A Study on Customer Relationship Management in Central Cooperative Bank in Kanyakumari District

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Abstract

The Cooperative movement was introduced by the Prime Minister Pandit Jawaharlal Nehru to develop the standard of the people in the rural areas.The cooperative movement, which is the largest socio-economic movement in the world, has contributed significantly to the alleviation of poverty, creation of productive employment as well as the enhancement of social integration in the country. The cooperative movement in India, Particularly in Kanyakumari District, has taken deep roots in various sectors and is making a significant contribution towards economic development and social progress of the people. The cooperative sector is mainly concerned with agricultural credit, marketing of agricultural products and distribution of fertilizers and pesticides and other essential commodities. The satisfaction level of the respondents of cooperative bank is totally depending upon the services provided by a Cooperative Bank. Customer Relationship Management is really much more a human function than a technology implementation. Customer relationship management is the durable and the most effective approach in maintaining and creating relationship with customers. Once this personal and emotional relationship is built, it is very easy for any organization to identify the actual needs of customer and help them to serve them in a better way.

Keywords: Customer relationship management, Cooperative Bank, Banker, Customer, Agriculture, Credit

Introduction

Cooperative credit and banking institutions play an important role in meeting the growing credit needs of rural areas. The cooperative banks would be encouraged to concentrate more on non-farm sector activities with special reference to generation of employment and alternative sources of income. The cooperative Banks are also aimed to draw up programmers for poor people of rural areas such as small and marginal farmers, landless, SC/ST people and women. Cooperative Banking is retail and commercial banking organized on a cooperative basis. Today the cooperative banks are playing the vital role to render the service to common customer .Customer Relationship Management (CRM) is the combination of practices, strategies and technologies that use to manage and analyse customer interactions and data throughout the customer life cycle, with the goal of improving customer service relationships and assisting in customer retention and driving sales growth.

Banks have to come out with innovative measures to satisfy the need of the present customers, acquire new customers and at the same time adopt procedures to win back and retain lost customers with the development of information technology and internet, banks can aim at meeting the expectations of customers by adopting a strategy that is commonly known as Customer Relationship Management. Banks' customer relationship management system must capture customers taste, preference, behavior, living style, age, education, cultural background, physical , psychological characteristics and sensitivity , while differentiating customers by the value of criteria in to low and high value customers.

Objectives of the Study

1. To study the satisfaction of customers about the services rendered by Kanyakumari District Central Cooperative Bank
2. To assess the customer relationship management in Kanyakumari District Central Cooperative Credit Bank

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Statement of the Problem

Customer Relationship Management is a comprehensive approach that provides integration of every aspect of bank business with customers at various stages, such as marketing ,service through the integration of people, process and technology the generic constituents of customer relationship management.The success of CRM process depends on the active involvement of all managers and employees in the banking field a unique 'Relationship' exists between the customers and the bank. Providing service to customers has been identified as the prime responsibility of the Banks and therefore, Banks considered that CRM is the best tool to perform the job of rendering good services. The lack of understanding on Customer Relationship Management (CRM) is always a concern among the service providers especially banks. Banks have their own way of managing their relationships with the customers. The present study is an attempt to identify the Customer Relationship Management in Kanyakumari District Central Cooperative Bank

Need of the Study

CooperativeBanking sector has always been the focus of society due to its essential role in the finance world and the wellbeing of world's economy. Particularly in banking sector, the role of CRM is very vital in leading the banks towards high level and volume of profits. So there is a need to study the satisfaction of customers about the services rendered by cooperative bank and to assess the customer relationship management in Kanyakumari District Central Cooperative Bank.

Methodology and Tools

Sources of Data Collection

Primary data was collected through interview schedule. Structured Interview Schedule is the tool used for the study .The filled in schedule was edited and was subsequently coded and analyzed. The data was then presensed in tabular form, analyzed and interpreted. For analyse the level of satisfaction 20 statements were given in interview schedule.

Sampling Procedure

The respondents were selected on the basis of Proportionate Stratified random sampling. The sample size for the study is 100.

Tools Used for Analysis

The data has been tabulated and presented in percentages. Chi square test has been applied to measure the satisfaction and to measure the relationship between banker and customer a Likert type '5' point scaling technique was used.

Level of satisfaction as to the services rendered by the Kanyakumari district Central Cooperative Bank

Customer satisfaction cannot be limited to one short concept. Satisfaction is a word that summarizes the feelings of customers that they hold about their experiences with a Bank. Customer satisfaction is an essential part of every successful Bank, thus every bank strives to increase the level of satisfaction and improve business performance. Besides, customer satisfaction is not a concept that cannot be measured and managed. The following table shows the level of satisfaction as to the services rendered by the bank.

Table 1

Level of Satisfaction	No. of Respondents	Percentage
High(Score>60)	63	63.00
Low(Score<60)	37	37.00
Total	100	100.00

Source: Primary Data

The table 1 indicates that out of 100 respondents, 63 per cent of the respondents are having high level of satisfaction and 37 per cent of the total respondents are having low level of satisfaction about services rendered by the Central cooperative bank.

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Gender and Level of Satisfaction

Gender is one of the important determinants which decide the capacity of the people having relationship with the bank. The following table shows the relationship between gender wise classification and the level of satisfaction of the sample respondents

Table 2

Gender	Level of Satisfaction		Total
	High	**Low**	
Male	40(70.18%)	17(29.82%)	57(100.00%)
Female	23(53.49%)	20(46.51%)	43(100.00%)
Total	63	37	100
Degree of freedom: 1, x^2 = 2.9278, Table Value = 3.84			

Source: Primary Data

It is proposed to test the null hypothesis that there is no significant relationship between gender and their level of satisfaction. Chi-square test has been applied. The calculated value of X^2 (2.9278) is less than the table Value of X^2 (3.84) at 5 per cent of significance. Therefore, the hypothesis is accepted. It is concluded that the level of satisfaction is not associated with the gender group of respondents.

Marital Status and Level of Satisfaction

The cultural imperative of marriage is universal. In traditional societies, it acts as a status-giving device and it enlarges social responsibilities in the wider social network. The marriage status of a person reveals his/her responsibilities and hence his/her burdens. The marital status might have social and economic implications in their day-to-day work. Table shows the relationship between marital status of the sample respondents and the level of satisfaction of the sample respondents.

Table 3

Marital Status	Level of Satisfaction		Total
	High	Low	
Married	44(70.97%)	18(29.03%)	62(100.00%)
Unmarried	19(50.00%)	19(50.00%)	38(100.00%)
Total	63	37	100
Degree of freedom: 1, x^2 =4.4434, Table Value = 3.84			

Source: Primary Data

It is proposed to test the null hypothesis that there is no significant relationship between marital status and their level of satisfaction. Chi-square test has been applied. The calculated value of X^2 (4.4434) is more than the table Value of X^2 (3.84) at 5 per cent of significance. Therefore, the hypothesis is not accepted. It is concluded that the level of satisfaction is associated with the marital status of sample respondents.

Occupation and Level of Satisfaction

The nature of occupation has its impact on the social status. With the increasing participation in economic activities, the social status of the sample respondents also started changing resulting in up gradation of their position in society and particularly in the family. Table gives the relationship between occupational status of the sample respondents and the level of satisfaction of the sample respondents.

Table 4

Occupation	Level of Satisfaction		Total
	High	Low	
Employee	18(62.00%)	11(38.00%)	29(100.00%)
Business	15(65.00%)	08(35.00%)	23(100.00%)
Agriculture	24(73.00%)	09(27.00%)	33(100.00%)
Others	06(40.00%)	09(60.00%)	15(100.00%)
Total	63	37	100
Degree of freedom: 3, x^2 =4.8025, Table Value = 7.815			

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It is proposed to test the null hypothesis that there is no significant relationship between occupation and their level of satisfaction. Chi-square test has been applied. The calculated value of X^2 (4.8025) is less than the table Value of X^2 (7.815) at 5 per cent of significance. Therefore, the hypothesis is accepted. It is concluded that the level of satisfaction is not associated with the occupation of sample respondents.

Practices of customer relationship management about the services rendered by Kanyakumari District Central Cooperative Bank

A five point likert type scale was used to measure the relationship between banker and customer. The maximum score that assigned by a customer from all the 10 statements would be 10 and minimum score of 1. The respondents who scored below 50 were classified as having low level relationship and those who scored equal to and above 50 were classified as having high level relationship about the services rendered by Cooperative banking institutions.

Table 5

Level of Relationshiop	No. of Respondents	Percentage
High(Score>50)	53	53.00
Low(Score<50)	47	47.00
Total	100	100.00

Source: Primary Data

The table 5 indicates that out of 100 respondents, 53 per cent of the respondents are having high level of level relationship about the services rendered by Cooperative banking institutions and 47 per cent of the total respondents are having low level of level relationship about the services rendered by the Central cooperative bank.

Age and Level of Relationship between Banker and Customer

As a prelude to an analysis of the sample beneficiaries of the study area, age-distribution is measured. The age composition of the respondents also plays a dominant role in the level relationship about the services rendered by the cooperative bank. Table shows the different age groups of sample beneficiaries and the level of relationship between the banker and customer.

Table 6

Age Group	Level of Relationship		Total
	High	Low	
Young	19(73.00%)	07(27.00%)	26(100.00%)
Middle	26(51.00%)	25(49.00%)	51(100.00%)
Old	08(35.00%)	15(65.00%)	23(100.00%)
Total	53	47	100(100.00%)
Degree of freedom: 2 x^2 =7.3547, Table Value = 5.991			

Source: Primary Data

The age groups of the sample respondents are divided into three categories viz., young, middle, old age. Young (who is up to 25 years), Middle age(between 26 to 50 years), and Old age(Above 50 years). It is proposed to test the null hypothesis that there is no significant relationship between age and their customer relationship. Chi-square test has been applied. The calculated value of X^2 (7.3547) is more than the table Value of X^2 (5.991) at 5 per cent of significance. Therefore, the hypothesis is not accepted. It is concluded that the level of customer relationship is associated with the age group of sample respondents.

Income and Level of Relationship between Banker and Customer

Annual income plays an important role in determining the money invested in Central Cooperative Bank. When the annual income is fixed and regular, the installments can be remitted in time and hence, no chance for default. Table shows the different income groups of sample beneficiaries and the level of relationship between the banker and customer.

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Table 7

Income Group	Level of relationship		Total
	High	**Low**	
Low	33(50.00%)	33(50.00%)	66(100.00%)
Medium	15(54.00%)	13(46.00%)	28(100.00%)
High	05(83.00%)	01(17.00%)	06(100.00%)
Total	53	47	100
Degree of freedom: 2, x^2=2.4581, Table Value = 5.991			

Source: Primary Data

It is proposed to test the null hypothesis that there is no significant relationship between age and their customer relationship. Chi-square test has been applied. The calculated value of X^2 (2.4581) is more than the table Value of X^2 (5.991) at 5 per cent of significance. Therefore, the hypothesis is accepted. It is concluded that the level of customer relationship is not associated with the income group of sample respondents.

Findings and Suggestions

Out of 100 respondents, 63 per cent of the respondents are having high level of satisfaction and 37 per cent of the total respondents are having low level of satisfaction about services rendered by the cooperative bank. Hence, it is suggested the Central cooperative banker may take proper steps to improve the relationship between the bankers.

It is found that female respondents are having very low level of satisfaction about the services provided by the bank. Hence it is suggested that Central cooperative bank should give more importance to the female respondents also.

It is found that only low income group of sample respondents are having high level of satisfaction when compare to higher income group. Hence, it is suggested that Central cooperative bank may provide new schemes to improve the satisfaction of high income group.

Conclusion

Banking is an important sector to the developing countries economy. In KanyakumariDisrictCentral cooperative bank maximum number of customer are satisfied with the services rendered by it and the relationship between the banker and customer is also in a good phase. Customer relationship management is one of the great challenges for the banking sector, since the Customer satisfaction level in public sector is not satisfactory when compared with private banks. The co-operative banking sector suffering from various issues like deposits, saving accounts, government control and customers expectations towards the best services is very important. The competition is very tight. To survive all the way through the financial competition it is very important to have compulsory discipline about customers. Always focus on the customer centric approach. Try to identify the customers, create customers database and regular update data as per the need. It is very essential to create customer relations and maintain it for the all -time.CRM is always positive approach to help all organizations better to generate right results and right relations.

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