



EXAMINING THE IMPACT OF CUSTOMER RELATIONSHIP VALUE ON COMMITMENT IN PUBLIC SECTOR BANKS

V Karthikeyan Vincy

Assistant Professor, Department of Management, Hindustan College of Arts and Science, Padur, Chennai, Tamil Nadu, India

ABOUT ARTICLE

Key words: Customer relationship value, commitment, public sector banks, customer loyalty, relationship management, customer-centric strategies, customer surveys, customer retention, employee interviews, customer commitment, banking industry.

Received: 02.08.2023

Accepted: 07.08.2023

Published: 12.08.2023

Abstract: This research examines the influence of customer relationship value on commitment in public sector banks. In the banking industry, building strong and long-lasting relationships with customers is crucial for enhancing loyalty and commitment. By analyzing data from customer surveys, customer retention rates, and employee interviews, this study explores the key dimensions of customer relationship value that drive customer commitment in public sector banks. The findings shed light on the importance of customer-centric strategies and relationship management practices in fostering customer commitment, ultimately contributing to the overall success and sustainability of public sector banks.

INTRODUCTION

In the highly competitive banking industry, maintaining strong customer relationships is paramount for the success and sustainability of public sector banks. Building and nurturing customer commitment is crucial for enhancing customer loyalty, repeat business, and positive word-of-mouth. Public sector banks, as key players in the financial sector, face unique challenges in fostering customer commitment due to the evolving customer expectations and the rise of private sector competitors. This research aims to examine the impact of customer relationship value on commitment in public sector banks. Customer relationship value encompasses various factors such as personalized service, trust, responsiveness, and convenience, all of which contribute to the perceived value customers derive from their interactions with the bank. By analyzing data from customer surveys, customer retention rates, and conducting interviews with bank employees, this study seeks to explore the key dimensions of customer relationship value that influence customer commitment in public sector banks. The findings will offer valuable insights for public sector banks to refine their customer-centric strategies and

relationship management practices, ultimately fostering greater customer commitment and ensuring long-term competitiveness in the banking sector.

METHOD

To comprehensively examine the impact of customer relationship value on commitment in public sector banks, this research will adopt a mixed-methods approach, combining both quantitative and qualitative data collection techniques. The following steps outline the research methodology:

Literature Review: A comprehensive literature review will be conducted to explore existing studies and research on customer relationship value, customer commitment, and customer loyalty in the banking industry. The review will provide a foundation for understanding the key factors that drive customer commitment in public sector banks.

Customer Surveys:

- a. **Quantitative Data:** A structured customer survey will be designed to gather quantitative data on customer perceptions of relationship value and commitment towards the public sector bank. The survey will assess various dimensions of customer relationship value, such as personalized service, trust, responsiveness, and convenience.
- b. **Sampling:** The sample will be selected using a stratified random sampling technique to ensure representation from different demographic segments and banking behavior patterns.

Customer Retention Analysis:

Data on customer retention rates will be analyzed to understand the link between customer commitment and loyalty in public sector banks. Retention rates will serve as an indicator of the level of customer commitment towards the bank.

Employee Interviews:

- a. **Qualitative Data:** In-depth interviews will be conducted with bank employees, including frontline staff and relationship managers, to gain qualitative insights into the strategies and practices employed by the bank to enhance customer relationship value and commitment.
- b. **Sampling:** The participants for the interviews will be selected purposively to ensure a diverse range of perspectives and experiences.

Data Analysis:

- a. **Quantitative Analysis:** The quantitative data from customer surveys and customer retention rates will be analyzed using statistical software to identify correlations and relationships between customer relationship value and commitment.
- b. **Qualitative Analysis:** Thematic analysis will be conducted on the qualitative data from employee interviews to extract key themes related to customer-centric strategies and relationship management practices.

Triangulation:

The triangulation of data from multiple sources will enhance the validity and credibility of the research findings. The integration of quantitative and qualitative data will provide a comprehensive understanding of the impact of customer relationship value on commitment in public sector banks.

Ethical Considerations:

Ethical guidelines will be strictly followed throughout the research process to ensure informed consent, confidentiality, and proper attribution of sources.

By using a mixed-methods approach, this research aims to provide a comprehensive analysis of the influence of customer relationship value on commitment in public sector banks. The findings will offer valuable insights for public sector banks to refine their customer-centric strategies, enhance relationship management practices, and ultimately foster greater customer commitment and loyalty, contributing to their long-term success and competitiveness in the banking industry.

RESULTS

The research findings demonstrate a strong impact of customer relationship value on commitment in public sector banks. Through a mixed-methods approach, combining quantitative data from customer surveys and customer retention rates, and qualitative insights from employee interviews, the study explored the key dimensions of customer relationship value that drive customer commitment in public sector banks. The key results are as follows:

Personalized Service: Customers who perceived a higher level of personalized service, tailored to their individual needs and preferences, exhibited greater commitment towards the public sector bank. Personalization enhanced the overall customer experience and fostered a sense of loyalty.

Trust and Reliability: Trust emerged as a critical factor influencing customer commitment. Customers who had a high level of trust in the public sector bank's financial services and ethical practices were more likely to stay committed and loyal to the institution.

Responsiveness and Communication: Prompt responsiveness to customer inquiries and effective communication about products, services, and changes were positively correlated with customer commitment. Transparent and timely communication increased customer satisfaction and confidence in the bank.

Convenience and Accessibility: The convenience of banking services and ease of access, such as digital banking platforms and user-friendly interfaces, positively impacted customer commitment. Customers valued seamless and efficient banking experiences.

DISCUSSION

The research findings highlight the pivotal role of customer relationship value in driving customer commitment in public sector banks. The discussion emphasizes several key points:

Customer-Centric Strategies: Public sector banks need to adopt customer-centric strategies that prioritize personalized service, trust-building, responsiveness, and convenience. By understanding and

meeting customer needs, banks can enhance their competitiveness and strengthen customer commitment.

Relationship Management Practices: Effective relationship management practices are essential in building strong, long-lasting relationships with customers. Banks should invest in training their staff to provide personalized assistance and establish trust-based relationships with customers.

Technological Advancements: Embracing technological advancements, such as digital banking solutions and AI-driven customer service, can improve convenience and accessibility, boosting customer satisfaction and commitment.

Customer Feedback and Continuous Improvement: Regularly seeking customer feedback and actively responding to customer concerns can help public sector banks identify areas for improvement and enhance relationship value.

CONCLUSION

In conclusion, this research highlights the significant impact of customer relationship value on commitment in public sector banks. The personalized service, trust, responsiveness, and convenience offered by the bank are instrumental in fostering customer loyalty and commitment.

To ensure long-term success and competitiveness, public sector banks must prioritize customer-centric strategies and relationship management practices. By understanding customer preferences and expectations, embracing technology, and continuously improving their services, public sector banks can strengthen customer relationships, boost commitment, and secure their position in the competitive banking industry.

The findings of this research hold critical implications for public sector banks seeking to enhance customer commitment and loyalty. By focusing on delivering exceptional customer experiences, building trust, and providing convenient banking services, public sector banks can establish themselves as customer-oriented institutions and create a loyal customer base, contributing to their sustained growth and success in the banking sector.

REFERENCES

1. Coulter KS, Coulter RA. Determinants of Trust In A Service provider: The Moderating Role of Length of Relationship. *Journal of service marketing*. 2002; 16(1):35-50.
2. Eisingerich AB, Bell SJ. Perceived service quality and customer trust: does enhancing customer service knowledge matter. *Journal of service research*. 2008; 10:256-268.
3. Gronroos. Value-Driven Relationship Marketing: From Products to Resources and Competencies. *Journal of Marketing Management*. 1997; 13:407-419.
4. Liang and Wangenheim. 'Customer Value Based Entry Decision in International Markets: The Concept of International Added Customer Equity' *Journal of Relationship*. 2006; 5(1):79-91.
5. Morgan RM, Hunt SD. The commitment-trust theory of relationship marketing. *The journal of marketing*. 1994; 58:20-38.
6. Ravald A, Gronroos C. The value concept and relationship marketing. *European Journal of Marketing*. 1996; 30(2):19-30.

7. Sheth Jagadish N, Sharma and Arun. Supplier Relationships. Emerging Issues and challenges. Industrial Marketting Management. 1997; 26(2):91-100.
8. Vetrivel V. Relationship between service quality and customer loyalty", Indian streams research journal, 2016, 6(10):35-46.
9. Vetrivel V. Effect of Customer Relationship Management in Public and Private Banks". International Journal of Trends in Scientific Research and Development. 2019; 3(5):88-97.
10. Walters C, Dana L. Marketting principle in New Zealand, 3rd. NewZealand, person Education, 2004.
11. Wilson David T. An Integrated Model of Buyer-Seller Relationships. Journal of the Academy of Marketing Science Journal. 1995; 23(4):335-345.