An Exploration of Influencing Factors of Customer Relationship Management Practices in the Banking Sector

Priyanka Kumari*

Shivendra Singh* *

ABSTRACT

The purpose of this study is to measure the deployment of customer relationship management (CRM), in the banking sector through the dimensions of CRM practices. The researcher implemented the Explorative Factor analysis (EFA) and factor scores to further segment the respondents' descriptive statistical tools, such as frequency and percentage using SPSS V.21. The reliability of the questionnaire in this study was assessed using Cronbach's Alpha. Multivariate regression has been used in this study to understand the correlation between CRM variables and customer satisfaction in the selected banking sector. Exploratory and descriptive study designs using a quantitative research approach were used to achieve the desired objective. A total of 176 samples were collected from respondents through surveys and interviews by the researcher to conduct the EFA test. The 20 scale items were used to evaluate the respondents' opinions and four items interrelated to customer satisfaction regarding CRM practices in chosen banks. This study found that the CRM Practices measurement components of variables such as Customer Knowledge, Technology Orientation, Customer Value, Customer Trust, and Customer Retention are valid models and they have a significantly positive impact on customer satisfaction.

Keywords: Customer relationship management practices, Customer knowledge, Technology orientation, Customer value, Customer trust, Customer retention

---

* *Research Scholar, Mahatma Gandhi Central University, Motihari- 845401, priyanka.mgcub@gmail.com*

** *Assistant Professor, Mahatma Gandhi Central University, Motihari- 845401,*

shivendrasingh@gmcub.ac.in

https://doi.org/10.53056/njmsr-2024.7.1.009 https://www.nepjol.info/index.php/njmsr/index

1. INTRODUCTION

Customer Relationship Management (CRM) holds major significance as it helps banks to better understand, serve, and retain their customers. As the financial industry becomes increasingly competitive, banks are recognizing the value of building strong and long-term relationships with their customers. Here are some key aspects of CRM in the banking zone. CRM technology may help banks engage in market analysis and study customer trends, allowing them to maintain to develop changing customer preferences and market requirements. CRM tools are used by banks to collect data about customers from numerous types of sources such as operations, banking via the Internet, applications for mobile devices, and customer service dealings. Banks are more capable of figuring out customer's financial needs, preferences, and activities because of this holistic view of their customers. CRM systems enable banks to provide customized services to their customers. Based on specific consumer profiles, this involves customizing financial product offerings, delivering targeted marketing messages, and providing suitable financial advice. CRM enables banks to manage customers' requests for information, support, and complaints more effectively.

Since 43 years, marketers as well as academics have often mentioned the theory of customer relationship management (CRM). CRM is a consequence of the term "contract management" which arose in the 1980s to protect customer details for further contact with customers. Systems for managing customer relationships are gaining popularity in numerous sectors and have become a critical part of business plans in the highly competitive market of today. The most successful marketing strategy that combines technical and human aspects is CRM, which is widely acknowledged and used. By combining technology, processes, and people, customer relationship management ensures relationships with customers to enhance the organization's market share. The definition of the CRM organization outlines the steps to explain concrete consequences (Cavaliere et al., 2021). Effective CRM has evolved into an essential role in company competition, marketing, and the growth of an economy. It involves every aspect of the organization's commitment and a comprehensive focus on the needs of the consumer. It entails using technology, procedures, and systems to plan, automate, and coordinate sales, marketing, customer support, and other activities that are focused on the needs of the customer. CRM is critical for firms looking to foster customer-centricity and for establishing solid, long-lasting relationships with their customers. Organizations may improve customer happiness, raise client lifetime value, and gain a competitive edge in the market by utilizing CRM efficiently.

https://www.nepjol.info/index.php/njmsr/index https://doi.org/10.53056/njmsr-2024.7.1.009

In the context of CRM in the banking sector, Saxena and Taneja (2018) worked on five dimensions or variables of CRM, such as customer experience, technology orientation, organizational commitment, process-driven approach, and reliability. In the many studies, researchers found the various CRM dimensions or variables that have been used in different studies. Hence, the current study comprises five influencing factors of CRM practices i.e. Customer Knowledge, Technology Orientation, Customer Value, Customer Trust, and Customer Retention in the public and private banking sector.

It can be comprehended that most of the researchers focused on different latent of customer relationship management dimension in the banking sector such as Saxena and Taneja (2018) studied CRM effectiveness in Delhi, but there is no other study has been done in Bihar. Soltani (2018) focused on how Technology, organizational capability, customer orientation, and customer knowledge management influence CRM success, further, they suggested that explanatory factors would be added to the model. Hence, the researcher is enthusiastic about extracting the influencing factors of CRM Practices in the banking sector using different parameters, which are mentioned in the conceptual model of CRM. This study comprehended, the influencing factor of CRM practices in the banking sector. Therefore, the purposes of the research are to assess extracting the influencing factors of Customer Relationship Management Practices in the Banking Sector and to ascertain the impact of CRM Practices factors on customer satisfaction in the selected banking sector.

2. LITERATURE REVIEW

Saxena and Taneja (2018) explored the efficiency of CRM practices and compared the factors in private and public sector banks. In this research non probability convenient sampling method was used to collect the data from 166 respondents. EFA test was used to analyze the data using Oblimin with Kaiser Normalization. The finding has shown that more no. of people had accounts in public sector banks as compared to private sector banks. The results of factor analyses revealed four dimensions for CRM, namely, customer experience, technology orientation, organizational commitment, and process-driven approach and reliability.

Agariya and Singh (2012) aimed to develop a reliable and valid CRM scale, particularly covering to banking sector in India. In this study, an EFA test was conducted to find the key CRM dimensions based on a planned construct, which was confirmed through CFA and validated through SEM. They concluded that the study approve the extended-held belief that

https://doi.org/10.53056/njmsr-2024.7.1.009 https://www.nepjol.info/index.php/njmsr/index

CRM is a Multidimensional concept. The critical aspects that describe CRM in the Indian banking sector have been recognized as organizational structure and customer support, service quality, trust, technology, personalization, and market orientation.

Bhat et al. (2018) explored the impact of CKM and customer satisfaction on customer trust and loyalty, as well as the mediating role of customer trust in the relationship between management and loyalty and Customer Satisfaction and Customer Loyalty. For this study, data was gathered randomly from 412 customers through a questionnaire-based survey in private sector banks. The model was developed and purified through factor analysis. SEM was conducted to observe the causal relationship and suitability of the proposed model. Managers and strategists can use the study's findings to better comprehend the needs of customers and develop customised customer loyalty proposals.

Ramaj (2015) examined CRM as a new approach that looked forward to recognizing and fascinating customers through the procedure of developing interactions. The procedure of the CRM purposed to keep customer satisfaction and increase customer loyalty. The simple abilities of CRM systems and in-depth information of approaches and organization structure customer relationships. The use of a CRM system will contribute knowingly to growing the step customer satisfaction by the Bank. The collections for the use of credit scoring as well as consumer business-mortgage lending in the form of reporting for analysis and monitoring of all customers.

Hanaysha and Mehmood (2022) examined the associations between customer relationship management practices and organizational performance in the banking sector of Palestine. In this study, data was collected from banking employees through a structured questionnaire. A total of 223 responses were analyzed using SPSS and PLS-SEM. The researchers concluded that CRM technology and knowledge management played a vital role in organizational performance. Also, customer orientation and CRM organization had positive consequences for organizational performance. In the current scenario, organizations must constantly monitor and manage customer interactions efficiently in the business environment if they want to achieve their long-term goals and address new obstacles.

Hugar and Vaz (2010) analysed the need for the implementation of customer relationship management in Indian public sector banks. This study used both primary and secondary data. Primary data consisted of parametric tools like mean, quartiles, correlation, etc. to evaluate the competence of CRM practices of a PSB at its headquarters district, while secondary data consisted of different websites and RBI's annual reports, etc. Based on post-

https://www.nepjol.info/index.php/njmsr/index https://doi.org/10.53056/njmsr-2024.7.1.009

banking reforms, SWOT shows that it is essential to improve banking performance along with customer orientation. Also, they concluded that there was a need to enhance the CRM practices of the bank to face the competitive scenario, as the bank has not been able to go beyond satisfying its customers in the widening, lengthening, and deepening of relationships and in its competitive practices.

Migdadi (2020) aimed to analyse a integrated framework of knowledge management which comprised knowledge acquisition, diffusion and application, knowledge from a customer, knowledge about customers and knowledge for customers. This study empirically tested the result of KM on CRM success, the outcome of CRM success on IC, and the effect of KM on IC through the mediator. There was a lack of empirical research revealing the actual effect of KM processes when developing a CRM innovation, and the majority of the existing research on CRM and KM was conceptual and descriptive. The relationship between ICs and CRM has not been thoroughly explored. If one were to integrate KM, CRM, and ICs and empirically verify their relationships, this study provides a conceptual framework. The findings reveal that KM affects CRM success, which drives IC, and that KM influences IC via CRM success.

Bajaj et al. (2023) proposed to focus on the adoption of IoT impacts on the banks' Customer Relationship Management from an emerging market perspective. In this study, gender, age, and bank ownership type were moderating roles in the relationship between the adoption of IoT and CRM. Another CRM variable had been considered as a second-order latent involving of three first-order latent variables such as responsiveness, satisfaction, and assurance. To ensure reliability, validity, and model fit, two CFA models were conducted.

Hayes (2009) employed PROCESS Macro v4.0 to assess the moderating effect of gender on the link between IoT adoption and CRM, and structural equation modeling (SEM) on AMOS software was employed to test the hypotheses. The findings revealed that cost, convenience, social context, and privacy are driving IoT adoption positively which positively impacts CRM. The path between IoT adoption and CRM was found to be negatively affected by gender and age, but positively moderated by bank ownership type.

Soltani et al. (2018) analyzed how technology, organizational capability, customer orientation, and customer knowledge management influence CRM implementation, and also looked at how the performance of an organization was affected by the CRM success. For the data analysis and hypotheses testing, Partial Least Squares Structural Equation Modeling (PLS-SEM) was adopted. The finding of this study has been revealed that the achievement

https://doi.org/10.53056/njmsr-2024.7.1.009 https://www.nepjol.info/index.php/njmsr/index

of CRM was highly influenced by information technology use, also customer orientation, organizational capability, and customer knowledge management are associated with CRM achievement. They suggested that Future studies may also include the model with additional explanation variables.

H_1: There is no relationship between influencing factors of Customer Relationship Management Practices on customer satisfaction in the Banking Sector.

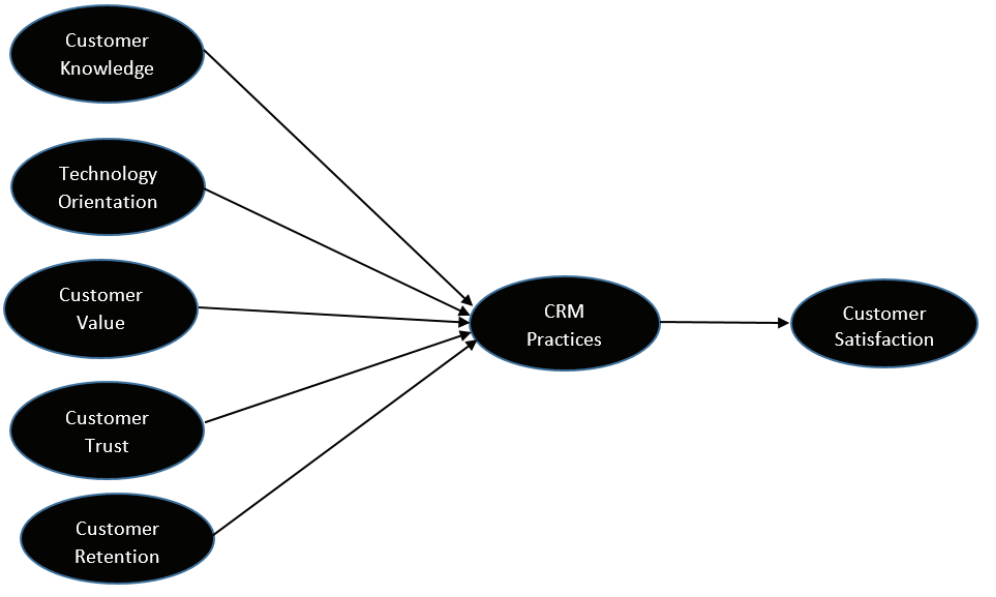

Figure 1 Conceptual framework

Source: Authors' own

3. RESEARCH METHODOLOGY

The questionnaire was developed in bilingual (English and Hindi) for the respondents' convenience, including two parts. The first section was related to the influencing factors of Customer Relationship Management Practices in the Banking Sector. The survey tool was self-developed following expert discussion and thorough a literature study. The questionnaire was taken from (Bhat, Darzi, & Parrey, 2018; Saxena & Taneja, 2018). These statements were the combination of 20 statements about the CRM dimension with four statements about customer satisfaction; the questions about the respondents' demographic and socioeconomic background are found in the second section and a few questions regarding their bank account along with in which city the bank provided its services. A five-point Likert scale that ranges from strongly disagree (1) to strongly agree (5) was employed to measure

the selected items and find the desired information. A Google form of the questionnaire was formed and distributed through different social media and e-mails to gather the responses.

Both primary and secondary data will be used in the study. Exploratory Factor analysis (Principal component analysis) will be applied in the research. This study covers the two districts of Bihar i.e., Muzaffarpur and East Champaran. Both quantitative and descriptive research methods have been used in this study. 176 data were gathered through a structured questionnaire for analysis. Multiple regression technique was used to determine the impact of factors on customer satisfaction. All of the collected data was inserted and coded using Excel and then analysed by SPSS 21. customer relationship management Practices were considered the dependent variable, while the independent variables considered were the five dimensions of CRM Practices, such as Customer Knowledge, Technology Orientation, Customer Value, Customer Trust, and Customer Retention. For statements of customer satisfaction a separate exploratory factor analysis was employed which directed to developing one factor of CRM dimension.

Subsequently, the questionnaire was put to content reliability, which excluded some of the semantic variation, the list was further reduced down through discussions with experts, review, and pilot testing. After validating the content validity of two statements, a final scale of 20 statements was determined. The most effective technique for measuring internal consistency as well as reliability, as suggested by Heir et al. (2013), is to analyse Cronbach's alpha, which should be higher than 0.7 when test items are employed.

4. RESULTS

This study is based on a questionnaire survey that was used to collect responses from 176 customers of the banking sector in Bihar. A total of 200 customers were approached but 176 surveys were returned. Table 1 shows the city of the respondents.

Table 1 City of the respondents

City	Frequency	Percentage
East Champaran	99	56.3
Muzaffarpur	77	43.8

It revealed that out of a total of 176 respondents, 99 (56.3%) belong to East Champaran and 77 (43.8 %) from Muzaffarpur, considered in this study.

https://doi.org/10.53056/njmsr-2024.7.1.009 https://www.nepjol.info/index.php/njmsr/index

Table 2. Bank Details

Banks	Frequency	Percentage
SBI	93	52.8
BOB	31	17.6
HDFC	25	14.2
ICICI	27	15.3

It shows that out of a total of 176 respondents 93 (52.8%) have their account in SBI (State Bank of India), which indicates the highest number of respondents in the study. Further, BOB (Bank of Baroda), HDFC (Housing Development and Finance Corporation), and ICICI (Industrial Credit and Investment Corporation of India) were 17.6%, 14.2%, and 15.3% simultaneously.

Table 3 Demographic information

	Items	Frequency	Percentage
Age	Upto Below	50	28.5
	21-40	110	62.5
	41-60	3	1.7
	61-80	6	3.4
	Above 80	7	4
Gender	Male	123	69.9
	Female	53	30.1
Marital Status	Married	28	15.9
	Unmarried	145	82.4
	Widowed	1	.6
	Divorced	2	1.1
Education	Up to High School	9	5.1

https://www.nepjol.info/index.php/njmsr/index https://doi.org/10.53056/njmsr-2024.7.1.009

	Intermediate	26	14.8
	Graduate	103	58.5
	Post Graduate	26	14.8
	Ph.D./M.Phil.	10	5.7
	Others	2	1.1
Occupation	Professional	4	2.3
	Salaried Class	43	24.4
	Self-employed/ Business	23	13.1
	Students	98	55.7
	Homemaker	3	1.7
	Others	5	2.8
Monthly Income	Upto 10,000	72	40.9
	10,000 – 25,000	28	15.9
	25,001 – 40,000	54	30.7
	40,001 – 55,000	16	9.1
	55,001 – 70,000	1	.6
	Above 70,000	5	2.8

Based on 176 samples 28.5% of respondents fell in the age range of below 20, 62.5% in 21 to 40, 1.7% in 41 to 60, 3.4% in 61 to 80, and 4 % in above 80. In terms of gender, male and female respondents were 69.9 %, and 30.1 % respectively, which shows the males' dominance of bank customers. Further married, unmarried, widowed, and divorced were 15.9%, 82.4%, .6 %, and 1.1 % respectively. In terms of education up to high school 5.1%, Intermediate 14.8%, graduate 58.5%, postgraduate 14.8%, Ph.D./M.Phil. 5.7% and others 1.1%. In terms of employment details 2.3% were in professional, 24.4% in salaried class 13.1% self-employed/ Baseness, 57.7% students 1.7% homemaker and 2.8% others. In the entire sample 40.9% fell in the income range of below 10000, 15.9% in 10000 to 25000, 30.7% in 25001 to 40000, 9.1% in 40001 to 55000, .6% in 55001 to 70000, and 2.8% in above 70000.

https://doi.org/10.53056/njmsr-2024.7.1.009 https://www.nepjol.info/index.php/njmsr/index

Table 4 Overall Reliability Statistics

Cronbach's Alpha	No. of Items
.809	20

After analyzing the structured questionnaire which contained 20 questions, it was recognized that the alpha is .809 for the overall questionnaire. Cronbach's alpha is reliable when the value of Cronbach's alpha lies in the range of 0.7 or higher. Since the value of $\alpha = 0.809$, lies ($0.7 \leq \alpha < 0.9$ is good) in the acceptable position of the internal consistency Kline (1999). Hence, the consequence indicates that the structured questionnaire used in this research has good reliability and internal consistency.

Table 5 KMO and Bartlett's Test

Kaiser–Meyer–Olkin measure of sampling adequacy		.764
Bartlett's Test of Sphericity	Approx. Chi-Square	4932.917
	df	190
	Sig.	.000

According to Zikmund et al. (2013), a good factor analysis should have a minimum value of 0.6 on the KMO index, which has a range of 0 to 1. The KMO assesses the sample's appropriateness for analysis (Dash & Malhotra, 2010). In this study, KMO analysis revealed that the Kaiser–Meyer–Olkin measure of sampling adequacy value is 0.764, which falls into the range of being 'good', so it can be supposed that the sample size of this study is acceptable for conducting factor analysis. Bartlett's test has also been found to be highly significant ($p < 0.001$) and, therefore, factor analysis is appropriate. The significant value for this current study is 0.000 which is below 0.05. So, it is concluded that this research suitably meets the requirement of leading a factor analysis.

Table 6 Communalities of variances

S. No.	Items	Initial	Extraction
1.	The bank provides channels to enable ongoing two-way communication between customers and employees.	1.000	.883

https://www.nepjol.info/index.php/njmsr/index https://doi.org/10.53056/njmsr-2024.7.1.009

2.	The customers are kept informed about the latest benefits and offers regarding various products and services.	1.000	.928
3.	Bank always provides statements with accurate data.	1.000	.958
4.	The bank provides services to customers according to their business policy but not according to customer expectations.	1.000	.589
5.	The bank provides online services to reduce my service costs.	1.000	.945
6.	Bank helps me to reduce paperwork.	1.000	.909
7.	Bank uses the latest technology (ATMs, mobile banking, and internet banking) to offer quality services.	1.000	.971
8.	Transparency is visible in all banking activities provided by my bank.	1.000	.889
9.	My bank offers a variety of products according to customer needs.	1.000	.900
10.	My bank offers a variety of products according to understanding the needs of customers.	1.000	.788
11.	Banking services are provided by my bank at my place.	1.000	.815
12.	I feel secure while authorizing transactions with the bank.	1.000	.836
13.	I prefer this bank each time I make any financial transaction, as my preferred one.	1.000	.959
14.	The bank maintains the RBI norms fully.	1.000	.914
15.	I trust the know-how of this bank.	1.000	.902
16.	My bank is offering 24x7 hours of service.	1.000	.947
17.	My bank is offering me insurance advice.	1.000	.897
18.	My bank is providing me with proper investment guidance regularly.	1.000	.833
19.	My bank facilitates a wide acceptance of banking cards.	1.000	.920

https://doi.org/10.53056/njmsr-2024.7.1.009 https://www.nepjol.info/index.php/njmsr/index

20.	My bank provides innovative services to its customers.	1.000	.925

Extraction Method: Principal Component Analysis.

Table 7 Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1.	4.972	24.858	24.858	4.972	24.858	24.858	4.533	22.663	22.663
2.	3.913	19.564	44.422	3.913	19.564	44.422	3.622	18.110	40.773
3.	3.169	15.843	60.265	3.169	15.843	60.265	3.397	16.984	57.758
4.	2.720	13.600	73.865	2.720	13.600	73.865	2.913	14.564	72.321
5.	2.521	12.605	86.471	2.521	12.605	86.471	2.830	14.150	86.471
6.	.718	3.588	90.059						
7.	.406	2.029	92.089						
8.	.359	1.794	93.883						
9.	.352	1.760	95.643						
10.	.179	.893	96.536						
11.	.176	.879	97.415						
12.	.138	.689	98.104						
13.	.104	.518	98.622						
14.	.075	.375	98.997						
15.	.047	.234	99.231						
16.	.036	.182	99.413						
17.	.034	.171	99.583						
18.	.033	.163	99.747						
19.	.027	.135	99.882						
20.	.024	.118	100.000						

Extraction Method: Principal Component Analysis.

Table 8 Rotated Component Matrix[a]

Items	Component				
	1	2	3	4	5
CR1	.967				
CR5	.960				
CR4	.954				
CR2	.936				
CR3	.905				
CT2		.974			
CT3		.953			

https://www.nepjol.info/index.php/njmsr/index https://doi.org/10.53056/njmsr-2024.7.1.009

CT4		.946			
CT1		.903			
CV2			.947		
CV1			.936		
CV4			.891		
CV3			.885		
CK3				.931	
CK2				.920	
CK4				.829	
CK1				.685	
TO3					.983
TO1					.969
TO2					.945

Extraction Method: Principal Component Analysis.

Table 6 Communalities among measured items loaded on the factor analysis indicate that a minimum of 58%, and up to 97% of the variance in variables were explained by the extracted factors. This shows that the data set is appropriate and also indicates that there was no need to exclude any variable.

Table 8 The Eigenvalue measures the extent to which a factor accounts for the variance in the observable variables. Higher variance is explained by any factor with an Eigenvalue of ≥1 than by a single observed variable. The first factor will always be accountable for the greatest amount of variance, followed by the second factor, which will take care of any residual variance, and so on. Therefore, the total variance that each factor explains is outlined by five values. The proportion of the overall variance attributed to every factor. Principal Component Analysis, which considers the total variance in the data to identify the lowest number of factors that will account for the highest variance in the data, is one of the most commonly employed methods in exploratory factor analysis.

Table 9 Rotated Component Matrix

Customer Satisfaction	CS1	.925	3.574, 89.342 %
	CS2	.945	
	CS3	.951	
	CS4	.960	

https://doi.org/10.53056/njmsr-2024.7.1.009 https://www.nepjol.info/index.php/njmsr/index

Customer Satisfaction towards Customer Relationship Management is measured directly by customers' stated satisfaction using a 5-point Likert scale. The principal component analysis technique (Table 9) united the statements related to satisfaction in one factor which can be named 'Customer Satisfaction'. This factor explained 89.342 % of the variance with an Eigenvalue of 3.574. Satisfaction towards the outcome of the influencing factors of CRM practices in the selected banks represents a significant factor (Singh & Dhyani 2017). This factor includes influence, satisfaction with a consequence, and the value is impartial.

Extraction Variables

Customer Knowledge: To develop a positive and successful customer relationship, companies have to customise their procedures, goods, and services to the wants of their customers. This requires having an in-depth knowledge of their needs. In this way, the banking institutions obtain data and the knowledge required to forge closer bonds with their customers (Abdullah & Siddique 2017). They should put up the required procedures and systems to gather more details and insights on their customers' identities, behaviours, and financial status perspectives, as their current knowledge of them might not be sufficient. According to (Salojärvi, Saarenketo, & Puumalainen, 2013) Customer knowledge management is essential for every organization to collect, manage, and circulate important knowledge about customers.

Technology Orientation: Whenever talking about employing customer involvement to obtain a competitive advantage, technology is essential. CRM techniques enable companies to keep track of their consumer's needs and likes, which enables them to make a personalised offer (Saxena & Taneja, 2018).

Customer Value: CRM shows the consumers' overall perspective of the goods and services provided to them. The key to creating a plan to draw in and keep customers is understanding their value (Lakshmi et al. 2021). It enables it to be accessible to the banking sector to satisfy for the needs of its customers, which raises satisfaction among customers and encourages trust among customers. By developing relationships with customers, the banking sector may acquire an edge over its competitors. (Wang & others, 2004). Customer Trust: It is "one party's belief that its needs will be satisfied by activities undertaken by another party in the future according to Anderson and Weitz (1989)". From the perspective of banking, trust is critical to the growth of the customer-bank relationship (Hoq, Sultana, & Amin, 2010; Jan & Abdullah, 2014). Many researchers have regarded trust as the central paradigm in customer relationship management and repurchase purposes (Sirdeshmukh et al., 2002).

https://www.nepjol.info/index.php/njmsr/index https://doi.org/10.53056/njmsr-2024.7.1.009

Subsequently, Morgan and Hunt (1994) revealed trust as a critical implication to the studies dealing with the management of customers. They have underlined the significance of trust in the relational exchange since relationships considered by trust are highly appreciated by both parties.

Customer Retention: One of the most key steps of customer experience is customer retention. In the context of a saturated market and an increase in the number of new consumers, customer retention is becoming an essential managerial issue. Since it can develop better relationship economies - that is, the cost of retaining consumers is significantly less than that of acquiring new ones - it has been highlighted as a primary goal of relationship marketing. (Shaon & Rahman 2015).

Table 10 Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	.594[a]	.353	.329	.574
a. Predictors: (Constant), Customer trust, Customer retention, Customer knowledge, Technology orientation, Customer Value				

Regression analysis proposes to study the relationship between the dependent and independent variables based on a significance level of 5%. If the significance level is less than 0.05, the null hypothesis will be rejected, and the alternative one will be accepted. The regression rule states that alternative hypotheses (H1) will be accepted if the margin of error is less than 5%, while null hypotheses would be rejected in this rule.

https://doi.org/10.53056/njmsr-2024.7.1.009 https://www.nepjol.info/index.php/njmsr/index

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Std. Error	Beta			
β						
(Constant)					3.290	.000
.892						
.264						
1	Customer Knowledge	.356	.103	.347	3.345	.001
	Technology Orientation	-.326	.122	-.246	-2.760	.003
	Customer Value	.247	.107	.228	2.352	.012
	Customer Retention	.264	.126	.254	1.821	.007
	Customer Trust	.452	.115	.314	3.125	.000

A multiple regression analysis with satisfaction towards CRM Practices as the dependent variable and the five independent variables such as Customer Knowledge, Technology Orientation, Customer Value, Customer Retention, and Customer Trust have been listed below-

The result of linear regression analysis (Table 11) suggested that the correlation between predictor and consequence is positive with the value of R as .594, which indicates a good correlation between predictor and the consequence, i.e., between CRM factors and customer satisfaction. In model one, R is 0.594, which explains a 59.4 percent relationship between dependent and independent variables. R^2 for this model is 0.353, which means that 35.3 percent of variation can be explained by the independent variable. Adjusted R^2 (0.353) is significant at a 1 percent level of significance, which reveals that the model is satisfactory and suitable. Accordingly, in this study, there is a relationship between customer satisfaction and Customer Knowledge (0.001). Technology Orientation and Customer satisfaction have an association (0.003). (Venkatesh and Davis, 2000) customers with higher innovativeness assent new technology more positively. Customer satisfaction and Customer Value have a link (0.012). Customer Retention and Customer satisfaction have a connection (0.007). Customer Trust and Customer satisfaction have an association (0.000). Customer satisfaction is recognised to several extents stated in literature including observed value (Rego et al., 2013), vital needs fulfillment, effective response (Grissemann & Stokburger-Sauer; 2012;

https://www.nepjol.info/index.php/njmsr/index https://doi.org/10.53056/njmsr-2024.7.1.009

Kärnä, 2014), and prospects validation (Dehgan et al., 2012).

5. CONCLUSION AND IMPLICATION

Customer Relationship Management is an effective instrument in supporting and boosting services in the age of hyper competitive world. In banks, the requirement for CRM is higher because of this. As a consequence, significant efforts have been made to examine bank CRM practices. Any situation in which a customer meets services or products from direct interaction to practical observation is described as a customer interaction (Saxena & Taneja, 2018). The chosen parameters are used and developed from the current research being done in the banking sector. According to Parvatiyar and Sheth, 2001, Customer Relationship Management is an inclusive approach and procedure of acquiring, retaining, and associating with customers to create more value for the company and the customer. Examining the implications of the factor model on CRM practices is one of the study's objectives, which is achieved. The findings indicated that the Customer trust dimension strongly shapes the other dimensions to support the same construct. All of the assumed latent factors, however, show substantial outcomes and are very relevant. With twenty-four scale items, the CRM measurement six components construct is a valid model with key desirable. The same research can be done on selected banks which will help to compare the performance of one bank with the other. To keep an adequate amount of devoted consumers who might have been drawn in by mobile financial services, banks are advised to implement customer satisfaction-boosting campaigns like quality controls, appropriate access schemes, and mobile and online banking (Chiguvi & Guruwo). CRM should reflect an overall organizational approach, not just customer relationship management practices, accordingly that all employees become customer-oriented (Cavaliere et al. 2021). Further, the study focuses on extracting factors of CRM only on five dependent factors and one independent factor; future studies can also include other factors like customer information, acquisition, enhancement, loyalty, etc. The bank may ensure timely profitability with an extensive customer base by focusing on the customer value evaluation aspect, which leads to long-lasting relationships with customers.

https://doi.org/10.53056/njmsr-2024.7.1.009 https://www.nepjol.info/index.php/njmsr/index

5.1 Limitations of The Study

A couple of limitations related to the study, including the sample's specific selection from a group of areas, may have caused bias owing to the area's distinctive advantages both economically and geographically. Another limitation is the extremely low actual implementation of the relevant services, which reduces the likelihood of a network effect and public knowledge of these. One area of special interest for future research would be to try to expand all of the variables that were investigated in the study described above.

5.2 Acknowledgements

I would like to thank the University Grant Commission for the funding support in the pursuing my Ph.D. in the Department of Commerce, Mahatma Gandhi Central University, Motihari.

REFERENCES

Bajaj, P., Anwar, I., Yahya, A. T., & Saleem, I. (2023). Factors influencing adoption of IoT and its impact on CRM in banks: Examining the moderating role of gender, age, and bank ownership type. *Human Behavior and Emerging Technologies,* 1-15. https://doi.org/10.1155/2023/5571508.

Boussalem, A. (2022). Customer relationship management and the quality of banking services: Case study on Algerian Banking Sector. *Journal of Business and Trade Economics, 7,* 731-744.

Brown, S. A. (2000). *Customer relationship management: A strategic imperative in the world of e-business.* Toronto, Canada: John Wiley & Sons.

Chaudhari, V. M. (2020). Role of CRM in the Indian banking sector. *International Journal of Engineering and Management Research, 10(1)*. https://ssrn.com/abstract=3559989.

Gil-Gomez, H., Guerola-Navarro, V., Oltra-Badenes, R., & Lozano-Quilis, J. A. (2020). Customer relationship management: Digital transformation and sustainable business model innovation. *Economic Research-Ekonomska Istraživanja, 33(1),* 2733-2750. https://doi.org/10.1080/1331677X.2019.1676283.

Grissemann, U. S., & Stokburger-Sauer, N. E. (2012). Customer co-creation of travel services: The role of company support and customer satisfaction with the co-creation performance. *Tourism Management, 33(6),* 1483-1492. https://doi.org/10.1016/j.tourman.2012.02.002.

Hanaysha, J. R., & Mehmood, K. K. (2022). An exploration of the effect of customer relationship management on organizational performance in the banking sector. *International Journal of Customer Relationship Marketing and Management (IJCRMM), 13(1),* 1-16. https://doi.org/10.4018/IJCRMM.2022010101.

Haralayya, B. (2021). Importance of CRM in banking and financial sectors. *Journal of Advanced Research in Quality Control and Management, 6(1),* 8-9.

Ho, S. P. S., & Wong, A. (2023). The role of customer personality in premium banking services. *Journal of Financial Services Marketing, 28(2),* 285-305.

Hugar, S. S., & Vaz, N. H. (2010). A model for CRM implementation in Indian public sector banks. *International Journal of Business Innovation and Research, 4(1-2),* 143-162. https://doi.org/10.1504/IJBIR.2010.029544.

Kärnä, S. (2014). Analyzing customer satisfaction and quality in construction – The case of public and private customers. *Nordic Journal of Surveying and Real Estate Research, 2(1),* 112-116.

Migdadi, M. M. (2021). Knowledge management, customer relationship management, and innovation capabilities. *Journal of Business & Industrial Marketing, 36(1),* 111-124. https://doi.org/10.1108/JBIM-12-2019-0504.

Nguyen, N. D. K., & Ali, I. (2021). Implementation of cloud customer relationship management in banking sector: strategies, benefits and challenges. *International Journal of Electronics and Communication Engineering, 15(6),* 242-247.

Özkan, P., Süer, S., Keser, İ. K., & Kocakoç, İ. D. (2020). The effect of service quality and customer satisfaction on customer loyalty: The mediation of perceived value of services, corporate image, and corporate reputation. *International Journal of Bank Marketing, 38(2),* 384-405. https://doi.org/10.1108/IJBM-03-2019-0096.

Pakurár, M., Haddad, H., Nagy, J., Popp, J., & Oláh, J. (2019). The service quality dimensions that affect customer satisfaction in the Jordanian banking sector. *Sustainability, 11(4),* 1113. https://doi.org/10.3390/su11041113.

Parvatiyar, A., and Sheth, J. N. (2001). Customer relationship management: Emerging practice, process, and discipline. *Journal of Economic and Social research, 3(2),* 1-34.

Parvatiyar, A., & Sheth, J. N. (2001). Customer relationship management: Emerging practice, process, and discipline. *Journal of Economic and Social Research, 3(2),* 1-34.

Ramaj, A. (2021). Customer relationship management (CRM) in banking sector in Albania. *European Journal of Economics and Business Studies, 1(2).* https://doi.org/10.26417/ejes.v2i1.p136-143.

Rego, L. L., Morgan, N. A., & Fornell, C. (2013). Re-examining the market share–customer satisfaction relationship. *Journal of Marketing, 77(5),* 1-20. https://doi.org/10.1509/jm.09.0363.

Salojärvi, H., Saarenketo, S., & Puumalainen, K. (2013). How customer knowledge dissemination links to KAM. *Journal of Business and Industrial Marketing, 28(5),* 383–395. https://doi.org/10.1108/08858621311330236.

Saxena, N., & Taneja, M. (2018). A study on CRM effectiveness in public and private sector banks. *International Journal of Public Sector Performance Management, 4(1),* 45-56.

Soltani, Z., Zareie, B., Milani, F. S., & Navimipour, N. J. (2018). The impact of customer relationship management on organizational performance. *The Journal of High Technology Management Research, 29(2),* 237-246. https://doi.org/10.1016/j.hitech.2018.10.001.

Yapanto, L., Diah, A., Kankaew, K., Dewi, A., Dextre-Martinez, W., Kurniullah, A., & Villanueva-Benites, L. (2021). The effect of CRM on employee performance in banking industry. *Uncertain Supply Chain Management, 9(2),* 295-306.

Zineldin, M. (2005). Quality and customer relationship management (CRM) as a competitive strategy in the Swedish banking industry. *The TQM Magazine, 17(4),* 329–344. https://doi.org/10.1108/09544780310487749.