IJFANS INTERNATIONAL JOURNAL OF FOOD AND NUTRITIONAL SCIENCES
ISSN PRINT 2319 1775 Online 2320 7876
Research Paper **© 2012 IJFANS. All Rights Reserved**, UGC CARE Listed (Group -I) Journal Volume 11, Iss 13, 2022

RELATIONSHIP MARKETING IN BANKING SECTOR – A COMPARISON BETWEEN PUBLIC AND PRIVATE BANKS

R. Arjun[1] and Dr. I. Sheeja[2]

[1]Ph.D. Research Scholar, Reg. No: 21213161011003, Department of Commerce, Scott Christian College (Autonomous), Nagercoil, Affiliated to Manonmaniam Sundaranar University, Tirunelveli, Tamilnadu, India.

[2]Assistant Professor, Department of Commerce, Scott Christian College (Autonomous), Nagercoil.Affiliated to Manonmaniam Sundaranar University, Tirunelveli, Tamilnadu, India.

ABSTRACT

Relationship marketing is a broad idea that is crucial for improved competition in the current day. Berry coined the phrase "relationship marketing" in 1983. Numerous studies and discussions on relationship marketing, as well as the difficulties and significant problems that service providers have in retaining their clientele, were later carried out. In order to comprehend the current state of relationship marketing in both public and private banks, this article aims to provide an overview of the impact of relationship marketing on the banking industry. The findings indicate that individuals interact with public banks the most because they are more reliable. Therefore, the private sector has to focus more on relationship quality strategies. However, our research indicates that both the public sector banks are more trustworthy and people deals most in public banks. Hence, private sector has to pay more attention towards the relationship quality tactics. But from our study it is concluded that both the sector pay equal attention and customers are equally satisfied from both the banks i.e. public and private.

Introduction

Every industry experiences numerous changes as a result of globalization. It also has a significant effect on the marketing industry. Today's consumers are better informed and have a wide range of alternatives thanks to technological advancements. Customers therefore go toward the best alternative and swap products and services to meet their wants. Businesses use a variety of strategies to keep customers loyal to their goods and services. Berry used the phrase "relationship marketing" in 1983 to describe service marketing. Adopting a relationship marketing approach has become crucial for businesses looking to grow and establish themselves in the modern marketing industry. The relationship marketing concept is used to describe the different marketing statics and helps the companies to settle down in competitive market.

Relationship marketing is crucial in the service sector, particularly in industries like banking that provide intricate and highly intangible services. Banks are regarded as the most crucial component of the nation's financial and economic growth. The prosperity of the nation depends on its banks, and the success of the banks depends on the loyalty and contentment of its customers, both of which are significantly influenced by the relationship marketing idea. Since their clientele is the foundation of the banking industry, they must focus more on improving customer satisfaction to keep their clients loyal. In the modern day, the idea of relationship marketing is crucial for this.

Review of Literature

Visalakshi & Kasilingam (2024) suggested that banks have to make changes in their current techniques and have to go with the flow of technology in order to easy and better understand and maintain the loyalty of customers towards their bank.

In 2024. Madan, Agrawal & Matta conducted the study and came to an end that private sector banks are more reliable in providing services because employees of private sector banks are more aware about the use of technology. So in order to maintain the customer loyalty towards them public sector banks has to give proper training to their employees.

Gummesson (2018) discuss about the number of problems and he suggested that proper awareness programs are to be needed for better understanding and implementation of relationship marketing concept.

Sivesan (2019) conducted the research between relationship marketing and customer loyalty and came to end that there is the positive relationship between customer loyalty and relationship marketing.

Sivesan & Achchuthan (2019) & Hasan (2019) conducted the research and culminated that there are some factors on which relationship marketing depends i.e. Trust, Communication, Conflict handling & Commitment.

Dash & Rajshekar (2019) came to an end that there are main five factors that affect the relationship marketing out of which there is lot of difference between the perception and expectations regarding the three factors i.e. communication, bonding & conflict handling. In like manner

Husnain & Akhtar (2019) found the four major factors (trust, commitment, communication &conflict handling) that had impact on customer loyalty.

In 2019, Garpasha, Zendeh & Iranzadeh conducted the study on Iranian bank and drew to an end that there are certain factors on which customer satisfaction depends and these factors have positive relationship with relationship marketing.

Furthermore, Chatterjee (2019) conducted the extensive literature review and came to an end that bank provide attention towards the customer satisfaction by focusing on the certain factors like trust, commitment , communication , social bonding & empathy.

Banna & Rahman (2020) came to an end that there are certain factors of relationship marketing on which customer loyalty depends.

Harun, Noor & Rahman (2019) conducted the study on the insurance sector and concluded that there are certain factors that affect the relationship marketing and helps in customer satisfaction.

Constantin (2009) studied about the impact of crisis on the insurance sector and he believed that there is obligatory or to set in rehearse avoid as possible to overcome from the bad effect of economic crisis. As believed that relationship marketing brings notable interest and this will increase in future with passage of time.

Areqia ,Mahrakani ,Zamil & Rumman (2019) conducted the analysis on the Jordanian Bank and drew to a close that bank employees have to pay more attention towards the customer satisfaction in order to promote relationship marketing.

Pebrianti, Tanwaria & Ahmadi (2021) conducted the analysis on the BCA Bank of Indonesia and concludes that customer involvement will leads to more satisfaction of the customer and helps in promoting relationship marketing.

Yadav, Singh (2018) culminated that relationship marketing and relationship quality act as the precursor of customer loyalty.

Leverin & Liljander (2006) believed that relationship marketing are more valuable for profit segment and bank managers would have to adopt better strategies for different segments.

Palmatier, Scheer, Evans & Arnold (2008) came to an end that relationship marketing helps in improving the financial outcomes along with the customers' satisfaction.

Agrawal & Matta (2015) culminated that relationship marketing gave way to the bank in order to make long term relation with customer and help in reducing the operation cost and make beneficial for the bank.

Weitz & Jap (2018) believed that we need to grow a better grip on concept of relationship marketing.

Relationship Marketing Variables considered

Trust - means the belief on honesty and ability of someone. According to Morgan and Hunt (1994) trust is the belief of one party for the fulfillment of their needs on another party by the action of another party.

Bonding - means the creation of a link between the two parties on the basis of experiences or interests'. Callaghan et al., (1995) ,A bonding is the dimension of business in which two parties work together and trust each other for fulfillment of their desired goals.

ISSN PRINT 2319 1775 Online 2320 7876
 UGC CARE Listed (Group -I) Journal Volume 11, Iss 13, 2022

Communication - means that exchanging of ideas and thoughts between the two persons. In the concept of relationship marketing communication means providing valuable information to the customer and keeping in touch with the customer in order to maintain the trust with them and providing recent solution to them if and problem occurs (Ndubisi,2007).

Satisfaction - Customer satisfaction is very important variable of relationship marketing in order to maintain the customer loyalty. Satisfaction basically means the fulfillment of one's needs. Loyalty and satisfaction are related the two sides of coins. According to Strauss & Corbin (1997) higher the satisfaction higher will be the customer loyalty.

Commitment - is the worth of being dedicated towards something. According to Morgan and Hunt (1994), Commitment is the important variable of relationship marketing tactics as it predicts the future purchase frequency and helps in maintaining and creating customer loyalty.

Loyalty -Customer loyalty is very important factor because now days everything is depended on the customer and companies profit is directly depend upon them. Customer loyalty is very wider term and many debates are going on in order to explain the customer loyalty. Jacoby & Kyner (1973) explained about the customer loyalty. They believed that customer loyalty is the behavioral response with respect to one or more alternative brands.

Research Methodology:

Data collection and Sampling

Using a prepared questionnaire, data for this study was gathered from clients of public and private sector banks in Tamilnadu and Kerala. Customers' information was gathered about how relationship marketing affected the banking industry's client loyalty. A five-point Likert scale, with 1 denoting "strongly disagree" and 5 denoting "strongly agree," was used to collect responses for each aspect. Google forms were used to disseminate the surveys to the participants. All 148 of the given questionnaires were fully completed and tallied. Since the surveys were only sent to clients who had regularly used the bank's services, the response rate was not a problem.

Profile of Respondents

Table 1: Socio Economic Profile of the respondents

	Category	**Frequency**	**Percentage (%)**
Gender	Male	63	42.36
	Female	85	57.43
	Total	148	100
Age	18-25	74	50
	26-35	36	24.32
	36-45	21	14.18
	45-above	17	11.48
	Total	148	100

ISSN PRINT 2319 1775 Online 2320 7876
 UGC CARE Listed (Group -I) Journal Volume 11, Iss 13, 2022

Educational Qualification	Senior Secondary	26	17.56
	Graduation	56	37.83
	Post Graduation	47	31.75
	Any other	19	12.83
	Total	148	100
Marital Status	Married	67	45.27
	Unmarried	81	54.72
	Total	14	100
Locality	Urban	70	47.29
	Semi Urban	45	30.40
	Rural	33	22.29
	Total	14	100
Bank	Public	92	62.16
	Private	56	37.83
	Total	148	100

Source: Primary Data

Measure

In this study the researcher took different factors that have impact on the customer satisfaction and customer loyalty. On the basis of the existing literature the dimensions of relationship marketing have been taken i.e. Bonding, Trust, Communication, Satisfaction, and Commitment.

Table 2: Reliability

Variance	Cronbach's alpha
Bonding	**0.903**
Trust	**0.887**
Communication	**0.731**
Satisfaction	**0.912**
Commitment	**0.849**
Loyalty	**0.892**

Analysis

In order to find out the impact of relationship marketing on customer loyalty in banking sector (both public and private banks) T-test was performed.

From the following analysis it was found that

Table 3: Analysis Results

Variance		Levends test for equality of variance	T-test for equality of means	95% of confidence

ISSN PRINT 2319 1775 Online 2320 7876
Research Paper © 2012 IJFANS. All Rights Reserved, UGC CARE Listed (Group -I) Journal Volume 11, Iss 13, 2022

									internal of difference	
		F	**Sig.**	**T**	**DE**	**Sig (2tailed)**	**Mean Difference**	**Std. Error Difference**	**Lower**	**Upper**
Bonding	Equal Variance Assumed	.099	.754	.050	146	.960	.0129	.2561	-.4941	.5199
	Equal variance Not Assumed			.049	47.20	.961	.0129	.2625	-.5152	.5410
Trust	Equal Variance Assumed	3.09	081	1..341	146	.-182	.3204	.2388	-.1525	.7933
	Equal Variance Not Assumed			1.160	40.07	.253	.3204	.2763	-.23801	.87887
Communi-cation	Equal Variance Assumed	.654	.063.	-.067	146	.947	-.0164	.2442	-.4999	.4671
	Equal Variance Not Assumed			-.063	44.654	.950	-.0164	.2599	-.5400	.5072
Satisfaction	Equal Variance	3.53	.063	.570	146	.570	.1490	.2613	-.3683	.6663

IJFANS INTERNATIONAL JOURNAL OF FOOD AND NUTRITIONAL SCIENCES
ISSN PRINT 2319 1775 Online 2320 7876
Research Paper UGC CARE Listed (Group -I) Journal Volume 11, Iss 13, 2022

	Assumed									
	Equal Variance Not Assumed			.475	38.54	.637	.1490	.3135	-.4858	.7834
Commitment	Equal Variance Assumed	1.54	2.17	.353	146	.717	.0931	.2567	-.4151	.6015
	Equal Variance Not Assumed			.319	40.84	.752	.0931	.292	-.4973	.6837
Loyalty	Equal Variance Assumed	2.46	.119	.447	146	.656	.1195	.2675	-.4101	.64933
	Equal Variance Not Assumed			.391	40.64	.698	.1195	.3059	-.4983	.7375

Source: Analysed Data

Bonding- Since the significant calculated value is 0.754 which is more than the 0.05. So, there is no significant difference of the bonding on the relationship between the employees and customers of public and private sector bank.

Trust- There is no significant difference of trust on the relationship between the employees and customers of public and private sector of bank because the significant calculated value i.e. 0.81 is more than 0.05.

Communication- Since the significant calculated value i.e. 0.420 is more than 0.05. So, there is no sufficient evidence to conclude that there is difference of communication between the employees and customers of public and private sector banks.

Satisfaction- As the calculated value is 0.63 which is more than 0.05. From this it is concluded that there is no significant difference of relationship between the employees and customers of public and private sector banks on the basis of satisfaction.

Commitment- Considering that there is no significant difference in the relationship between the employees and customers of public and private sector bank on the basis of commitment. Because the calculated value 0.217 is more than 0.05

Loyalty- there is no significant difference in the relationship between the employees and customers of public and private sector bank on the basis of loyalty as the calculated value is 0.119 which is more than 0.05.

Conclusion

Relationship marketing and techniques are crucial in the current environment as the marketing industry is now more focused on the needs of the consumer. Berry coined the phrase "relationship marketing" in 1983. The notion is the subject of extensive study, evaluations, and discussions, and its introduction and execution encounter several challenges in every market area. Every industry confronted several challenges, ranging from relationship marketing to transition marketing. We carried out the investigation to see how relationship marketing was doing in both public and private banks. Hence, there is no distinction in the relationship marketing status of public and private banks because both are equally capable of offering their clients high-quality services.

References

1. Mahrakani, N. J., Zamil, A. M., &Abu- Rumman, A. (2023). The role of strategies for promoting relations between banks and customers, and their impact on customer retention and the market share of Jordanian commercial banks. Academy of Accounting and Financial Studies Journal, 23(5), 1-10.
2. Rahman, N. (2020). Impact of relationship marketing on customer loyalty in banking sector of UK. Faculty Education and Business studies Department of business and economic studies.
3. Berry, L. L. (2019). Relationship marketing. Emerging perspectives on services marketing, 66(3), 33-47.
4. Callaghan, M., McPhail, J., and Yau, O.H.M. (1995). Dimensions of a Relationship Marketing Orientation. Proceedings of the Seventh Biannual World marketing Congress, Melbourne
5. Chatterjee, D. (2019). Impact of Relationship Marketing on Behavior of Bank Customers. International Journal of Marketing & Human Resource Management, 10(2), 13-22.
6. Chirica, C. (2019). Relationship marketing-best practice in the banking sector. Amphitheatre economic, 15(33), 288.
7. Constantin, C. (2021). The Role of Relationship Marketing On Insurance Market during the Crisis Periods. Management & Marketing-Craiova, (1).96-102.
8. Das (2018). Relationship marketing research, an academic literature review and classification. Marketing intelligence & planning, vol 27, no 3, 2009, pp 336-363.