Customer Acquisition, Customer Satisfaction Through Implementation Of Customer Relationship Management In The Banking Sector - A Study

D. Durga

Assistant Professor, GRT Institute of Engineering and Technology, Tiruttani, Cum Research Scholar, Department of Commerce, Rabiammal Ahamed Maideen College for Women, Tiruvarur

Dr. G. T. Vijayalakshmi

Principal & Research Advisor in Commerce, Rabiammal Ahamed Maideen College for Women, Tiruvarur, Affiliated to Bharathidasan University, Tiruchirapalli, TamilNadu

Abstract: Banks play a significant role in the minds of customers and their operations play a vital role, which means banks have a lot of responsibilities to satisfy customers and retain them for a long time. Banks have to cater to customer needs. This study essentially focused to ascertain the concept of Customer acquisition and Customer satisfaction of customer relationship management, to identify the extent to which customer acquisition and customer satisfaction by the banking sector, to understand the Importance of Customer acquisition and Customer Satisfaction in the Banking sector. A literature study assesses the customer acquisition, customer satisfaction implementation of customer relationship management in the banking sector. The reliability test was conducted by using Cronbach's Alpha technique on all the variables of measurements with 0.70 and was accepted. The finding of the study clarifies that the attitude of the customers will affect the CRM. So the bank needs to maintain an extraordinary CRM. This is the better decision to satisfy the customers. According to the study, the customers have in the present scenario background of every banking industry; they have fulfilled customers' needs and wants as per their views and attitudes. This study clarifies that the satisfaction level of the customers will affect the CRM. So the bank needs to maintain an extraordinary CRM. This is the better decision to fulfil their needs and wants.

Keywords: Customer acquisition, Customer Satisfaction, Customer relationship management

I. INTRODUCTION

In the banking industry, understanding customer needs and meeting customer expectations is one of the biggest business challenges. Apart from providing valuable services to customers, banks should focus on maintaining long and good relationships with their customers. Over the years, the term "CRM" or "Customer Relationship Management" has been widely used in the business world. CRM refers to a complete set of processes for successfully handling customer interactions, including various aspects such as customer service, sales, and marketing. This is true for many different types of organizations, such as banking, where CRM is essential to foster positive customer relationships and increase profitability.

Acquiring new customers is very important for banks. In this intense economic climate, retaining current customers becomes essential to survive in this competitive industry. By using CRM, customers can be retained through improved consumer loyalty and devotion.

Although important, banks face many challenges in serving their customers on a day-to-day basis. If banks fail to meet service standards and customer expectations, banks lose their customers. Also, they may share their bad experiences with their friends and family.

Client's and bank employees' attitudes, responses, or behaviours regarding their jobs. An employee's understanding

International Journal of Innovative Research and Advanced Studies (IJIRAS)
Volume 12 Issue 7 (Special Issue), July 2025, Website: www.ijiras.com

ISSN: 2394-4404

of banking operations, policies, products, and services will be determined by how well-versed in these areas they are, as well as how easily they can be remembered and used. Two-way communication at a bank refers to correspondence between clients and bank management as well as vice versa (Chantal Rootman et al., 2007). The development is not fully explained by the customer relationship management strategies, and especially the CRM phases, of banks (Hui-I Yao and Kok Wei Khong, 2011).

OBJECTIVES OF THE STUDY

The main objective of this study is to investigate the customer acquisition customer satisfaction through application of customer relationship management in the banking Sector to achieve the following results:

✓ To ascertain the concept of Customer acquisition and Customer satisfaction of customer relationship management.
✓ To identify the extent to which customer acquisition and customer satisfaction by the banking sector.
✓ To understand the Importance of Customer acquisition and Customer Satisfaction in the Banking sector.

STATEMENT OF THE PROBLEM

In the banking industry, customer acquisition and customer satisfaction are critical factors for sustained growth and success. However, the industry faces challenges in effectively acquiring new customers and ensuring high satisfaction among existing ones. Addressing these challenges requires a comprehensive strategy that includes marketing, technology, and customer service and compliance efforts. By focusing on customer acquisition and satisfaction, banks can develop long-term relationships and sustain growth in a changing banking industry.

II. REVIEW OF LITERATURE

Mornay Roberts-Lombard (2011) the researcher Customer retention through customer relationship management: The exploration of two-way communication and conflict handling here main variables inspected which means customer relationship management (CRM), two-way communication, conflict handling, and customer retention. Researchers gathered data by using primary and sample size of 254 customers who replied to the researcher's questions. Data were factor analysed, one independent variable conflict handling exerted a statistically significant positive influence on the intervening variable (CRM), while two way communications exerted a statically significant negative influence on the intervening variable.

Hui-I Yao Kok Wei Khong (2011) he examined Effectiveness of Customer Relationship Management on Customer Satisfaction in the Commercial Banks of Taiwan and it was published in contemporary management research. This study involved different key factors regarding the CRM, commercial banks, customer satisfaction, organisational characteristics and Eigen value. In this study primary data was collected from 31 general managers of commercial banks of Taiwan through a questionnaire. It was found that the implementation of CRM is positively associated with customer satisfaction and also there is a significant interaction between IT capability and both contact rate management and recovery management in the context of improving customer satisfaction.

Riyad Eid (2013), the study focused on a successful CRM implementation in Banks: An integrated model. The sample size of the study 159 and the study found a substantial positive effect of the CRM usage on relationships effectiveness and marketing objectives and also acquiring a better understanding of existing customers allows companies to interact, respond, and communicate more effectively to significantly improve retention rates.

Dr- Abdullah Mohammad Al-Hersh (2014), he analysed the Impact of Customer Relationship Marketing on Customer Satisfaction of the Arab Bank Services. Major Key variables defined like Customer Relationship, Customer Satisfaction, and Bank Services. In this study descriptive and analytical study analysed to bring output. It involves both primary data collection and the use of secondary data. By using Cronbach Alpha coefficient which found out the instrument validity, meanwhile valid data of 151 questionnaires were gathered from the respondents. The findings show medium to high degrees of positive attributes of the two samples toward customer relationship marketing dimensions.

Dr. Zakaria Ahmad Mohmmad Azzam (2014), the researcher examined the impact of customer relationship management on customer satisfaction in the banking industry - A case of Jordan. In this article researchers studied various key variables such as CRM, Customer Satisfaction, Banking Industry, Services Marketing, Jordan. Here researchers utilized primary data and secondary data to collect data from the 526 respondents. Some of the statistical tools were used which means Cronbanch's Alpha Regression Analysis, and ultimately the researcher found that the respondents were mainly focused on customers of Arab bank, Jordan Islamic bank, international Arab Islamic Bank, Cairo, Amman Bank, Housing bank, and Kuwait, Jordan bank, operating in Amman city the Capital of Jordan.

Noopur Saxena Mayur Taneja (2018) A study analysed on CRM effectiveness in public and private sector banks, and which was published in the article of Int. J. Public Sector Performance Management, The researcher used main key variables that is customer experiences; organisational commitment; customer Satisfaction; process-driven approach; technology orientation; customer relationship management; public and private banks. Here through primary and secondary data taken for data collection and data were collected from 166 respondents by using factor analysis. The researcher found that the greater number of people has accounts in public sector banks. People prefer to go to public banks because they consider it more reliable and process oriented and the major trust factor in public banks is transparency of interest rate policies. The customer receives value-added information,

SMS/call alerts for new offers, guarantees against service failures, etc. *Zainurrafiqi, EkoGanisSukoharsono, Djamhur Hamid* in their study focused on the effect of customer relationship management (CRM) on customer satisfaction and its impact towards customer loyalty. Major key variables determined such as customer relationship management, customer satisfaction and customer Loyalty. the researcher study was conducted only at BRI bank in university of Brawijaya and data gathered from 99 respondents with the help of slovin formula. Here purposive sampling technique used and descriptive analysis and inferential statistical analysis were developed in path analysis. *Mayur Taneja 2018,* The population of this study is bank customers in Delhi. Non probability convenience sampling method has been used. The sample size is 166 respondents. Questionnaire is used for the purpose of data collection. This study examines customer perceptions towards CRM; future study can investigate employee perceptions towards CRM and its impact on business performance. Secondly, the study focuses on banks only, future research can replicate this study in other sectors also like education, tourism, hospitality, etc. Thirdly, the same research can be done on selected banks which will help to compare the performance of one bank with the other. Fourthly, the study focuses on customer satisfaction only; future study can also study other factors like trust, relationship quality, etc.

III. METHODS

This study is descriptive in nature and uses both primary and secondary data used for this study. The primary data collected from the customers of the banks in Nagapattinam District. It was collected through structured questionnaires with demographic information, customer acquisition and customer satisfaction. Nearly 5 scaling options were utilised to collect the data from the customers with the help of 150 sample sizes. A snow ball sampling method was used to collect the data from the customers. All the data collected through questionnaires. Some of the statistical tools utilised that is the percentage analysis, T test and correlations were utilised. In demographic details the majority of the respondents.

A. DEMOGRAPHIC CHARACTERISTICS

Most of the respondents were from females with 82 respondents (54.7%) and males with 68 respondents (45.3%). Respondents were below 20 years, 6 respondents (4.0%), 52 respondents (34.7%) were between 21 - 30 years, 35 respondents (23.3%) were between 31 - 40 years, 38 respondents (25.3%) were between 41 - 50 years of age and 19 respondents (12.7%) were above 51 years of age groups.

IV. RESULTS AND DISCUSSION

Hypothesis I: Opinions of the customer regarding statements on Customer attitude are equal to average level.

Statements for Customer Attitude	Mean	SD	T value	P value
Bank maintains database of existing customers	4.17	0.775	18.542	<0.001*
Bank does not misuse customer database	4.22	0.842	17.737	<0.001*
Bank offers competitive interest on deposits	4.07	0.715	18.383	<0.001*
Quality of products and services to the customers	4.21	0.745	19.850	<0.001*
Bank employees are friendly in nature	4.11	0.860	15.754	<0.001*
Banks maintain pleasant environment	4.07	0.898	14.636	<0.001*
Bank solves customer problems quickly	4.14	0.777	17.959	<0.001*

Source: Computed data of the researcher
Note: *Significance at 5% Level
Table 1: The t test for specified value (Average – 3) of statements On Customer Attitude

From table 1, we find that the p value leads to the rejection of null hypothesis at 5% level with respect to all the statements of Customers attitude since the p value is less than 0.05. This study clarifies that the attitude of the customers will affect the CRM. So the bank needs to maintain an extraordinary CRM. This is the better decision to satisfy the customers. According to the study, the customers have in the present scenario background of every banking industry, they have fulfilled customers' needs and wants as per their views and attitudes so banks can acquire many customers from the many sources.

Hypothesis II: Opinions of the customer regarding statements on Customer satisfaction are equal to average level.

Customer Satisfaction	Mean	SD	T value	P value
Bank announces new schemes	4.04	0.810	15.725	<0.001*
Bank maintains nominal service charges	4.01	0.786	15.796	<0.001*
Bank provides user-friendly websites	4.09	0.838	15.975	<0.001*
The bank provides physical facilities	4.00	0.769	15.937	<0.001*
Maintains stock of bank forms	4.07	0.769	17.087	<0.001*
Bank provides convenient parking	4.03	0.709	17.858	<0.001*

International Journal of Innovative Research and Advanced Studies (IJIRAS)
Volume 12 Issue 7 (Special Issue), July 2025, Website: www.ijiras.com

ISSN: 2394-4404

facility				
Bank provides transparent services to you	4.14	0.883	15.820	<0.001*

Source: Computed data of the researcher

Note: *Significance at 5% Level

Table 2: The t test for specified value (average – 3) of statements For customer satisfaction

From table 2, we find that the p value leads to the rejection of the null hypothesis at 5% level with respect to all the statements of Customer satisfaction since the p value is less than 0.05. This study clarifies that the satisfaction level of the customers will affect the CRM. So, a bank needs to maintain an extraordinary CRM. This is the better decision to fulfill their needs and wants.

Hypothesis III: There is no significant between Male and Female with respect to Factors of Customer's Attitude of CRM in Banks

Factors of customer Attitude	Gender				t value	P value
	Male		Female			
	Mean	SD	Mean	SD		
Bank maintains database of existing customers	4.21	0.873	4.15	0.687	0.467	0.641
Bank does not misuse customer database	4.09	0.893	4.33	0.787	1.757	0.081
Bank offers competitive interest on deposits	4.10	0.672	4.05	0.752	0.461	0.646
Quality of products and services to the customers	4.09	0.805	4.30	0.679	1.787	0.076
Bank employees are friendly in nature	4.12	0.820	4.10	0.897	0.142	0.887
Banks maintain pleasant environment	3.99	0.889	4.15	0.904	1.094	0.276
Bank solves customer problems quickly	4.06	0.879	4.21	0.680	1.166	0.246

Source: Computed data of the researcher

Note: *Significance at 5% Level

Table 4: t test for significant difference between Male and Female with respect to factors of Customer's Attitude of Customer relationship management

There is no significance difference between Male and Female customers with regard to Bank maintains database of existing customers to attract new customers, Bank does not misuse customer database, Bank offers competitive interest on deposits to attract customers, The bank provides quality of products and services to the customers, Bank employees are friendly in nature to use their services, Banks maintain pleasant environment to attract customers and Bank solves

customer problems quickly. Since the P value is greater than 0.05. Hence the null hypothesis is accepted at 5% level with regard to CA1, CA2, CA3, CA4, CA5, CA6, and CA7.

Construct	Cronbach's Alpha
Bank maintains database of existing customers	0.734
Bank does not misuse customer database	0.724
Bank offers competitive interest on deposits	0.744
The bank provides quality of products and services	0.734
Bank employees are friendly in nature	0.722
Banks maintain pleasant environment	0.733
Bank solves customer problems quickly	0.725
Bank announces new schemes	0.731
Bank maintains nominal service charges	0.723
Bank provides user-friendly websites	0.738
The bank provides excellent physical facilities	0.722
Maintains stock of bank forms	0.729
Bank provides convenient parking facility	0.723
Bank provides transparent services to you	0.730

Table 5: Reliability Statistics

The reliability of the tool for data collection was tested by using Cronbach's alpha. The tool was found to have Cronbach's alpha above the detail of 0.70 and it was accepted for further study as a measurement scale which was stable and valid for further study.

V. IMPLICATIONS

This study mainly focused on customer acquisition, customer satisfaction through implementation of CRM in the banking sector. in this identified some of the valid points that the customer required transparent services and needed to maintain the database of the customer details very confidential to avoid hacking of the amount from the customer's account. Banks shall announce frequent schemes and may collect charges for their services. They update and maintain the user-friendly websites to share the day to day communication online immediately that surely attract the customers, doubt clarification incurred in all the time not only for potential and other also useful to satisfy in all the way. Customers' expectations are fulfilled in every situation by offering convenient parking facilities, physical facilities of electronic ATM services of ATM, online banking, mobile banking, telephone banking. Banks must focus on financial benefits of customers, which means minimum rate of interest for loan and may think of maintenance of knowledgeable staff, their appearance and word of mouth is one of the crucial roles of banks.

VI. CONCLUSION

This study shows the importance of customer relationship management in the banking sector, however banks are trying to increase the customer acquisition and customer satisfaction to increase the profit which will maintain the customer to come again and again to use the banks product and services and that definitely improve the customer acquisition and customer satisfaction. Customer acquisition and customer delight some require additional services so that they can focus on core processes and deliver excellence and value to their customers. Ultimately banks need to focus by increasing the products and services for the potential customer that may attract not only potential customers but also others too, which is helpful to the national economic stability.

VII. LIMITATIONS AND FUTURE RESEARCH

This study was conducted only from Nagapattinam District and a structured questionnaire was framed to collect the data, but most of the candidates are not comfortable with online questionnaires. In this study researchers recommend that if the study covered entire banks of the specified region and needs to focus all the educational background candidates then only it would be realistic and enhance the reliability among the groups. And when we covered all the classes of people i.e., lower, middle, and upper class clients that really give the accuracy of the customer relationship management regarding the customer acquisition and tell us the exact feel of customer satisfaction then in fact that to enrich the banks services among the customers.

REFERENCES

[1] Chantal Rootmanet al, (2007), Variables influencing the customer relationship management of banks. Journal of financial services marketing, 13(1), 52 - 62.

[2] Hui-I Yao &Kok Wei Khong (2011), Effectiveness of Customer Relationship Management on Customer Satisfaction in the Commercial Banks of Taiwan. Contemporary Management Research, 7(2), 105 - 116.

[3] Chun-Chu Liuel al (2012), A study of the impact of the e-CRM perspective on customer satisfaction and customer Loyalty-Exemplified by Bank Sinopac. Journal of Economics and Behavioural studies, 4 (8), 467-476.

[4] Dr. Zakaria Ahmad Mohmmad Azzam (2014), The Impact of Customer Relationship Management on Customer Satisfaction in the Banking Industry –A Case of Jordan, European Journal of Business and Management, 6(32), 99 – 112.

[5] Dr- Abdullah Mohammad Al-Hersh et al, The Impact of Customer Relationship Marketing on Customer Satisfaction of the Arab Bank Services, International Journal of Academic Research in Business and Social Sciences, 4(5), 67-100.

[6] Faraj Mazyed Faraj Aldaihani et al, Impact of Social Customer Relationship Management on Customer Retention of Islamic Banks in Kuwait: The Mediating Role of Customer Empowerment, International Journal of Supply Chain Management, 9(1), 330-337.

[7] Hui-I Yao and Kok Wei Khong, Effectiveness of Customer Relationship Management on Customer Satisfaction in the Commercial Banks of Taiwan, Contemporary Management Research, 7(2), 105 -116.

[8] Riyad Eid (2013), Towards a Successful CRM Implementation in Banks: An Integrated Model, the Service Industries Journal, 27(8), 1021–1039.

[9] Noopur Saxena and Mayur Taneja (2018), A study on CRM effectiveness in public and private sector banks, Int. J. Public Sector Performance Management, 4(1), 45-56.

[10] Mornay Roberts-Lombard (2011), Customer retention through customer relationship

[11] Management: The exploration of two-way communication and conflict handling, African Journal of Business Management, 5 (9), 3487-3496.

[12] Samer Alhawari (2012), Evaluating Customer Process to Contribute to Customer Acquisition: A Quantitative Study in Jordanian Banking Sector, IBIMA Business Review, 2012 (2012), Article ID 382039.