

# EVALUATION OF CUSTOMER RELATIONSHIP MANAGEMENT IN R.B.B. BANK LTD, NEPAL.

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## Abstract

In the modern 21<sup>st</sup> century we cannot think about a world without banks. They have rightly been called the lifelines of a country's economy. A country's financial strength and attractiveness to investors is measured by the health of its banking sector. They provide us with the essential component of security, saving and legality of our hard earned money. The advent of technology has further hardened our belief of banks and lead to the success of this institution. This has lead the propping of a large number of banks with little or very little success. As the customer has been exposed to a globalized world he as come to know about the services being offered in this sector.

Due to this exposure and availability of variety, the customer has the power of choice. So every bank wants to attract new customer in addition to retaining his already existing ones. . There is a tough competition by banks to achieve this. And this is being achieved by the powerful tool of CUSTOMER RELATIONSHIP MANAGEMENT. CRM is modern idea of customer before everything else. In contrast to the earlier held beliefs of production, assembly line etc. This customer relation management is being applied in all sectors and banking is the foremost one.

We in this study will try to understand this idea of how customer relationship management is critical and a deciding factor for the success of every bank. We will also try to study how customer relationship management has taken precedence over other factors. And finally how in this world of small margins of profits customer relationship management has helped banks wade of their competition and survive this onslaught.

## INTRODUCTION

RBB Ltd. Is one of the pioneer bank in the country established on January 23 1966. Under the ACT of R.B.B. 2021 with the full ownership of the government of Nepal its running under the financial institution act 2063 providing banking financial service with 217 branches in both establish and faster growing markets. Throughout the nation.

We aim to be where the growth is connecting to the customer to opportunities enabling business to prosper and economy to prosper. And finally helping people to fulfill their desire and realize their ambition.

We serve more than 1.7 million customer nationwide through our business like personal banking business banking ,infrastructure financing and other financial services. Our network cover 75 district and we aim to be knowledge as one of the nation leading bank.

The bank is one of the largest public sector bank in the country. In terms of footprints, ATM network customer base and number of staff. The present branch network covers almost all part of the country that is key financial centers. TERAJ, MOUNTAIN and remote areas of the country even in that place also where no any kinds of financial institution reached before.

**OVERVIEW OF CUSTOMER RELATIONSHIP MANAGEMENT.**

C.R.M. is first introduced by the in 1990s by the service marketing and financial institution. C.R.M. is the method of managing company's communication with the current future customer.

It frequently includes using technology to organize, automate, and harmonize sales marketing customer service and technical support.

C.R.M. is worried about the formation of expansion and enhancement of customized customer. Relationship with carefully targeted customer and customer group resulting in maximizing their total customer life time value.

C.R.M. is "the expansion and maintenance equally beneficial long term relationship with tactically important customer.

**CHARACTERISTICS:**

C.R.M. is basically customer based features with service. Customer desire direct online communication with customer and customer service centers that are proposed to help in solving customer issues.

- Sales force automation
- Data warehouse technology
- Opportunity management
- CRM system

**RESEARCH METHODOLOGY****OBJECTIVES OF THE STUDY**

- To understand and study about the CRM practices in the banking sector in Nepal with specific reference to R.B.B.
- To understand the customer relationship management practices in R.R.B.
- To examine the customer feedback and their knowledge about various services provided by the Rastriya Banijya Bank.
- To Assess the customer loyalty towards banks.

**HYPOTHESES**

- $H_0$ : There is no significance difference between Gender and employee behavior.
- $H_0$ : There is no significance difference between Age and customer loyalty.
- $H_0$ : There is no significance difference between customer education and applicator banking technology.
- $H_0$ : There is no significance difference between occupation and customer satisfaction is using banking service.
- $H_0$ : There is no significance difference between annual income and customer value in banking

**METHOD OF DATA COLLECTION**

- In this study Descriptive research design is adopted for the study.

**SOURCES OF DATA**

- **Primary Data:** - Customers were given structured Questionnaire and their given responses have been collected.
- **Secondary Data:** - Various authentic journals, books and literature on the subject, newspapers, magazines, bank reports and studies were referred for the conceptual frame work of the study.

➤ **SAMPLE FRAMEWORK**

**A) SAMPLING SIZE:** - More than 130 samples were taken randomly from the customers of R.B.B bank of Bara district, Nepal.

**B) SAMPLING TECHNIQUES:** - Convenience Sampling technique is used for collect data.

➤ **TOOLS USED FOR ANALYSIS**

- Questionnaire
- Chi square test
- Factor analysis

**DATA ANALYSIS AND RESULTS**

**Hypothesis testing using Chi-Square Test**

1)  $H_0$ : there is no significant difference between the Age and customer loyalty.

<b>Chi-Square Tests</b>			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	33.014 <sup>a</sup>	12	.001
Likelihood Ratio	35.329	12	.000
Linear-by-Linear Association	.864	1	.353
N of Valid Cases	130		

a. 11 cells (55.0%) have expected count less than 5. The minimum expected count is .37.

**Source:** Compiled on SPSS Version 22.0, based on survey carried during 2018-2019

**INTERPRETATION:** “ There is no significant difference between the Age and customer loyalty” has been rejected, as chi-square test the p- value is 0.001 and it is less than 0.005 and alternate hypotheses that is.

2)  $H_0$ : There is no significant difference between the Gender of the respondent and employee behavior of the bank.

<b>Chi-Square Tests</b>			
	Value	def.	Asymptotic Significance (2-sided)
Pearson Chi-Square	60.847 <sup>a</sup>	8	.000
Likelihood Ratio	71.387	8	.000
Linear-by-Linear Association	11.189	1	.001
N of Valid Cases	130		

a. 8 cells (53.3%) have expected count less than 5. The minimum expected count is .23.

**Source:** Compiled on SPSS Version 22.0, based on survey carried during 2018-2019

INTERPRETATION

From the above chi-square table it has been found that p value is less than 0.005 that is 0.00 which means null hypothesis is rejected and alternate hypotheses that is “There is a significant difference between gender and employee behavior

3)  $H_0$ : There is no significant difference between the educator and applicator banking technology.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	21.144 <sup>a</sup>	20	.389
Likelihood Ratio	23.843	20	.249
Linear-by-Linear Association	2.841	1	.092
N of Valid Cases	130		
a. 17 cells (56.7%) have expected count less than 5. The minimum expected count is .10.			

**Source:** Compiled on SPSS Version 22.0, based on survey carried during 2018-2019

**INTERPRETATION:** From the above chi-square table it has been found that p value is more than 0.005 that is 0.389 it means null hypothesis is accepted.

4)  $H_0$ : There is no significant difference between the occupation and customer satisfaction is using banking services.

Chi-Square Tests			
	Value	def.	Asymptotic Significance (2-sided)
Pearson Chi-Square	57.374 <sup>a</sup>	24	.000
Likelihood Ratio	55.692	24	.000
Linear-by-Linear Association	.523	1	.469
N of Valid Cases	130		
a. 27 cells (77.1%) have expected count less than 5. The minimum expected count is .07.			

**Source:** Compiled on SPSS Version 22.0, based on survey carried during 2018-2019

**INTERETATION:** From the above chi-square table it has been found that p value is less than 0.005 that is 0.00 it means null hypothesis is rejected. There is no significant difference between occupation and customer.

5)  $H_0$ : There is no significant difference between the customer annual income and customer value in the bank.

<b>Chi-Square Tests</b>			
	Value	df.	Asymptotic Significance (2-sided)
Pearson Chi-Square	54.330 <sup>a</sup>	16	.000
Likelihood Ratio	52.434	16	.000
Linear-by-Linear Association	10.729	1	.001
N of Valid Cases	130		
a. 17 cells (68.0%) have expected count less than 5. The minimum expected count is .18.			

**Source:** Compiled on SPSS Version 22.0, based on survey carried during 2018-2019

**INTERPRETATION:** From the above cross tabulation it has been found that p value is less than 0.005 that is 0.00 which means null hypothesis is rejected. There is a significant difference between customer annual income and customer value.

### Findings

- 39.2% customers of the Rastriya banijya bank are loyal towards the bank.
- 41.2% of the customers are expecting the core facilities from the bank i.e. a) cardless b) physical deposit c) online account.
- 56% of the RBB Bank customers are satisfied with the bank service but not highly satisfied.
- 26% of the customers have complaint with the long operation device which not good for the Bank.
- 40% customers of the bank think that the employee behaviour is good towards the customers.
- 62.3% of the customers are male and 33.8% are female customer holding account in this bank.
- 52.3% of the customers are happy with the interest rate that is providing by the bank.
- 40% of the customers are agree with the employee behaviour of the RBB is good.
- 39.6% of the customers want to change their banking technology.
- 68% of the customers happy with the problem solving mechanism of the bank.
- 19.2% of the customers are holding account more than 4 years.
- 29.2% of the account holders are farmers .
- 41.5% of the customers expect physical deposit from the bank. So the RBB.

### Conclusion

Now a days most of the banks in the countries have identified the importance of the CRM. Every bank is implementing the complete CRM Concept and investing huge amount of money in CRM practices to build an effective relationship with the customers.

Customer relationship management is helpful for building sound relationship with the shareholders, customers, employees, and investors.

RBB bank has also using CRM to attract and acquire new and existing customers. From the data analysis it has been found that most of the account holder of this bank is government employees. Most of the customers are pleased with banking services of RBB but there are some changes and improvement is necessary in areas like insurance policy, physical deposit machines and card less ATM facilities.

### Suggestion

- 1.5% of the customers are holding the saving account in the RRB Bank whose income is below the Rs50.000. so that the bank must shall be provide some scheme to the people whose income is below Rs5.0000.
- 23.8% of the customers have complaints regarding the insurance policy. So that the RBB. Must have focused on different insurance policy.
- 27% of the customers are feeling insecure of the service. So the bank must have to improve the service quality.
- 29.2% customers are not satisfied with the transaction time taken for the withdrawal/ deposit. Here the RBB. Must have to reduce the transaction time.
- 61.5% of the RBB. Customer's reports to the police while security break of the personal information. So the bank must have to adopt some strong IT technology.
- 41.5% of the customer is expecting the physical deposit from the bank. So the RBB. Bank shall be adopt this facilities.
- 30.8% of the customer expecting that online account initiation is the best service. So the bank must have provide this service to the customers.

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2. Kothari C.R. Researcher methodology.

### **REPORT:**

Annual report of the Rastriya banijya bank.

### **WEBSITES:**

- ✓ [www.RBB.Bank.com](http://www.RBB.Bank.com)
- ✓ [www.nrb.org](http://www.nrb.org)

### **SEARCH ENGINE:**

- ✓ [WWW.google.com](http://WWW.google.com)
- ✓ [www.google.com.np](http://www.google.com.np)

