This study essentially focused to ascertain the concept of Customer acquisition and Customer satisfaction of customer relationship management, to identify the extent to which customer customer's acquisition and customer satisfaction by the banking sector, to understand the Importance of Customer acquisition and Customer Satisfaction in the Banking sector. A literature study assesses the customer acquisition, customer satisfaction implementation of customer relationship management in the banking sector. The reliability test was conducted by using the Cronbach's Alpha technique all the variables of measurements with 0.70 and was accepted. The findings of the study clarifies that attitude of the customers will affect the CRM. So bank needs to maintain the extraordinary CRM this is the better decision to satisfy the customers.

According to the study has to explain the customers have in the present scenario background of the every banking industry, they have fulfilled customers' needs and wants as per their views and attitudes. This study clarifies that satisfaction level of the customers will affect the CRM. So bank needs to maintain the extraordinary CRM this is the better decision to fulfil their needs and wants.

KEYWORDS: Customer acquisition, Customer Satisfaction, Customer relationship management.

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1. INTRODUCTION

In the banking industry, understanding customer needs and meeting customer expectations is one of the biggest business challenges. Apart from providing valuable services to customers, banks should focus on maintaining long and good relationship with their customers. Over the years, the term "CRM" or "Customer Relationship Management" has been widely used in the business world. CRM refers to a complete set of processes for successfully handling customer interactions, including various aspects such as customer service, sales, and marketing. This is true for many different types of organizations, such as banking, where CRM is essential to foster positive customer relationships and increase profitability.

Acquiring new customers is very important for banks. In this intense economic climate, retaining current customers becomes essential to survive in this competitive industry. By using CRM, customers can be retained through improved consumer loyalty and devotion.

Although important, banks face many challenges in serving their customers on a day-to-day basis. If banks fail to meet service standards and customer expectations, banks lose their customers. Also, they may share their bad experiences with their friends and family.

Client’s and bank employees' attitudes, responses, or behaviours regarding their jobs. An employee's understanding of banking operations, policies, products, and services will be determined by how well-versed in these areas they are, as well as how easily they can be remembered and used. Two-way communication at a bank refers to correspondence between clients and bank management as well as vice versa (Chantal Rootman et al.,2007). The development is not fully explained by the customer relationship management strategies, and especially the CRM phases, of banks (Hui-I Yao and Kok Wei Khong, 2011).

2. OBJECTIVE OF THE STUDY

The main objective of this study is to investigate the customer acquisition customer satisfaction through application of customer relationship management in the banking Sector to achieve the following results:

- To ascertain the concept of Customer acquisition and Customer satisfaction of customer relationship management.
- To identify the extent to which customer customers acquisition and customer satisfaction by the banking sector.
- To understand the Importance of Customer acquisition and Customer Satisfaction in the Banking sector.

3. STATEMENT OF THE PROBLEM

In the banking industry, customer acquisition and customer satisfaction are critical factors for sustained growth and success. However, the industry faces challenges in effectively acquiring new customers and ensuring high satisfaction among existing ones. Addressing these challenges requires a comprehensive strategy that includes marketing, technology, and customer service and compliance efforts. By focusing on customer acquisition and satisfaction, banks can develop long-term relationships and sustain growth in a changing banking industry.

4. REVIEW OF LITERATURE

Mornay Roberts-Lombard (2011) the researcher Customer retention through customer relationship management: The exploration of two-way communication and conflict handling here main variables inspected which means customer relationship management (CRM), two-way communication, conflict handling, and customer retention. Researcher gathered data by using primary and sample size of 254 customers replied for researcher’s questions. Data were factor analysed, one independent variable conflict handling exerted a statistically significant positive influence on the intervening variable (CRM), while two way communications exerted a statically significant negative influence on the intervening variable. **Hui-I Yao Kok Wei Khong (2011)** he examined on Effectiveness of Customer Relationship Management on Customer Satisfaction in the Commercial Banks of Taiwan and it was published in contemporary management research. This study involved in different key factors regarding the CRM, commercial banks, customer satisfaction, organisational characteristics and Eigen value. in this study primary data was collected from 31 general managers of commercial banks of Taiwan through a questionnaire. It was found that the implementation of CRM is positively associated with customer satisfaction and also there is a significant interaction between IT capability and both contact rate management and recovery management in the context of improving customer satisfaction. **Riyad Eid (2013),** the study focused on towards a successful CRM implementation in Banks: An integrated model. The sample size of the study 159 and the study found a substantial positive effect of the CRM usage on relationships effectiveness and marketing objectives and also acquiring a better understanding of existing customers allows companies to interact, respond, and communicate more effectively to significantly improve retention rates. Dr- Abdullah Mohammad Al-Hersh (2014), he analysed the Impact of Customer Relationship Marketing on Customer Satisfaction of the Arab Bank Services. Major Keyvariables defined like Customer Relationship, Customer Satisfaction, and Bank Services. In this study descriptive and analytical study analysed to bring output. It involves both primary data collection and the use of secondary data. By using Cronbach Alpha coefficient which found out the instrument validity, meanwhile valid data of 151 questionnaires were gathered from the respondents. The findings show medium to high degrees of positive attributes of the two samples toward customer relationship marketing dimensions. Dr. Zakaria Ahmad Mohmmad Azzam (2014), the researcher examined the impact of customer relationship management on customer satisfaction in the banking industry - A case of Jordan. In this article researcher studied various key variables such as CRM, Customer Satisfaction, Banking Industry, Services Marketing, Jordan. Here researcher utilized primary data and secondary data to collect data from the 526 respondents. some of the statistical tools were used which means Cronbanch's Alpha Regression Analysis, and ultimately the researcher found that the respondents were mainly focused on customers of Arab bank, Jordan Islamic bank, international Arab Islamic Bank, Cairo, Amman Bank, Housing bank, and Kuwait, Jordan bank, operating in Amman city the Capital of Jordan. Noopur Saxena Mayur Taneja (2018) A study analysed on CRM effectiveness in public and private sector banks, and which was published in the article of Int. J. Public Sector Performance Management, The researcher used main key variables that is customer experiences; organisational commitment; customer Satisfaction; process-driven approach; technology orientation; customer relationship management; public and private banks. Here through primary and secondary data took for data collection and data's were collected from 166 respondents by using factor analysis. The researcher found that the more number of people has accounts in public sector banks. People prefer to go to public banks because they consider it more reliable and process oriented and the major trust factor in public banks is transparency of interest rate policies. The customer receives value-added information, SMS/call alerts for new offers, guarantees against service failures, etc.

Zainurrafiqi, Eko Ganis Sukoharsono, Djamhur Hamid in their study focused on the effect of customer relationship management (CRM) on customer satisfaction and its impact towards customer loyalty. Major key variables determined such as customer relationship management, customer satisfaction and customer Loyalty. the researcher study was conducted only at BRI bank in university of Brawijaya and data gathered from 99 respondents with the help of slovin formula. Here purposive sampling technique used and descriptive analysis and inferential statistical analysis were developed in path analysis. Mayur Taneja 2018 A study on CRM effectiveness in public and private sector banks Management, The population of this study is bank customers in Delhi. Non probability convenience sampling method has been used. The sample size is 166 respondents.

Questionnaire is used for the purpose of data collection. This study examines customer perceptions towards CRM; future study can investigate employee perceptions towards CRM and its impact on business performance. Secondly, the study focuses on banks only, future research can replicate this study in other sectors also like education, tourism, hospitality, etc. Thirdly, the same research can be done on selected banks which will help to compare the performance of one bank with the other. Fourthly, the study focuses on customer satisfaction only; future study can also study other factors like trust, relationship quality, etc.

5. METHODS

This study is descriptive in nature and used both primary and secondary data have used for this study. The primary data collected from the customers of the banks in Nagapattinam District. It was collected through structured questionnaire with demographic information, customer acquisition and customer satisfaction. Nearly 5 scaling options were utilised to collect the data from the customers with help of 150 sample size. Snow ball sampling method was used to collect the data from the customers. All the data collected through questionnaire. Some of the statistical tools utilised that is the percentage analysis, T test and correlations were utilised.

5.1 Demographic Characteristics

Most of the respondents were from females with 82 respondents (54.7%) and males with 68 respondents (45.3%). Respondents were below 20 years, 6 respondents (4.0%), 52 respondents (34.7%) were between 21 - 30 years, 35 respondents (23.3%) were between 31 - 40 years, 38 respondents (25.3%) were between 41 - 50 years of age and 19 respondents (12.7%) were above 51 years of age groups.

6. RESULT AND DISCUSSION

*Hypothesis I**:** Opinions of the customer regarding statements on Customer attitude are **equal** to average level.*

Table 1: Customer Attitude towards Banking Services

S. No.	Statements for Customer Attitude	Mean	SD	t-value	p-value
1	Bank maintains database of existing customers	4.17	0.775	18.542	<0.001*
2	Bank does not misuse customer database	4.22	0.842	17.737	<0.001*
3	Bank offers competitive interest on deposits	4.07	0.715	18.383	<0.001*
4	Quality of products and services to the customers	4.21	0.745	19.85	<0.001*
5	Bank employees are friendly in nature	4.11	0.86	15.754	<0.001*
6	Banks maintain pleasant environment	4.07	0.898	14.636	<0.001*
7	Bank solves customer problems quickly	4.14	0.777	17.959	<0.001*

The results indicate that all the selected customer attitude factors are statistically significant, as evidenced by the p-values being less than 0.005. This suggests that customers hold a positive attitude toward various aspects of banking services, including data security, ethical use of customer information, competitive deposit interest rates, quality of products and services, employee friendliness, branch environment, and prompt resolution of customer problems. The consistently significant results highlight the importance of these factors in shaping favorable customer attitudes toward banks and enhancing overall customer trust and satisfaction.

Hypothesis II: Opinions of the customer regarding statements on Customer satisfaction are equal to average level.

Table 2: Customer Satisfaction towards Banking Services

S. No.	Customer Satisfaction Factors	Mean	SD	t-value	p-value
1	Bank announces new schemes	4.04	0.81	15.725	<0.001*
2	Bank maintains nominal service charges	4.01	0.786	15.796	<0.001*
3	Bank provides user-friendly websites	4.09	0.838	15.975	<0.001*
4	The bank provides physical facilities	4	0.769	15.937	<0.001*
5	Maintains stock of bank forms	4.07	0.769	17.087	<0.001*
6	Bank provides convenient parking facility	4.03	0.709	17.858	<0.001*
7	Bank provides transparent services to customers	4.14	0.883	15.82	<0.001*

The results indicate a high level of customer satisfaction across all banking service dimensions, with mean scores ranging from 4.00 to 4.14. Among the factors, "Bank provides transparent services to customers" recorded the highest mean score (Mean = 4.14), suggesting that customers highly appreciate transparency in banking operations. This is followed by user-friendly websites (Mean = 4.09) and maintenance of bank forms (Mean = 4.07). All factors show statistically significant t-values with $p < 0.005$, indicating that customer satisfaction with these banking services is significantly positive. The relatively low standard deviation values (0.709–0.883) imply consistency in respondents' opinions. Overall, the findings reveal that customers are generally satisfied with the quality, accessibility, and transparency of banking services.

Hypothesis III: There is no significant between Male and Female with respect to Factors of Customer's Attitude of CRM in Banks

Table 3: Gender-wise Comparison of Customer Attitude towards Banking Services

Factors of Customer Attitude	Male		Female		t-value	p-value
	Mean	SD	Mean	SD		
Bank maintains database of existing customers	4.21	0.873	4.15	0.687	0.467	0.641
Bank does not misuse customer database	4.09	0.893	4.33	0.787	1.757	0.081
Bank offers competitive interest on deposits	4.1	0.672	4.05	0.752	0.461	0.646
Quality of products and services to the customers	4.09	0.805	4.3	0.679	1.787	0.076
Bank employees are friendly in nature	4.12	0.82	4.1	0.897	0.142	0.887
Banks maintain pleasant environment	3.99	0.889	4.15	0.904	1.094	0.276
Bank solves customer problems quickly	4.06	0.879	4.21	0.68	1.166	0.246

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The gender-wise comparison of customer attitude towards banking services indicates that both male and female customers exhibit positive attitudes across all dimensions. Female respondents reported slightly higher mean scores for factors such as non-misuse of customer databases (Mean = 4.33), quality of products and services (Mean = 4.30), and quick resolution of customer problems (Mean = 4.21). Male respondents showed marginally higher satisfaction regarding maintenance of customer databases (Mean = 4.21) and competitive interest on deposits (Mean = 4.10).

However, the independent sample t-test results reveal that all p-values are greater than 0.05, indicating no statistically significant difference between male and female customers with respect to any of the customer attitude factors. Therefore, the null hypothesis is accepted, and it can be concluded that gender does not significantly influence customers' attitudes toward banking services. Both male and female customers perceive the quality, reliability, and responsiveness of banking services in a similar manner.

Table 4: Reliability Analysis of Customer Attitude and Customer Satisfaction Constructs

S. No.	Construct	Cronbach's Alpha
1	Bank maintains database of existing customers	0.734
2	Bank does not misuse customer database	0.724
3	Bank offers competitive interest on deposits	0.744
4	The bank provides quality products and services	0.734
5	Bank employees are friendly in nature	0.722
6	Banks maintain a pleasant environment	0.733
7	Bank solves customer problems quickly	0.725
8	Bank announces new schemes	0.731
9	Bank maintains nominal service charges	0.723
10	Bank provides user-friendly websites	0.738
11	The bank provides excellent physical facilities	0.722
12	Maintains stock of bank forms	0.729
13	Bank provides convenient parking facility	0.723
14	Bank provides transparent services to you	0.73

The reliability analysis was conducted using Cronbach's Alpha to assess the internal consistency of the constructs measuring customer attitude and customer satisfaction towards banking services. The Cronbach's Alpha values range from 0.722 to 0.744, which exceed the commonly accepted threshold value of 0.70, indicating satisfactory reliability of the measurement scale.

Among the constructs, "Bank offers competitive interest on deposits" recorded the highest reliability coefficient (α = 0.744), followed by "Bank provides user-friendly websites" (α = 0.738). The constructs "Bank maintains database of existing customers" and "The bank provides quality products and services" both achieved a reliability value of 0.734, demonstrating good internal consistency. The lowest Cronbach's Alpha values were observed for "Bank employees are friendly in nature" and "The bank provides excellent physical facilities" (α = 0.722), which still remain above the acceptable threshold.

Overall, the results confirm that all the items included in the questionnaire are reliable and consistent in measuring customers' perceptions regarding banking services. Therefore, the scale is considered suitable for further statistical analyses such as correlation, regression, t-test, and ANOVA.

7. IMPLICATIONS

This study mainly focused the customer acquisition, customer satisfaction through implementation of CRM in the banking sector. In this identified some of the valid points that are customer required transparent services and needs to maintain the database of the customer details very confidential to avoid hacking of the amount from the customer's account. Banks shall announce frequent schemes and may collect charges for their services. They update and maintains the user friendly websites to share the day to day communication on online immediate that surely attract the customers, doubt clarification incurred in all the time not only for potential and other also useful to satisfy in all the way. Customers expectation fulfilled in every situation by offering convenient parking facility, physical facilities of Electronic services of ATM, online banking, mobile banking, telephone banking. banks must focus on financial benefits of customers that means minimum rate of interest for loan and may think of maintenance of knowledgeable of staff, their appearance and word of mouth is one of the crucial role of banks.

8. CONCLUSION

This study shows importance of customer relationship management in the banking sector, however banks are trying to increase the customer acquisition and customer satisfaction to increase the profit which will maintain the customer to come again and again to use the banks product and services and that definitely improve the customer acquisition and customer satisfaction. Customer acquisition and customer delight some require additional services so that they can focus on core processes and deliver excellence and value to their customers. Ultimately banks need to focus by increasing the products and services for the potential customer that may attract not only potential customer and also others too, which helpful to the national economic stability.

9. LIMITATIONS AND FUTURE RESEARCH

This study was conducted in only from Nagapattinam District and structured questionnaire was framed to collect the data, but most of the candidates are not comfortable with online questionnaire. In this study researcher recommends if the study covered entire banks of the specified region and needs to focus all the educational background candidates then only it would be realistic and enhance the reliability among the groups. And when we covered all the classes of people i.e., lower, middle, and upper class client that really give the accuracy of the customer relationship management regarding the customer acquisition and tell us the exact feel of customer satisfaction then in fact that to enrich the banks services among the customers.

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