

**A STUDY ON CUSTOMER RELATIONSHIP  
MANAGEMENT IN COMMERCIAL BANKS IN KERALA**

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## **DECLARATION**

I, Antony Joseph K., hereby declare that this thesis entitled **A Study on Customer Relationship Management in Commercial Banks in Kerala**, is a bonafide record of research work done by me during the course of my research and that the thesis has not previously formed the basis for the award to me of any degree, diploma, associateship, fellowship or other similar title or recognition.



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Certified that this thesis entitled **A Study on Customer Relationship Management in Commercial Banks in Kerala** is a record of bonafide research work done independently by Mr. Antony Joseph.K. under my guidance and supervision and that it has not previously formed the basis for the award of any degree, diploma, associateship or fellowship to him.

He is permitted to submit the thesis to the University.



Dr. Gabriel Simon Thattil  
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## **ABSTRACT**

Deregulation of financial services and advances in technology have combined to generate a level of competition and disintermediation that few in the Indian banking industry foresaw two decades ago. Managing the customer relationships with a view to ensure the retention of valuable customers became the key to ensure success in banking. Performance at the branch level and customer loyalty depends to a certain extent on the relationship management orientation of people at the bank branches. Managers with high mass banking orientation are found to have low customer relationship management orientation. Different bank groups differ in respect of customer relationship management orientation, relationship strength and the level of customer loyalty of banks in Kerala. Length of relationships with banks and the level of income of customers are found to be very important in deciding in the extent of customer relationship strength.

**Keywords:-** Customer relationship management, Customer relationship management orientation, Customer relationship management strength, loyalty.

## **PREFACE**

Customer relationship management has historical antecedents going back to the pre-industrial era. Retaining customers influencing repeat purchase, fostering trust and facilitating future marketing were the concerns of marketers in the pre-industrial era. Similarly during the early 1900s banks in India gave prime importance to customer relationships. But the nationalization of major banks and the emergence of social banking destroyed the relationship orientation in banking sector. Customer service quality declined considerably and hence the customer satisfaction became a rare case in banking.

Financial sector reforms initiated during 1990s created competitive environment in the banking sector of India. Emergence of new generation banks with IT enabled banking services and the fast transformation of regional banks created customer shift from public sector banks. This opened the eyes of bankers following bureaucratic style and they also realized the need for having a customer centric approach.

Customer relationship management is identified as a multi-dimensional construct comprising trust, bonding, communication, shared value and empathy. Relationship management orientation of branch level managers and relationship strength of customers were measured and it is established that all the components of CRM have significant influence on the customer loyalty. Customers with higher level of income and high relationship endurance have better relationship strength with their banks. The finding of the study, more the length of relationship better will be the relationship strength, customer loyalty and the readiness of the customers to express good word-of-mouth opinion about their banks, supporting the basic principle of CRM that, customer retention is the key to success in banks.

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