

THE INFLUENCE OF DEMOGRAPHIC VARIABLES OF BANK CUSTOMERS TOWARDS CRM

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ABSTRACT

CRM in the Banking sector is an important strategy which helps the bank to build long-lasting relationships with their customer and, which in turn increases the customer satisfaction. The growth and performance of banks not only depend on various products it launches, but also on how it is served to the customer. Keeping in view the customer satisfaction for an intellectually – intensive industry like banks, the current study is an attempt to find out the various factors that lead to the satisfaction of customers in the banking industry. Banks have realised that managing customer relationships is a very important factor for their success. The purpose of this study is to gain a better understanding of the benefits of CRM to customer and organising it in the banking industry. To justify the purpose a research questionnaire has been framed and data was collected with 1040 samples. Analysis was made by using various tools like ANOVA, t-test, Cross tabulation, Chi-square analysis and Cluster Analysis. The result reveals that there exists a significant and Positive relationship between demographic factors and Customer relationship services offered by the banks. The outcome model predicts the segmentation of Dominant factors.

KEYWORDS: CRM, Banking Services and Customer Satisfaction

INTRODUCTION

CRM means building an interdependent relationship with the customer in whom each relies on the other for business solutions and successes. From a bank's point of view, it is the management process or approach of acquiring, retaining and growing.

Customer Relationship Management is the establishment, development, maintenance and optimization of long-term mutually valuable relationships between consumers and the organizations. Successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organization's strategy, people, technology and business processes. At the heart of a perfect CRM strategy is the creation of mutual value for all the parties involved in the business process. It is about creating a sustainable competitive advantage by being the best at understanding, communicating, and delivering, and developing existing customer relationships in addition to creating and keeping new customers. Over the years, Indian banks have expanded to cover a large geographic & functional area to meet the developmental needs. They have been managing a world of information about customers - their profiles, location, etc. They have a close relationship with their customers and a good knowledge of their needs, requirements and cash positions. Though this offers them a unique advantage, they face a fundamental problem. During the period of planned economic development, the bank products were bought in India and not sold. What our banks, especially that in the public sector lack is the marketing attitude.

Customer-centricity also implies increasing investment in technology. Throughout much of the last decade, banks world-over have re-engineered their organizations to improve efficiency and move customers to lower cost, automated channels, such as ATMs and online banking. But this need not be the case. However, to maximize the value of this resource, our banks need to transform their branches from transaction processing centres into customer-centric service centres. This transformation would help them achieve bottom line business benefits by retaining the most profitable customers. Branches could also be used to inform and educate customers about other, more efficient channels, to advise on and sell new financial instruments like consumer loans, insurance products, mutual fund products, etc. There is a growing realization among Indian banks that it no longer pays to have a "transaction-based" operating model. There are active efforts to develop a relationship-oriented model of operations focusing on customer centric services. The biggest challenge our banks face today is to establish customer intimacy without which all other efforts towards operational excellence are meaningless. The banks need to ensure through their services that the customers come back to them. This is because a major chunk of income for most of the banks comes from existing customers, rather than from new customers. Customer relationship management (CRM) solutions, if implemented and integrated correctly, can help significantly in improving customer satisfaction levels.

NEED OF CRM IN THE BANKING INDUSTRY

A Relationship-Based Marketing Approach has the Following Benefits

- Over time, retail bank customers tend to increase their holding of the other products from across the range of financial products / services available.
- Long-term customers are more likely to become a referral source.
- The longer a relationship continues, the better a bank can understand the customer and his/her needs & preferences, and so greater the opportunity to tailor products and services and cross-sell the product / service range.
- Customers in long-term relationships are more comfortable with the service, the organization, methods and procedures. This helps reduce the operating cost and costs arising out of customer error.

Intense Competition

There is intense competition among the Private Sector Banks, Public Sector Banks and Foreign Banks and they are all taking steps to attract and retain the customers. New technologies, research facilities, globalization of services, the flood of new products and the concept of all the facilities under one roof to provide better customer service leading to customer delight.

Decline in Brand Loyalty

In the present scenario, brand loyalty is on decline. The customers are switching over frequently to avail the better facilities from other banks. Newer and superior products and services are being introduced continuously in the market. Thus, the banks have to upgrade their products, improve customer service and create bonds of trusts through proper care of customer needs and regular communications. With the help of CRM, strong customer loyalty and a good image for the organization can be developed.

Improved Customer Retention

In the intensely competitive banking industry, retention of existing customers is vital, which can be achieved

through the process of CRM. With increased number of banks, products and services and practically nil switching costs, customers are easily switching banks whenever they find better services and products. Banks are finding it tough to get new customers, and more importantly, retain existing customers. According to a research by Reichheld and Sasser in the Harvard Business Review, 5% increase in customer retention can increase profitability by 35% in banking business, 50% in insurance and brokerage, and 125% in the consumer credit card market. Therefore, banks are now stressing on retaining customers and increasing market share.

BANKING AND CRM

A greater focus on Customer Relationship Management (CRM) is the only way the banking industry can protect its market share and boost growth. A successful CRM strategy aims at understanding the needs of the customer and integrating them with the organization's strategy, people and technology and business process. Therefore, one of the best ways of launching a CRM initiative is to start with what the organization is doing now and working out what should be done to improve its interface with its customers. Then and only then, should it link to an IT solution. It does not happen simply by buying the software and installing it. For CRM to be truly effective, it requires a well-thought-out initiative involving strategy, people, technology, and processes.

Above all, it requires the realization that the CRM philosophy of doing business should be adopted incrementally with an iterative approach to learn at every stage of development. Most widely accepted classification of Customer Relationship Management (CRM) systems includes operational, analytical, and collaborative and e-CRM. While operational, collaborative, and e-CRM has received a significant interest among practitioners and scholars, but analytical CRM has been mostly neglected by them. The major function of analytical CRM is to support strategic customer information provision and customer knowledge acquisition to help achieve the final goal of CRM which is to enhance customer profitability. Customer profitability is the difference between revenue and costs.

Customer satisfaction means that customer needs, wishes and expectations are met or overcome during the product/service period, giving way to re-purchasing and customer loyalty (Anton, 1996: 23). In other words, "customer satisfaction is the assessment of the pre-purchasing expectations from the product, with the results reached after the act of purchasing" (Lemon et al, 2002: 1) Today the most important thing to do about the reduced customer satisfaction is the customer-centred practices adapted to each customer's needs and values. By treating different customers in different manners, firms can achieve customer loyalty (Tarhan, 2004: 77).

Customer loyalty is the long and uninterrupted retention of the relationship by offering service that meets and even goes beyond the customer needs (Acuner, 2001: 89). Customer loyalty is defined with consideration paid to the amount of buying for a given trademark. The level of loyalty is measured by the watching of the frequency of buying (Javalgi and Moberg, 1997: 165). To Clay and Maite (1999: 6), customer relationship management is a concept that aims at making long-term customer relationships and profitability, and this concept serves as a bridge between marketing strategies and information technologies.

To Kathleen (2000: 21), "customer relationship management is an enterprise strategy necessary to secure a proper, useful and consistent communication with each customer irrespective of the means of communication." To Odabaşı (2000: 3), "customer relationship management is a process by which to obtain enough information about the existing customers, use this information for incentive of the sales to be repeated, and enable a relationship that will be continuous." Cirik, (2001: 100): "Customer relationship management means following all the information about the customers through special software and seeing all that information with just one key at will."

Doug, (2002: 40): “Customer relationship management is a business strategy that allows the enterprise to follow its customers, revenues and expenses, also enabling it to focus on target market opportunities.” Demirel, (2003: 7): “Customer relationship management is a philosophy of working that should be extended to the whole of the firm.” Bozgeyik, (2005: 1): “Customer relationship management is a customer-based relationship management philosophy that enables the coordination and cooperation between all the departments, customers and business associates as a front office practice (marketing, selling and customer service) and back office practice (accounting, production and logistics).” The basic objective of the customer relationship management is to create customer loyalty. Besides, the objectives of customer relationship management can be listed as follows: to make the customer relationships profitable; to form and preserve long-term and profitable relationships with customers; to increase the productivity of the firm; to create differentiation; to meet the customer demands; to enable cost minimization and harmonious activities. (Ergunda, 2003: 2)

REVIEW OF LITERATURE

- **Anjana Grewal (2000)** in her article “winning strategies and processes for effective CRM in banking and financial services”, presented a case study on relationship management practices developed in a leading foreign bank in India in the early nineties. It was a practical paper and provided insight into what made it happen, the developed model outlined ten stages for effective customer relationship practices in financial services. These span across defining customer relationship, understanding transaction behaviour and business volumes for different customer. Developing a customer profitability model, creating the organization structure to support relationship management practices, developing training programs, relationship pricing, continuously evaluating the role of relationship managers with emerging technology are the new trends expected of the relationship role.
- **Choudhury K, Mukherjee A and Banerjee A (2001)** in their study “Relationship marketing strategies and customer perceived service quality-A study on Indian banks”, carried out an exploratory study in two private sector banks (prudential bank and Millenium bank) and two public sector banks (National bank and Century bank). The key facts of relationship management explored under this study included management of demand and supply, customer complaint management, monitoring of customer retention, relationship pricing and customizing of the relationship. The study revealed that both the private sector banks had more structured and comprehensive relationship strategies vis-a-vis the two public sector banks. The study concluded that the customer rated the two private sector banks better on the dimensions of competence, customer-orientedness and tangibles, but on the dimensions of convenience the customer rated the prudential bank the best, and the other 3 banks are poor.
- **Ramachandran K (2001)** made a study on “How CRM can be strengthened-Beyond the hype”. The purpose of the study was to highlight the reasons for the lack of success of the current CRM tools and review the strengths and weaknesses of the current approaches to CRM. The study suggested that since customer needs are dynamic, new dimensions have to be added to the set of CRM tools based on information technology.
- **Dr. S. T. Ramachandra (2002)** made a study on “CRM-Emerging strategies”. The main objective of the study was to develop a scale to measure the depth of relationship and stages of relationship development. Further, this study also attempted to identify effective and timely cross-selling and up-selling of the products and services. The study concluded that for laying the right foundation for a better CRM, the banks should be customer-centric and give importance to the retention of existing customer than acquiring new ones for it to promote cross-selling and repurchase of products.

- **Vishuprasad Nagadevara (2002)** presented an article on CRM using data mining case study of an Electrical Appliances company”. The strategy of using data mining technology to identify, categorize and segment the customer and profile them for a specifically targeted product and to cross-sell other products was demonstrated in this paper. In this study, demographic clustering was one of the commonly used tools for customer segmentation. A few of the clusters were analysed to demonstrate the appropriate strategies for acquisition of new customer as well as cross-selling. The objective was to use the characteristics of those customer segments to maximise the life-time value.
- **Werner J. Reinartz and V. Kumar (2003)** in their article on “The impact of customer relationship characteristics on profitable life-time durations” presented the following objectives to empirically measure life-time duration for non-contractual customer and tested the factors that affect customer profitable life-time duration and developed managerial implications for building and managerial profitable relationships. The outcome of the study stressed the relevance and importance of establishing customer relationship management capabilities. Customers are heterogeneous on an important life-time relationship. Under such condition an appropriate firm response should be made to develop customer relationship management capabilities, which will help such firms to establish competitive advantage in the market.
- **Alok Mittal, Jayant Son Walka and Akhilesh K. Mishra (2003)** together presented an article on “An exploratory study of CRM orientation among bank employees’?. The paper aimed at exploring the aspect of CRM orientation among bank employees of both public and private sector banks. The findings of the research highlighted that there is a need for improvement on some of the components of CRM, such as, customer communication, customer orientation, customer care and handling of complaints in both public and private sector banks. The aged employees in the public and private banks institutions need to improve CRM skills in order to compete with their younger counterparts.
- **Tapan, K. Panda (2003)** in his article “creating customer life-time value through effective CRM in financial services Industry”, has stressed the importance of CRM in financial services Industry. Customer data management gives clues about the probability of customer demand and the technology helps in tracking the characteristics and categorization of customer depending on their past behaviours. He concluded that with increased competition and customer moving very fast from one firm to another, it is essential to have an integrated CRM strategy across the whole organisation for generating higher customer life-time value.
- **M. L. Agarwal** in his paper “CRM & Cooperate Renaissance” described the concept and mechanics of CRM helps corporate renaissance in hard times and finally , recommended a time of action for an effective CRM implementation towards a quicker corporate renaissance. The paper also urged business schools of South Asia to incorporate CRM in their teaching curricula so that, business and academics can continue to stay relevant to each other.
- **V. V. Gopal (2004)** in his article “Retail Banks going the CRM way” observes that attracting the individuals, high net – worth and profitable customer is a key challenge to banks today .CRM can help the retail banks managers in facing this challenge. He has suggested that in order to derive the maximum benefit from CRM, banks must prepare their processes compatible to the CRM.
- **Rajeshwari Krishanan (2004)** in her article “Banking – CRM makes the difference” observes that customer relationship management can be helpful in customer identification, cross selling of products, customer acquisition

and retention. Operational CRM, which provides required information and analytical CRM, which traces activities and makes information more sensible are the two tools of CRM. CRM cell, portfolio of products, customer metrics & latest techniques are some of the requirements suggested by the author for effective implementation of CRM in Banks.

- **Koutouvalas and Siomkos (2006)** examined the following issues relating to customer satisfaction in Greek banks:
 - The factor shaping Greek banks customers' perception of service quality
 - Direct influence of perceptions on customer loyalty, customer perceptions and switching intentions among public and private bank customers

A sample of 200 customers was taken for the primary survey. The results of regression analysis showed that, there was a direct and positive correlation between perception of service quality and customer loyalty in the case of both private and the public sectors banks, significant relationship was recorded between demographic characteristic and perceived quality of both types of banks. Customers of both the banks were willing to express their complaints to bank employees. Thus, bank employees were the bank agents and were acting as the connecting link between banks and customers. Customer loyalty was related only to educational level since a higher educational level was related to an increased tendency for information search regarding competitive product\services\providers. Bank's promotional efforts, aimed at providing relevant information to the public might increase loyalty level. In such promotional efforts, the service quality and the reputation were the main areas to be emphasized.

- **Moutinho and Smith (2000)** emphasized that human and technology based delivery channels were greatly linked with the customers' perceptions of how these bank services were delivered to them and pointed out that these perceptual outcomes would affect the level of bank customer satisfaction, retention and switching.

CONCEPTUAL FRAMEWORK



Figure 1

The above conceptual framework explains the extent to which the customers are satisfied with the Customer Relationship Services rendered by banks.

OBJECTIVES

The Objectives with which the Study was Conducted are

- To evaluate the major influencing demographic factors towards CRM.
- To find out the relationship between demographic variables and CRM.
- To find out the significant association between demographic variables and customer relationship services rendered by banks.

RESEARCH METHODOLOGY

Respondents were asked to give opinion on different aspects of customer satisfaction towards the services provided by the banks on a five-point scale ranging from 'Strongly agree' to 'strongly disagree'. The analysis was conducted through the statistical package, SPSS 17.0 version. The bank has been offering various Banking services like Deposit oriented services, Infra-structure facilities, Value added services and Loan oriented services and in this study the level of customer satisfaction is identified and the extent to which the customers are loyal towards the bank and how the bank maintains the relationship with the customers is analysed. Convenient sampling method is used. The researchers have taken 1040 samples. This study was undertaken in four zones, namely, Chennai, Coimbatore, Salem and Trichy. This research study is a descriptive one. **Secondary data** was collected from magazines, journals and website, Published statistical resources, libraries, etc., The reliability of sample size is ensured through reliability analysis with the help of Cronbach's Alpha, with the score 0.741. Tools used for the analysis are ANOVA, t –test, Cross tabulation, Chi-square and Cluster Analysis.

The demographic profile of the bank customers, such as, Zone, Age, Gender, Marital Status, Education, Respondents Status in the family, Occupation, Religion and Monthly income have been presented below.

Table 1: Demographic Profile of the Bank Customers

Sl. No	Characteristics of Bank Customers	Private Sector (%)	Public Sector (%)	Total F	Total (%)
Zone					
1.	Chennai	5.38%	19.62%	260	25%
	Coimbatore	7.12%	17.88%	260	25%
	Salem	6.63%	18.37%	260	25%
	Trichy	9.71%	15.29%	260	25%
Age					
2.	Upto 20years	1.83%	4.62%	67	6.44%
	21-30 years	16.15%	38.94%	573	55.10%
	31-40 years	5.1%	13.46%	193	18.56%
	41-50 years	3.08%	8.08%	116	11.15%
	Above 50 years	2.69%	6.06%	91	8.75%
Gender					
3.	Male	16.54%	40.67%	595	57.21%
	Female	12.31%	30.48%	445	42.79%
Marital Status					
4.	Married	14.62%	32.21%	487	46.83%
	Unmarried	14.04%	37.12%	532	51.15%
Education					
5.	School	3.65%	10.38%	146	14.04%
	Graduate	14.71%	31.06%	476	45.77%
	Professional	9.62%	26.35%	374	35.96%
	Illiterate	0.48%	1.63%	22	2.12%
	Others	0.38%	1.73%	22	2.12%
Respondent Status in Family					
6.	Head of the family	8.08%	18.37%	275	26.44%
	Wife	6.15%	14.90%	219	21.06%
	Children	13.65%	34.81%	504	48.46%
	Others	0.96%	3.08%	42	4.04%
Occupation					
7.	Private	13.65%	28.65%	440	42.31%
	Govt	2.40%	9.33%	122	11.73%
	Business	5.29%	10.38%	163	15.67%
	Professional	4.33%	11.83%	168	16.15%
	Others	3.17%	10.93%	147	14.13%

		Religion			
8.	Hindu	21.92%	56.35%	814	78.27%
	Muslim	3.56%	8.17%	122	11.73%
	Christian	3.37%	6.63%	104	10.00%
		Monthly Income			
9.	Below Rs.10000	7.50%	22.50%	312	30.00%
	Rs.10001-20000	9.62%	20.29%	311	29.90%
	Rs.20001-Rs30000	4.52%	14.13%	194	18.65%
	Rs.30001-Rs.40000	4.62%	8.08%	132	12.69%
	Above Rs 40000	2.60%	6.15%	91	8.75%

Source: Primary data

It is found from the table that the bank customers are equally distributed among four Zones (25%). The respondents belong to the age group of 21-30 years (55.10%), Male gender(57.21%), Unmarried (51.15%), Children (48.46%)Educational level of graduate (45.77%), Occupation in Private (42.31%), belongs to the religion of Hindu(78.27%), and Monthly Income below Rs10,000(30.00%).

Thus demographic variables are the most popular bases for segmenting customer groups. One reason is that customer needs, wants, preferences and usage rates are often highly associated with demographic variables. Another is that demographic variables are easier to measure than other variables (Kotler and Armstrong, 1996, pp. 236-240).

Table 2: Customer Profile and Satisfaction towards Customer Relationship Services Provided by the Banks

Customer Profile		Range		Mean	SD	Mean %	F	P
		Min	Max					
1. Zone	Chennai	1	5	3.38	0.71	67.67	7.37	0.000
	Coimbatore	1	5	3.39	0.68	67.81		
	Salem	1	5	3.63	0.75	72.58		
	Trichy	2	5	3.44	0.59	68.71		
	Total	1	5	3.46	0.69	69.19		
2 Age	Up to 20 yrs	2	5	3.49	0.64	69.85	0.59	0.669
	21-30 yrs	1	5	3.46	0.69	69.19		
	31-40 yrs	1	5	3.43	0.73	68.58		
	41-50 yrs	1	5	3.42	0.67	68.42		
	Above 50 yrs	1	5	3.55	0.69	70.95		
Total	1	5	3.46	0.69	69.19			
3. Marital Status	Married	1	5	3.44	0.71	68.85	0.99	0.373
	Unmarried	1	5	3.47	0.68	69.35		
	Divorcee	2	5	3.65	0.58	73.02		
	Total	1	5	3.46	0.69	69.19		
4. Religion	Hindu	1	5	3.46	0.70	69.23	0.15	0.863
	Muslim	2	5	3.43	0.65	68.61		
	Christian	2	5	3.48	0.70	69.55		
	Total	1	5	3.46	0.69	69.19		
5. Educational Qualification	School	2	5	3.54	0.65	70.78	1.14	0.338
	Graduate	1	5	3.43	0.69	68.62		
	Professional	1	5	3.45	0.71	68.98		
	Illiterate	2	4	3.58	0.57	71.52		
	Others	2	4	3.61	0.61	72.27		
Total	1	5	3.46	0.69	69.19			
6. Occupation Status	Private	1	5	3.50	0.68	70.06	3.26	0.011
	Govt	1	5	3.31	0.77	66.23		
	Business	2	5	3.50	0.64	70.06		
	Professional	1	5	3.36	0.72	67.12		
	Others	2	5	3.52	0.64	70.43		
	Total	1	5	3.46	0.69	69.19		

Table 2: Contd.,

7. Monthly Income	Below Rs.10000	1	5	3.48	0.66	69.51	1.14	0.334
	Rs.10001-20000	1	5	3.39	0.70	67.82		
	Rs.20001- Rs 30000	1	5	3.50	0.70	70.02		
	Rs.30001-Rs.40000	1	5	3.49	0.74	69.77		
	Above Rs 40000	2	5	3.51	0.66	70.15		
	Total	1	5	3.46	0.69	69.19		

Source: Primary data

Thus, it is inferred from the above analysis that the Customers in Salem Zone have the maximum satisfaction (72.58%) towards Customer Relationship services provided by the banks. Regarding mean value of Age, maximum satisfaction was incurred by customers whose age is above 50 years (70.95%), With regard to Marital Status the mean% of divorcee is (70.32%). In case of Religion, respondents belonging to Christianity is (69.55%). By considering Occupational status, private and Business people were highly satisfied (70.06%) and in case of monthly income the income group between Rs 20,001- Rs 30,000 has the high score (70.02%). Further to test the significant difference between the mean score among the demographic variables, the ANOVA test is used and the result shows that zone and occupation status is significant, Since the P value is less than 0.05.

The Satisfaction level of Sector and Gender towards Customer relationship management services rendered by private sector and public sector banks were analysed to find whether there is any significant difference between them.

Table 3: Impact of Customer Profile on Sector and Gender

Customer Profile		Range		Mean	SD	Mean %	t	p
		Min	Max					
1. Sector	Private sector bank	2	5	3.58	0.66	71.60	3.60	0.000
	Public sector bank	1	5	3.41	0.70	68.21		
	Total	1	5	3.46	0.69	69.19		
2. Gender	Male	1	5	3.50	0.68	70.08	2.42	0.016
	Female	1	5	3.40	0.70	67.99		
	Total	1	5	3.46	0.69	69.19		

Source: Primary data

To test the significant difference in the mean value of sector and gender, t- test is used. The above table shows that there is a statistically significant difference between the mean of Customer satisfaction towards the customer relationship services rendered by private and public sector banks. The t- value, shows that the significant differences are apparent ($P < 0.05$). That is, there is a significant difference in the mean customer satisfaction with regard to sector ($t = 3.60$, mean = 0.70, $P = 0.000$) and gender ($t = 2.42$, mean = 3.40, $p = 0.016$) on Customer relationship services rendered by banks.

It shows that the mean value of Public sector bank is higher than the Private sector banks and in gender the mean value of female customers is higher than their male counter parts. With a view to find the degree of association between demographic profile of the respondents and satisfaction towards customer relationship services provided by the bank, a two-way table was prepared and the results are shown in the following table.

Table 4: Customer Profile and Level of Satisfaction towards the Customer Relationship Services Provided by Banks

Customer Profile		Satisfaction Level						Total
		Low		Medium		High		F
		F	%	F	%	F	%	
1. Zone	Chennai	26	10.00	138	53.08	96	36.92	260
	Coimbatore	32	12.31	142	54.62	86	33.08	260
	Salem	25	9.62	106	40.77	129	49.62	260
	Trichy	18	6.92	147	56.54	95	36.54	260
	Total	101	9.71	533	51.25	406	39.04	1,040

Table 4: Contd.,

2. Sector	Private sector bank	25	8.33	128	42.67	147	49.00	300
	Public sector bank	76	10.27	405	54.73	259	35.00	740
	Total	101	9.71	533	51.25	406	39.04	1,040
3. Age	Up to 20 yrs	5	7.46	32	47.76	30	44.78	67
	21-30 yrs	59	10.30	297	51.83	217	37.87	573
	31-40 yrs	21	10.88	96	49.74	76	39.38	193
	41-50 yrs	10	8.62	63	54.31	43	37.07	116
	Above 50 yrs	6	6.59	45	49.45	40	43.96	91
	Total	101	9.71	533	51.25	406	39.04	1,040
4. Gender	Male	52	8.74	298	50.08	245	41.18	595
	Female	49	11.01	235	52.81	161	36.18	445
	Total	101	9.71	533	51.25	406	39.04	1,040
5. Marital Status	Married	47	9.65	251	51.54	189	38.81	487
	Unmarried	53	9.96	272	51.13	207	38.91	532
	Divorcee	1	4.76	10	47.62	10	47.62	21
	Total	101	9.71	533	51.25	406	39.04	1,040
6. Religion	Hindu	80	9.83	412	50.61	322	39.56	814
	Muslim	10	8.20	67	54.92	45	36.89	122
	Christian	11	10.58	54	51.92	39	37.50	104
	Total	101	9.71	533	51.25	406	39.04	1,040
7. Education	School	10	6.85	75	51.37	61	41.78	146
	Graduate	54	11.34	242	50.84	180	37.82	476
	Professional	34	9.09	198	52.94	142	37.97	374
	Illiterate	1	4.55	9	40.91	12	54.55	22
	Others	2	9.09	9	40.91	11	50.00	22
	Total	101	9.71	533	51.25	406	39.04	1,040
8. Occupation	Private	42	9.55	210	47.73	188	42.73	440
	Government	16	13.11	68	55.74	38	31.15	122
	Business	12	7.36	93	57.06	58	35.58	163
	Professional	22	13.10	87	51.79	59	35.12	168
	Others	9	6.12	75	51.02	63	42.86	147
	Total	101	9.71	533	51.25	406	39.04	1,040
9. Monthly Income(in Rs)	Below10000	28	8.97	155	49.68	129	41.35	312
	10001-20000	36	11.58	170	54.66	105	33.76	311
	20001- 30000	16	8.25	99	51.03	79	40.72	194
	30001-40000	14	10.61	61	46.21	57	43.18	132
	Above 40000	7	7.69	48	52.75	36	39.56	91
	Total	101	9.71	533	51.25	406	39.04	1,040

Source: Primary data

It is found from the above table that the percentage of highest satisfaction towards zone was the highest (49.62%) among Salem zone respondents and Lowest (33.08%) in Coimbatore zone. The percentage of medium satisfaction towards zone was highest (56.54%) in Trichy zone respondent and lowest (40.77%) in Salem zone.

The percentage of the low level satisfaction was the highest (12.31%) among the Coimbatore zone respondent and the same was lowest (6.92%) among the Trichy zone respondents. It is followed by sector, Age, Gender, marital status, religion, education, occupation and monthly income.

The association between demographic variable of the bank customers, namely Zone, Sector, Age, Gender, Marital Status, Religion, Education, Occupation and Monthly Income and their Satisfaction towards Customer Relationship Services provided by the banks are described by Chi Square analysis

Table 5: Association between Demographic Variables and Customer Relationship Services Provided by the Banks

Factors	Chi-Square Value	'p'Value	S or NS
Zone	13.132	0.041*	Significant
Sector	12.52	0.002**	Highly Significant
Age	10.33	0.243	Not Significant
Gender	6.59	0.037*	Significant
Marital Status	15.472	0.017*	Significant
Religion	5.84	0.211	Not Significant
Education	16.193	0.043*	Significant
Occupation	17.253	0.028*	Significant
Monthly Income	18.061	0.006**	Highly Significant

* Significant at the 0.05 level (2-tailed)

** Significant at the 0.01 level (2-tailed) S-significant Ns- Not significant

The above table reveals the demographic variables towards the Customer relationship services rendered by the banks, Chi square values, P values and the level of significant. There is an association between the demographic variables and Customer relationship services rendered by the banks. Demographic Variables like Zone, Sector, Age, Gender, Marital Status, Religion, Education, Occupation and Monthly Income has association with Customer relationship services rendered by the banks like Warm reception, Cordial approach, Customer care and treatment, Face to face meeting with customer. It is found and concluded that the bank customers demographic variables has a significant influence on the Customer Relationship services provided by banks and has a positive association exists between these two variables.

Table 6: Cluster Wise Demographic Characteristic of Sampled Respondents

Profile of Customer		Cluster Number of Case				Total N
		1		2		
		N	%	N	%	
Zone	Chennai	150	57.69	110	42.31	260
	Coimbatore	152	58.46	108	41.54	260
	Salem	182	70.00	78	30.00	260
	Trichy	142	54.62	118	45.38	260
Sector	Private	196	65.33	104	34.67	300
	Public	430	58.11	310	41.89	740
Age	Up to 20 yrs	37	55.22	30	44.78	67
	21-30 yrs	354	61.78	219	38.22	573
	31-40 yrs	112	58.03	81	41.97	193
	41-50 yrs	64	55.17	52	44.83	116
	Above 50 yrs	59	64.84	32	35.16	91
Gender	Male	372	62.52	223	37.48	595
	Female	254	57.08	191	42.92	445
Marital status	Married	283	58.11	204	41.89	487
	Unmarried	329	61.84	203	38.16	532
	Divorcee	14	66.67	7	33.33	21
Monthly income	Below Rs.10000	201	64.42	111	35.58	312
	Rs.10001-20000	187	60.13	124	39.87	311
	Rs.20001- Rs 30000	109	56.19	85	43.81	194
	Rs.30001-Rs.40000	75	56.82	57	43.18	132
	Above Rs 40000	54	59.34	37	40.66	91
Educational qualification	School	97	66.44	49	33.56	146
	Graduate	283	59.45	193	40.55	476
	Professional	216	57.75	158	42.25	374
	Illiterate	13	59.09	9	40.91	22
	Others	17	77.27	5	22.73	22
Occupation	Private	282	64.09	158	35.91	440
	Govt	66	54.10	56	45.90	122
	Business	89	54.60	74	45.40	163
	Professional	93	55.36	75	44.64	168
	Others	96	65.31	51	34.69	147
Total		626	60.19	414	39.81	1,040

From the analysis it is evident that, the respondents are grouped in 2 heterogeneous groups/clusters. The first cluster segment was with 626 respondents and 2nd cluster with 414 respondents. In identifying the cluster segments with the demographic variables like Zone, Sector, Age, Gender, Marital status, Monthly income, Educational qualification and Occupation the respondent's level is high in the first cluster followed by II cluster. Overall, the effectiveness of various Customer Relationship services with reference to the demographic variables cluster I forms the dominance in the respondents whereas cluster II showed the least effect.

FINDINGS

- There is Significant relationship between Zone, Occupation status and customer satisfaction.
- It is found that Customer Relationship Services provided by banks has a positive association and there exists relationship between demographic factors and CRM.
- By considering the various demographic factors which influences the CRM, cluster I segment which includes includes Customer relationship services provided by the banks is considered to be dominant factor than the Cluster II segment.

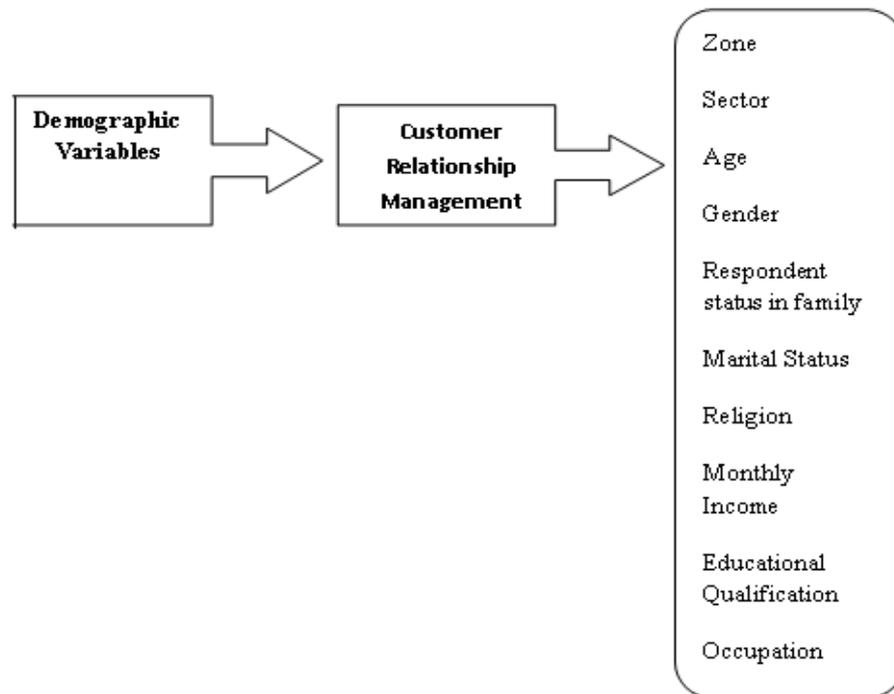


Figure 2: Outcome Model Dominant Factors

The outcome figure shows that all the ten demographic factors have highly dominant and effective towards CRM which is proved through cluster analysis.

CONCLUSIONS

Thus demographic variables towards customer relationship services provided by banks were tested and analysed through Chi square, t test, ANOVA, Two-way table and cluster analysis. These analyses were done to find out the association, significant mean difference and relationship of customer relationship services with demographic variables. There exists highly significant association between Sector and monthly income towards CRM. ANOVA has been employed to find out the relationship between zone and occupation has positive and significant relationship. Through cluster analysis the grouped respondents in each cluster are segregated based on their demographic characteristics and it is

evident and concluded that CRM which comes under cluster I, the respondent level is high in the first cluster than compare to cluster II. Thus it is concluded that all these 10 demographic factors are highly dominant and effective factors towards CRM. Companies with effective CRM solutions know who their customers are and they know how to service them. Without integrated data, none of this is possible. Customer relationships remain the foundation of any organization's ability to achieve significant gains in productivity, profitability and competitiveness. Meeting ongoing customer needs is only possible when organizations can provide the right information to the right people at the right time. CRM allows them to do just that.

SCOPE FOR FUTURE RESEARCH

- CRM strategy can be applied in

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