



**Customer Relationship Management in Financial Services:
A Study on Some Selected Private Commercial Banks in
Bangladesh**

**A Dissertation
Submitted to the University of Dhaka
for the award of the Degree of
Doctor of Philosophy**

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Certificate by the Supervisor

This is to certify that the thesis titled “**Customer Relationship Management in Financial Services: A Study on Some Selected Private Commercial Banks in Bangladesh**” submitted by **Mohammed Masum Iqbal** (Registration No. 198 / 2012-2013) for the Degree of Doctor of Philosophy is a record of research work carried out by him during the period from November 2013 to November 2017 under my guidance, and this work has not formed the basis for award of any degree or diploma in this or any other university or other similar institutions of higher education.

I wish him every success in life.

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I certify that the thesis entitled “**Customer Relationship Management in Financial Services: A Study on Some Selected Private Commercial Banks in Bangladesh**” is submitted by **Mr. Mohammed Masum Iqbal** (Registration No. 198/2012-2013) for the degree of Doctor of Philosophy. He carried out this research during the period starting from November 2013 to November 2017. I supervised him along with Professor Md. Rafiqul Islam, PhD from the Department of Banking and Insurance at the University of Dhaka. To my best knowledge, this research work has not been used for the achievement of any degree or diploma at any other university or institution for higher education.

I wish him every success in this life.

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Declaration by the Researcher

I declare that the thesis titled “**Customer Relationship Management in Financial Services: A Study on Some Selected Private Commercial Banks in Bangladesh**” submitted by me for the Degree of Doctor of Philosophy (PhD) is the record of research work carried out by me during the period from **November 2013 to November 2017** under the guidance of **Professor Dr. Md. Rafiqul Islam**, Department of Banking and Insurance; and **Professor Dr. Masudur Rahman**, Department of Marketing, University of Dhaka. It is to mention that the thesis has not formed the basis for an award of any degree in this or any other university or other similar institutions.

I also solemnly declare that this thesis will not be submitted by me for obtaining any other degree from this or any other university or institution in future.

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Abstract

The financial service industry is facing immense competition across the world and, in Bangladesh, the scenario is not different. The banks in Bangladesh are operating their business in a highly competitive business environment. It is an accepted fact that acquiring a new customer is three to six times costlier than retaining an existing customer. The researcher has developed the purpose of this study following this established fact. The study investigates the factors that influence Customer Loyalty, the main focus of Customer Relationship Management (CRM) in the financial service industry of Bangladesh. The main objectives of the study are to explore antecedents of Customer Loyalty and to develop a model of Customer Relationship Management for financial services industry especially for Private Commercial Banks (PCBs) in Bangladesh.

Though there are many facets of Customer Relationship Management (CRM) in the financial sector such as banks, this study focuses on its customer part only. Understanding customers is the key to success of any financial service provider. To achieve the objectives, this study has looked into the available literature and conducted an empirical study on the causal relationships among different factors such as services quality, customer trust, customer perceived value, customer satisfaction, customer switching barrier, customer culture, and customer loyalty which are directly and indirectly related to CRM. The current study has also checked the effects of three moderating variables such as Generation of the Banks, Mode of Operations, and Ownership Structure on the relationships of different factors in the model of CRM, which have not previously been given much attention by academics and practitioners. This study has methodically adopted both qualitative and quantitative approaches. The model of CRM has been developed here based on comprehensive literature review, focus group discussion, and an extensive survey of the customers of some selected PCBs. The survey has been administered on 450 respondents with a structured questionnaire and the response rate has been 89.44%. In the first step, the researcher has checked the scale reliability and KMO. The Alpha and KMO values are .881 and .864 respectively which are highly acceptable. Then, multicollinearity of the items considered for this study has been checked. The study has not found any item which exceeds the threshold value of Variance Inflation Factor (VIF) 3.30. Initially, an

Exploratory Factor Analysis (EFA) has been performed using SPSS (Version-21). In EFA, the study has explored seven factors which are related to CRM namely services quality, customer trust, customer perceived value, customer satisfaction, customer switching barrier, customer culture, and customer loyalty. Confirmatory Factor Analysis (CFA) has been performed to ensure the validity of the constructs. Except for one factor namely Customer Culture, all other factors have ensured the convergent and discriminant validity.

The study has taken initiatives to check the relationships and significance of the relationships among the seven constructs by performing correlations and linear regression analysis with the forward method. AMOS based Structural Equation Modeling (SEM) approach has been applied to test the 13 hypotheses in the research model. In addition, multi-group analysis has been performed to check the effects of the moderating variables on the relationships of different factors in the model of CRM.

Out of 13, the study has found 10 relationships statistically significant. The factors Customer Culture and Services Quality do not have a direct influence on Customer Loyalty, but Service Quality has a direct effect on Customer Satisfaction and Customer Satisfaction influences Customer Loyalty. The study has revealed that Customer Satisfaction is the most important determinant of Customer Loyalty whereas Services Quality, Customer Trust, and Customer Perceived Value act as significant antecedents of Customer Satisfaction.

The moderating effects of the Generation of Banks and Mode of Operations in the model of CRM have been found significant whereas the moderating effects of Ownership Structure have been found insignificant. In case of the path to path relationships in the model of CRM, some differences have been observed in the first two moderators.

This study makes a significant contribution to the existing literature by showing the influences of different factors on Customer Loyalty and by developing a model of CRM in the financial service industry of Bangladesh. In addition, the multi-group analysis with the help of the three moderators definitely enhances the literature of CRM in the financial service industry especially in Private Commercial Banks of Bangladesh.

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List of Abbreviations

Sl No.	Abbreviation	Stands For
1	AD	Authorized Dealer
2	ATM	Automated Teller Machine
3	CC	Customer Culture
4	CL	Customer Loyalty
5	CPV	Customer Perceived Value
6	CRM	Customer Relationship Management
7	CS	Customer Satisfaction
8	CSB	Customer Switching Barriers
9	CSE	Chittagong Stock Exchange
10	CSR	Corporate Social Responsibility
11	CT	Customer Trust
12	DBBL	Dutch Bangla Bank Limited
13	DSE	Dhaka Stock Exchange
14	HSBC	The Hongkong and Shanghai Banking Corporation
15	IBBL	Islami Bank Bangladesh Limited
16	IFIC	International Finance Investment and Commerce Bank Limited
17	IT	Information Technology
18	MNCs	Multinational Companies
19	NBFI	Nonbank Financial Institutions
20	PCB	Private Commercial Banks
21	POS	Point of Sale
22	SCB	Standard Chartered Bank Limited
23	SERVQUAL	Services Quality
24	SME	Small and Medium Enterprises
25	SMS	Short Message Service
26	SQ	Service Quality

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CHAPTER-1

INTRODUCTION

The financial sector is the backbone of any economy in the world. The success of financial institutions is highly correlated to the success of an economy (Kaura, V. et al., 2015). There are different types of financial institutions in the financial sector of a country such as banks (public or private), insurance companies, leasing firms and other non-bank financial institutions. Among all these financial institutions, the banks are the most important financial institutions in the financial sector in any country (Kaura, V. et al., 2015).

Relationships always play a significant role in our personal and professional lives such as selecting career paths, being involved in works, being engaged in the social activity and so on. In general, people make most of the major decisions in their lives on the basis of the relationships with persons and firms.

Likewise, customers make their purchase decisions not only on the basis of comparison among goods or services available in the market but also on the basis of the relationships they have with the companies or service providers.

Lovelock (1983) stated that there are many services which require an on-going membership relationship due to their very nature and characteristics such as banking, insurance, and so on. Though membership relationship between service provider and the customer is not needed, customers at times are willing to continue the relationships with the service providers to lessen perceived risk while they evaluate the services available in the market because of the intangibility and credence characteristics of those services. Buyers are more likely to build and maintain relationships with individuals and the firms whose offerings are more services than with goods (Berry, 1995). A service is a performance where the employees as service providers play a significant role in delivering the service experience (Bitner, 1995). Besides, the physical setting in which the services are delivered is important as well as favourable to the customers in building and maintaining relationships with a service provider.

Customers are the most important resources for generating revenue and profit for a firm, so the relationship management with customers is very crucial for each and

every business organization. It has been realized that banking sector is largely customer oriented. For managing the successful relationship with customers, strategic policies are required in the banks. The core task of CRM is to manage customers in systematic ways. And, the final objective of CRM is to make customers happy and loyal because they are the blood supplier for a bank or any financial institution.

In the 1980s, the concept of Customer Relationship Management (CRM) was originated from the term 'contact management' which focuses on accumulating all relevant information about customers whenever they come in touch with companies (Melnick, E. L. et al., 2000). CRM consists of all steps and processes that organizations undertake to manage their contacts with current and potential customers. The aim of CRM is to build and maintain a long-term successful relationship with current and prospective customers of the organizations. In CRM, companies collect, store, retrieve and analyze information about their customers for managing the successful relationship with their customers.

Hamid (2009) stated that most of the CRM related literature indicate that CRM has high adoption and success rate in the financial sector of developed countries such as United States of America, United Kingdom, and Canada compared with developing countries. It has also been observed that these studies contributed significantly towards the success of CRM in the financial sector of developed countries.

In Europe and the United States of America, the banking industry was in the front in responding to opportunities delivered by the computer and internet. And, these responses have come to a fulfilment while the banks adopted customer-oriented strategies stemming from E-commerce. For example, a research in the banking industry of the United States of America showed that the banks which developed a customer-centric strategy were likely to obtain higher profits than others (Lamparello, 2000). Some other studies showed that the banks having organized CRM strategies retained their substantial competitiveness in the competitive marketplace (Gandy, 2000; Melnick, E. L. et al., 2000).

Despite the benefits of CRM in business, adequate literature is not available on the practice and evaluation of CRM systems in the financial sector of developing countries as well as in Bangladesh.

In the financial service industry, it is important for a firm to develop and maintain a superior relationship with its customers in this competitive business environment.

And, banks are trying to achieve customer lifetime value instead of individual transactions. It can be said that the continuous relationship between the customers and the financial service providers is likely to be more stable, not only because of the personal nature of the exchange but also because of the risk reduction relating to switching to other firms. Eisingerich and Bell (2007) stated that the financial requirements of the customers throughout their lives and the nature of transactions or encounters indicate that a relationship attitude is right for the banking industry. Thus, the financial service providers especially banks should maintain a relationship with their customers as many customers may wish to build and maintain relationships with their providers.

The banking industry is appropriate for studying CRM because their services are complex, customized and delivered over a continual stream of transactions (Eisingerich and Bell, 2007). So, banking industry requires a relationship appeal to customers because of the distinctive characteristics of intangibility, variability, inseparability, complicacy, and involvement of customers. The banking industry has also a lead in CRM and the way it serves customers is highly relevant to CRM. Specifically, its transactions are essentially IT-based and contain valuable customer knowledge that is beneficial to make a better relationship connection with customers (Eid, 2007; Peppard, 2000; Ryals and Payne, 2001). Consequently, the banks are becoming more customer-centric willing to know how they are perceived by the customers.

The most significant area for banks is ensuring customer loyalty because they depend on lifelong relationships with their customers. As the relationships with customers grow, generally profits also grow, so loyalty of the customers ultimately increases the profit of a bank.

It has been observed from different studies that banks having a long-term relationship with their customers are likely to produce more profits than other banks. It has also been found that customers having relationships with their banks for five years are more profitable than those having relationships with their banks for one or two years. (Eid, 2007).

Customer Relationship Management (CRM) has gathered a lot of interest recently from academicians and business people (Gruen, T. et al., 2000; Rigby and Dianne,

2004; Srivastava, et al., 1999; Thomas, et al., 2004), and progressive companies, such as IBM and Boise Cascade, are increasingly prioritizing their CRM investments (Kennedy and Michael, 2004). According to a study on about 1,000 Chief Information Officers (CIOs) which was conducted by Gartner Executive Programs (EXP), about two-thirds Chief Information Officers consider Customer Relationship Management to be a high priority (Thomas, et al., 2004).

Many banks have adopted membership relationships in order to develop customer loyalty. Here, the banks ought to recognize that they are operating in a high contact business incorporating the nature of intensive buyer-seller interactions and building a long-term relationship based on the trust, confidence, and satisfaction which directly influence the retention of existing customers and the acquisition of potential clients.

The evolution of marketing thoughts and practices has led to a shift from product-oriented approach to customer-oriented approach. The focus has been moved from selling as many market offerings as possible to satisfying, delighting and growing as many customers as possible. The reason behind the shift is the globalization of competition and abundance of alternatives to the customers. To keep pace with the rising complexity of competitions in today's business world, the marketing focus has been shifted from "product-centric" to "customer-centric" (Bose, 2002; Shah, et al., 2006; Parvatiyar, et al., 2001; Vargo and Lusch, 2008), from undifferentiated marketing to micro marketing (Cravens and Piercy, 2009; Peppers and Rogers, 2011), and from an emphasis on discrete transactions to long-term relationships with superior value creation for customers (Gummesson, 2002; Slater and Narver, 2000; Donaldson and O'Toole, 2007; Lusch, et al., 2010). Today's banking industry is extremely competitive, intricate, and highly dynamic. The conventional product-centric financial institutions such as bank are becoming customer-centric through achieving the loyalty of the customers which is the main focus of the Customer Relationship Management (CRM).

From the relationship point of view, a long-lasting relationship with current customers is beneficial to the company's profits because acquiring new customers is much more expensive than retaining existing customers. It has been observed in different studies that the cost of a company is from 2 to 20 times more to get a new customer than to hold an existing customer (Peppers and Rogers, 2011).

Successful firms do not just acquire new customers; they bring their current customers back again and again. At present, building relationships with existing customers is of the highest importance to the companies. It is widely accepted that the more the viable and effective strategies are involved in implementing CRM, the more successful the business organization is. As a result, most of the business organizations like banks are trying to apply different tools for maintaining CRM.

Since a lot of companies have perceived the significance of being customer-centred in today's competitive business environment, they are adopting CRM as a basic business competency. Advantages associated with CRM cover the aspects of customer benefits and the performances of the firms across the different settings. Customer benefits include the creation of superior customer value, customized offerings to fit customers' needs, reduction of risk associated with the purchase and enhanced customer satisfaction (Lin, et al., 2009; Reimann, et al., 2010; Yao and Khong, 2012). The firm's performances refer to customer retention and loyalty (Chen, et al., 2009; Croteau and Li, 2003; Jayachandran, et al., 2005), market share, cost reduction, sales growth rate and profitability (Battor and Battor, 2010; Coltman, 2007; Lee, et al., 2010; Lancioni, et al., 2009; Krasnikov, et al., 2009; Reimann, et al., 2010; Soliman, 2011; Wang and Feng, 2012) and enterprise competitive power.

After the independence of Bangladesh, the banking industry started its journey with eleven banks including six nationalized commercial banks, two state-owned specialized banks and three foreign banks (<https://www.bb.org.bd>). And, the industry achieved major expansion in 1980's with the advent of private banks. As of October 2017, fifty-seven (57) scheduled banks are operating their business in Bangladesh under the control and regulations of Bangladesh Bank Order, 1972 and Bank Company Act, 1991 (<https://www.bb.org.bd>). Although the banking industry has been operating their business in a relatively stable business environment for decades, today, the industry is confronting an aggressive competition due to the emergence of many public, private, specialized banks and non-bank financial institutions.

Bangladesh is a growing economy in South Asia. Hundreds of local companies are doing their business here. Besides, there are several multinational companies which are operating their business in this country. Though Customer Relationship Management (CRM) is not enjoying the same status within all of these companies, the importance of CRM is growing day by day. Most of the renowned local and

multinational companies are practising different CRM techniques to build and maintain a long-term profitable relationship with the customers (Rahman, et al., 2006).

The true objective of CRM is to create the loyalty of customers. Presently, Customer Relationship Management (CRM) gives emphasis on the loyalty of customers through identifying target markets, acquiring new customers, holding and growing current customers by building strong relationships with carefully selected customers. The development of relationships with customers gives organizations competitive advantage which leads the sustainability of the company in the end.

Thus, the success of a financial institution such as bank largely depends on the loyalty of the customers to the bank. Therefore, banks are emphasizing building the loyalty of the customer which is the main focus of Customer Relationship Management (CRM). There are some factors which determine the loyalty of the customers to the bank. So, identifying the factors and understanding the relationship among those factors are important for a bank to make its customers loyal.

In this study, CRM is a philosophy that shows the ways how a company can work in order to build long-term successful relationships with their customers. And, CRM comprises the process of getting, holding, and growing with carefully targeted customers to produce superior value for the company, the customers, and other stakeholders.

Banks, an important industry for any economy, are facing aggressive competition in the global financial turmoil. And, traditional banking is no longer enough in today's competitive business environment and Customer Relationship Management (CRM) has become the key to the survival and success of a bank. So, banks are undertaking substantial measures for their survival in this competitive and uncertain business environment. Today, banks as financial institutions have realized that managing relationships with customers is an imperative factor for their successes. CRM is a philosophy that can help the banks to develop long-term relationships with their customers and to enhance their profits through the appropriate approaches and the application of customer-centric strategies. Therefore, CRM in the banking industry is of strategic importance. Thus, the aim of this study is to explore the practices of CRM in the financial service industry of Bangladesh with a special focus on some selected

private commercial banks and to develop a model of CRM which can be used by the banks for managing the successful relationship with their customers in Bangladesh.

1.1 Banking Sector of Bangladesh

Banks as financial institutions are playing a crucial role in the financial system of a country. Undoubtedly, banks have the important impact on the economic development of the countries across the world. In fact, banks are said to be the backbone of any economy. Banks basically create the link between savers and borrowers in the community or the country. Banks accumulate funds from individuals, firms, and government (surplus amount) and lend to the individuals, business organizations and the government when needed.

Dacca Bank, the first modern bank based in Dhaka, was established in 1846. Later on, it was acquired by the Bank of Bengal in 1862. Upon the Partition of Bengal in 1947, it had six branches in the East Bengal. During independence of Bangladesh, the banking system consisted of 2 branch offices of the former State Bank of Pakistan and 17 large commercial banks where 2 banks were controlled by Bangladeshi stakeholders and 3 banks were controlled by foreigners and rest of the banks were by Pakistani stakeholders (Rahman, 2010).

The financial system of Bangladesh has three major sectors such as formal, semi-formal, and informal sector and these sectors have been characterized and identified by the degree of regulation. Formal-sector comprises all regulated banks, non-bank financial intuitions, insurance companies, micro-finance institutions, capital market intermediaries and so on. The semi-formal sector includes four specialized financial institutions such as House Building Finance Corporation (HBFC), Palli Karma Sahayak Foundation (PKSF), Samabay Bank, and Grameen Bank. And, informal-sector includes all privately own unregulated intermediaries. The financial sector of Bangladesh is mostly dominated by the banks. This domination to some extent makes the financial system vulnerable as most of the economic unit depends on banks (James, H. and Robert, W. L., 1989).

After the liberation war in 1971, the banking sector of Bangladesh commenced its journey with a new hope and commitment to the development and growth of the

newly born country. The then-new independent government took over the Dhaka Branch of the State Bank of Pakistan as the Central Bank of Bangladesh, later on, renamed as Bangladesh Bank. The Government of Bangladesh deliberately nationalized all the domestic banks and started with six nationalized commercial banks, two state-owned specialized banks, and three Foreign Banks as foreign commercial banks also got the approval for doing business in Bangladesh (Islam, M. M., 2015).

In the 1980s, the entrance of private sector banks enticed the banking sector of Bangladesh to achieve a huge expansion. And, the banking sector of Bangladesh has got the momentum in terms of expansion, customers' base, coverage, and contribution to the socio-economic development of the nation since the 1980s (Islam, M. M., 2015).

The banking sector of Bangladesh is divided into two major types- Scheduled Banks and Non-Scheduled banks. A total of 57 scheduled banks are in operations and these are under full control of Bangladesh Bank and incorporated under Bank Companies Act 1991. Also, there are 6 non-scheduled banks which are operating their business with different specific motives. And, these non-scheduled banks are Ansar VDP Unnayan Bank, Karmashangosthan Bank, Grameen Bank, Probashi Kollyan Bank, Jubilee Bank and Palli Sanchay Bank (<https://www.bb.org.bd>).

There are six state-owned Commercial Banks which are fully or partially owned by the government of Bangladesh. For the agricultural and industrial development of the country, two state-owned specialized banks namely Bangladesh Krishi Bank and Bangladesh Development Bank Limited (BDBL) are operating their business in Bangladesh.

1.2 Private Commercial Banks (PCBs) in Bangladesh

After independence, the banking industry in Bangladesh started its journey with 6 nationalized commercial banks, 2 state-owned specialized banks and 3 foreign banks. The main expansion took place in the 1980s with the entrance of Private Commercial Banks (PCBs) in the banking industry Bangladesh. So far, 57 scheduled banks and 6 non-scheduled banks are operating in Bangladesh under the supervision of Bangladesh Bank, the Central Bank of Bangladesh. Out of 57 scheduled banks, there are 6 State-Owned Commercial Banks, 2 Specialized Banks, 40 PCBs in which 32 are conventional PCBs and 8 are Shariah based Islamic PCBs and 9 Foreign Commercial Banks operating their business in Bangladesh (<https://www.bb.org.bd>).

A Commercial Bank is a financial institution that deals with various financial services such as receiving deposits from individuals and firms, offering loans to corporations and individuals and offering different investment schemes (Commercial Bank, 2017). A Commercial Bank is a place where most of the people do their regular banking activities. A Private Commercial Bank (PCB) is a commercial bank whose majority shares are held by private entities (Bangladesh Banking System, 2016).

The Private Commercial Banks (PCBs) can be categorized into three types such as Conventional PCBs, Shariah-based Islamic PCBs and Foreign PCBs. Out of Private Commercial Banks, a total of 32 Conventional PCBs are operating their business based on interest, 8 Shariah-based Islamic PCBs are operating their business based on profit-loss sharing.

1.3 Rationale of the Study

An organization cannot succeed without its customers. And, customers are the most important and strategic asset of any organization. This is equally true for the banking sector of Bangladesh. Global and local competition is fierce and increasing day by day. Prices are dropping sharply. It is easier than ever before for customers to switch to other competitors. Considering today's marketplace demand, it is more important than ever for an organization to reduce customer turnover. To achieve that, the organizations need a way to determine which of the customers are likely to leave- and which customers they want to keep-so organizations can execute business strategies to convince them to stay. In these circumstances, companies must implement customer relationship management to attract and retain customers for their survival and growth. The task of acquiring and retaining profitable customers is very difficult. The cost of customer acquisition has made customer retention critical.

As financial institutions, banks need growth and stability to ensure the prosperity of any country as these firms are largely responsible for the savings of the citizens and communities in a country. To survive in this competitive business environment, banks and other financial firms need to emphasize building and maintaining relationships with their clients. Customer Relationship Management (CRM) can be an effective way which can help financial institutions to develop long-term relationships with their valued customers and to enhance the profit of the firm by applying appropriate management system and the implementation of customer-centric strategies. Consequently, Customer Relationship Management (CRM) is of strategic importance in the banking sector.

Satisfied customers provide a bank with a source of competitive advantage as satisfied customers are more committed and loyal to the organizations. Banks can create new customers and retain existing customers by making them satisfied through providing reliable, prompt and high-quality services. For instance, banks have introduced new banking systems such as internet banking, telephone banking, ATM etc. supported by advanced information technology to build and sustain long-term relations with their customers (Chakraborty, M., 2012). Customer Relationship Management (CRM) is gaining popularity in both manufacturing and service sector. Banks, insurance companies, and other service providers realize the importance of CRM and its

potential to help acquiring new customers, retaining the existing one and maximizing their lifetime value (Chakraborty, M., 2012). It is true that for creating and maintaining long-term relationships with customers, CRM is the most competent approach. Development of this type of relationship brings new levels of success for the organization. In the first world country, most of the organizations have dedicated world-class tools for CRM. The significance of CRM in the business organization is already proven and accepted (Chakraborty, M., 2012).

Firms implementing CRM can make better and long-term relationships with their customers, attain the loyalty of the customers, make a substantial return, enhance revenue and lessen the cost of operations (Roh, T . H. et al., 2005).

Many business organizations reported that they achieved success by applying the methods of CRM (Newell, 2000). A research in the banking industry of the USA revealed that the banks developing and maintaining customer-centric strategies are able to make higher profits (Lamparello, 2000). Some other studies have revealed that banks applying effective CRM practices can maintain substantial competitiveness in the business environment (Gandy, 2000; Meinick, et al. 2000). In addition, many studies have mentioned that banks that develop and follow customer-oriented strategies get higher profits (Formant, 2000; Lamparello, 2000; Melnick, et al., 2000).

Another research conducted on the banks of Europe shows that the banks following CRM were able to give emphasis on profitable customers through efficient segmentation and targeting according to individual's behaviour. As a result, the banks were able to better satisfy, hold, and grow its customers (Lindgreen and Antioco, 2005).

Implementing CRM strategy for the organization, especially in the context of Bangladeshi banks, is challenging. CRM strategy is not offering the marginal solution to solve all types of problems. Moreover, if CRM is implemented properly within the organization, it might bring remarkable solution in terms of profitability as well as performance, e.g. if customer retention rate is increased by 5%, it might increase profitability of banking business by 30%, for insurance and brokerage business 50% and for credit card market it might be 125%. So, now banks are interested in implementing the CRM strategy to retain the customers. And, it is not important for the banks whether the customers are valuable or non-valuable in terms of financial

worth. Rather, every customer is equally important for the bank. But, the most important part of the bank is the relationship with the customers. Banks can accelerate their goodwill as well as an image by maintaining the good relationship with the customers. It also helps the banks boost up their market share (Chakraborty, M., 2012).

The banking sector in Bangladesh has gone through a substantial change due to the entrance of new banks in the private sector. The entrance of the private commercial banks in the 1980s made the banking industry in Bangladesh highly competitive. There are many financial institutions including banks and other Non-Bank Financial Institutions (NBFI) in Bangladesh, and now the customers are empowered to choose their service provider from a number of banks which are offering different types of financial services. In this deadly competitive environment, the banks and other financial institutions are trying hard to identify the drivers of customer loyalty, the main focus of CRM, for their survival and growth. It has been observed that the private commercial banks of the new generation have been able to create a competitive advantage in the retail banking by adapting technology and offering new services. It has also been observed that banks and other financial institutions are introducing new market offerings or services at regular intervals to best satisfy and retain their customers for achieving lifetime value. This competitive market leads to more expectations of customers from the service providers. Consequently, banks have come under immense pressure to deal with the escalating demands and expectations of the customers owing to increased competition in the industry. We know that attracting a new customer has become more expensive than retaining an existing customer. Thus, retaining a customer is equally important as attracting a new customer to the banks. The retention of customers depends on the delivery of customers' satisfaction by the banks and customer perceived value offered by the banks which lead to build and maintain a relationship with the customers. According to Sayani (2015), the relationship of the banks with the customers eventually leads to higher customer loyalty and retention and gives a competitive advantage to the bank over other competitors. So, the professionals and academics in the banking industry are finding the ways and determinants to build and maintain the loyalty of customers.

However, CRM is widely focused and practised by manufacturing and service firms in the developed countries. Conversely, adequate literature has not been found on

CRM in developing countries such as Bangladesh, particularly in the banking industry. Moreover, the models of CRM being practised in developed countries are not tested whether these models are applicable in Bangladesh because of the difference of consumers' perception between developed and developing countries. In these circumstances, the researcher has found that a study may be of much importance to undertake within his ability and limitations to observe CRM practices in the banking sector of Bangladesh as well as to find out the major facets that affect the loyalty of the customers, the main focus of Customer Relationship Management (CRM) for the survival and growth of banks in the banking industry of Bangladesh.

The researcher expects that the finding of this research would be useful for the financial institutions to develop customer loyalty, to overcome high competition, and to improve the applications of CRM in the financial service industry of Bangladesh. Finally, the result of the study will complement the existing knowledge of Customer Relationship Management (CRM) by depicting CRM practices of the banking industry in the context of an emerging country like Bangladesh.

1.4 Statement of the Problem

Financial institutions are the lifelines of an economy and the success of financial institutions is a must for the success of an economy (Kaura, V. et al., 2015). The banks are the most important institutions in the financial sector. At present, the banks in Bangladesh are facing excessive competition because a lot of banks with different natures and ownership structures such as public banks, private banks, specialized banks, foreign banks are operating their business in the same target market. This competitive environment is forcing the banks to develop and retain long-lasting relationships with their customers for their survival and growth. Likewise, Customer Relationship Management (CRM) is receiving much attention from academics and business communities and it is regarded as one of the most dynamic topics of this time, a key factor to the success of an organization (Jan and Abdullah, 2014; Thakur, 2014). According to Sayani (2015), the relationship of the banks with the customers eventually leads to higher customer loyalty and retention as well as gives a competitive advantage to the bank over other competitors. So, the professionals and academics in the banking industry are finding the ways and determinants to build and maintain the loyalty of customers.

The impact of globalization and the adaption of technology in the delivery of banking services have made an environment of continuous changes in the banking industry. It has been observed that acquiring a new customer is much costlier than retaining existing ones. Thus, acquiring and retaining customers have become crucial for the success of a bank and Bangladesh is not an exception. In these circumstances, the banks are to embrace the philosophy of CRM to face challenges and to make their customers loyal. Therefore, the researcher is trying to identify the major facets that affect the loyalty of customers in the banking industry of Bangladesh especially in the case of Private Commercial Banks (PCBs) and to develop a model of Customer Relationship Management for the Private Commercial Banks in Bangladesh.

1.5 Objectives of the Study

Broad objective:

To explore the Customer Relationship Management (CRM) practices of Private Commercial Banks (PCBs) in Bangladesh.

Specific objectives:

1. To explore the concept of Customer Relationship Management (CRM);
2. To find out how Private Commercial Banks (PCBs) are practising Customer Relationship Management (CRM) in Bangladesh;
3. To explore the major factors that affect customer loyalty, the main focus of CRM, and develop a model in the context of Bangladesh;
4. To show how Conventional PCBs and Shariah-based Islamic PCBs are different in practising customer relationship management in Bangladesh;
5. To explore the differences between Old Generation PCBs and New Generation PCBs in maintaining customer relationship management in Bangladesh;
6. To show the differences between Local PCBs and Foreign PCBs in maintaining customer relationship management in Bangladesh;
7. To make some recommendations by which the banks can enhance long-term relationships with their customers in order to create competitive advantage.

1.6 Limitations of the Study

The research has been confined to the key objectives of the research which are to observe the practices of Customer Relationship Management by Private Commercial Banks in Bangladesh and to identify key facets that impact the loyalty of the customers, the main focus of CRM in the banking sector of Bangladesh. In this study, a total of 10 Private Commercial Banks (PCBs) with different modes of operations, generations, and 02 Foreign Commercial Banks have been selected as a sample out of 57 scheduled banks. One of the major limitations is that the study has focused on customer perspective of CRM and has not given much focus on the Banks perspective. Another major limitation of the research is that the sample covers the customers of 1st, 2nd, and 3rd generations of the banks while there is no bank from 4th generation.

The account holders of the selected branches of banks have been given questionnaires for filling out on the spot and have been taken them back again by the researcher. The respondents might not have adequate time to think about the questions and answer judiciously. In administering the questionnaire, only interested account holders of the selected banks have been given the questionnaires for their responses. In collecting data, the face to face surveys have been conducted at different locations in Bangladesh including various locations of Dhaka City Corporation, Narayanganj, Savar, Manikganj, Tongi and so on. Thus, the study has been confined to greater Dhaka Division of Bangladesh only which is another major limitation of this study. Another drawback of the research is that the study has not considered the public commercial banks although the operations of public commercial banks are significant in the banking industry of Bangladesh. Had the researcher conducted with more sample size, there would have been more accurate and comprehensive results and findings.

CHAPTER-2

REVIEW OF LITERATURE

2.1 Customer Relationship Management (CRM)

The concept 'Customer Relationship Management' is not a new phenomenon. Still, there is lack of agreement on the universally accepted definition of Customer Relationship Management. The earlier studies have shown different views on what constitutes CRM. Customer Relationship Management consists of three different words which are described below.

2.2 Customer

A customer is an individual or entity that buys goods or services from a business or an outlet (Oxford English Dictionary, 2009). In other words, a customer can be someone that purchases goods or services from a seller (Customer, 2009). The profit of any company is based on good customers and their inputs. In this highly competitive market with the availability of products, the knowledge about customers is crucial for the survival and growth of a company (Khalaf, et al., 2013).

2.3 Relationship

Relationships always play an important role in our daily and professional lives, such as selecting career goals, engagement in work and so on. In general, people make most of the decisions in their lives on the basis of the relationships they are having with persons and organizations. Bagozzi (1995) mentioned that the definition of relationship is not an easy task and it can be said that the definition of relationship at academic and practical level have been ignored. In fact, relationship comprises a number of levels relating to purchasing goods or services and repeat purchases from the customers are required for relationships (Liljander and Strandvik, 1995). Likewise, a relationship takes place between a firm and a customer after having a good number of interactions between them.

The relationship between customers and banks, as financial service providers, contains the following criteria:

- i. There must be a commitment between the banks and the customers.
- ii. The banks must take customers as best as they can.
- iii. There must be trust on both parties i.e. customers have trust in banks and banks have trust in customers.
- iv. Customers and banks must have respect for one other.
- v. There must have care and friendliness between the banks and customers.
- vi. There must be effective communication in verbal and non-verbal ways between the customers and banks.
- vii. The banks must prioritize their customers and put best efforts to take care of the expectations and interest of the customers.
- viii. The banks must be supportive to their customers.
- ix. The customers support their financial service provider i.e. banks through positive word of mouth.
- x. The banks must support and facilitate their customers to attain their goals.

Thus, the relationships between the banks and customers are multidimensional based on mutual connections and communications which may be short or long, last longer and remain continuous.

2.4 Management:

"Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims" (Wehrich, et al., 2010). "A set of activities (including planning and decision making, organizing, leading, and controlling) directed at an organization's resources (human, financial, physical, and informational) with the aim of achieving organizational goals in an efficient and effective manner" (Griffin, R.W., 2006).

2.5 Customer Relationship Management (CRM) Defined

Customer Relationship Management (CRM) is defined in different ways by different experts. Some definitions of CRM are mentioned below.

“ CRM can be defined as enterprise approach to understanding and influencing customer behavior through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty and customer profitability” (Swift, 2001).

“CRM is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customers” (Parvitiyar and Sheth, 2001).

"CRM is about the development and maintenance of long term mutually relationship with strategically significant customers” (Buttle, 2001).

“CRM aligns business processes with customer strategies to build customer loyalty and to increase profits over time” (Reichheld and Scheffer, 2002).

CRM can be defined as a complete business model that combines technology , processes, and other related business operations in and around the customers (Anton & Hoeck, 2002).

CRM includes collecting information about customers, understanding the differences in the requirements of the customers, serving different customers in different manners, and enhancing the efficiency of operations of business (Newell, 2000).

CRM can be regarded as a holistic process that consists of getting, holding and growing targeted customers. (Strauss, J. et al., 2003)

Agrawal M. L., (2003) stated that the essence of CRM is customer and continuity, the term “CRM” can also be an acronym for any one of the following elaborations.

- Customer Return Management (CRM)
- Continuous Relations Management (CRM)
- Cost Reduction Management (CRM)
- Customer Retention Management (CRM)
- Caring Relations Management (CRM)
- Creative Relations Management (CRM)
- Cost and Return Management (CRM)

Customer Relationship Management (CRM) generates shared value for all the parties related to the business. CRM creates sustainable competitive advantage by identifying, understanding, communicating, and delivering superior value for enhancing the current relationship with customers in addition to acquiring, holding, and, growing new customers.

The term ‘relationship’ consists of two stages: firstly, attracting the client or customers and, secondly, maintaining and managing the relationship with customers over time so that the economic, social, and other objectives of both parties are obtained. In the first stage of ‘attracting’, ‘establishing’ or ‘creating’ involves customer relationship management that focuses on building a continuous or long-term successful relationship between a service provider and a client, for their mutual benefits or requirements (Swartz and Iacobucci, 2000). In the second stage, the service provider undertakes sufficient efforts to maintain and enhance successful relationships retaining their customers. (Swartz and Iacobucci, 2000).

Customer Relationship Management is a business strategy which assimilates inside functions and procedure along with outside networks in order to produce and deliver superior values to the targeted customers with expected return. It is to mention that the strategy is highly integrated with high-quality data and Information Technology (Buttle, 2009).

Over the past decades, Customer Relationship Management (CRM) has become an important tool in increasing a firm’s profitability by enabling it to recognize the best

customer and satisfy his needs, in order to make him remain loyal to the firm's products or service (Nguyen & Mutum, 2012).

Customer Relationship Management (CRM) is not only the relationship of customers. It is much more like developing the system of integration between the environment, customer expectation and the management of knowledge of customer expectation and customer satisfaction (Maroofi, et al., 2013).

Customer Relationship Management (CRM) is defined as a strategy for managing a company's relationships with clients and potential clients. It is regarded as an initiative to strengthen and drive sales for an organization (Stokes, 2013).

At present, Customer Relationship Management (CRM) has received much attention from academic and business communities and it is regarded as one of the most dynamic topics of this time, a key factor to the success of an organization (Jan and Abdullah, 2014; Thakur, 2014). The basic purpose of Customer Relationship Management (CRM) is to understand customers and the factors that affect customer retention and loyalty in order to build long-lasting successful relationships with customers (Thakur, 2014; Al-hawari, 2015)

For this study, the researcher is defining CRM as a philosophy that shows the ways how a company can work in order to build long-term successful relationships with their customers. And, CRM comprises the process of getting, holding, and growing with carefully targeted customers to produce superior value for the company, the customers, and other stakeholders.

2.6 Customer Relationship Management in the Banking Sector

Lovelock (1983) pointed out that many services due to the nature of intangibility require a continuing membership with their customers such as banking, insurance and so on. Many customers want to build and continue the relationship with their service providers to lessen perceived risk in evaluating services characterized by intangibility and credence properties in the process of evaluation.

Johnson (2004) stated that Customer Relationship Management is not just a technology. The technology is a platform that makes the whole system functional. Again, Johnson (2004) articulated that CRM is a blend of people, information system and strategy so that the firms can serve the customers better than their competitors. It is an integrated business model that involves the firms, information, technologies, procedure together with the whole value chain of the business operations.

Ponnam, A. and Paul, R. (2017) identified that the interactions or encounters taken place between service providers and receivers are very important in building and maintaining a relationship in financial services. Likewise, Klaus, et al. (2013) mentioned that the interaction between customers and banks take place in three stages in the field of financial services especially in banks. The first stage includes the initial interactions with the service provider i.e. bank, where the value of the bank is evaluated independently and in relation to the competitors. The tools of marketing promotion, online reviews, and word of mouth among customers play a significant role in the assessment of values in this stage. In the second stage, the value of the services of a bank is evaluated by the physical evidence of the bank, quality of the performance of the bank personnel, and the process of delivering services to the customers by the bank (Lahteenmaki and Natti, 2013). In the third and final stage, customer value is evaluated on the basis of the recovery strategies of the bank, post-purchase experiences of the customers, and the efforts of the bank to maintain a relationship with the customers (Klaus, et al, 2013).

Kumar and Rajesh (2009) mentioned that in the banking sector, convenient location of the branch, interest and other charges, positive word of mouth and promotional activities are not important selection criteria for the financial services of banks. The customers' points of view about the important criteria are the accuracy of account and transaction, carefulness in dealing with customers, correcting mistakes efficiently,

friendliness in interaction with customers, and helpfulness of service providers and so on.

Different studies have shown that the banks which design and adopt a customer-oriented strategy are likely to make more profits (Lamparello, 2000; Melnick, et al., 2000). It is from the inception of Automated Teller Machine, the banking sector has developed and implemented telephone banking, network banking, customer care centres, SMS banking and so on which have progressively raised the investment in front-office systems of the banks. All these investments are directly associated with the customers. And, the best practices could be the foundation while designing a model of CRM (Laudon & Laudon, 2004). In general, financial services industry especially banks in the United States of America and Europe are well ahead in responding to the opportunities provided by the Internet and digitization. The banks like Wells Fargo, Wachovia, and Bank One in the United States of America, Royal Bank of Canada, Merita-Nordbanken in Finland, and Taiwan-based China Trust Commercial Bank and Bank SinoPac are regarded as the role models in the financial services industry especially in banks (Formant, 2000; Laudon and Laudon, 2004).

A literature review of CRM shows that confusing outcomes might be attributed to the disagreement and misunderstanding about the exact field of CRM (Rigby and Dianne, 2004). In other words, there is still lack of consensus on what makes up CRM. If we ask some experts, whether academics or business personality, to explain CRM, we are likely to receive quite different types of explanations (Kopf, 2000). Many experts think that CRM is a technology-oriented database management to acquire and analyze information of the customers so that the firm can best satisfy their customers. On the other hand, some other experts think CRM is a managerial effort which includes call centres, loyalty programs, websites, or personalized e-mails to implement one-to-one marketing. From larger perspectives, CRM is likely to be regarded as an overall integration of marketing strategies, the structure of the firm, processes, and technology—all these revolved around the data of customer that enable executives to manage their firms more effectively and efficiently (Hair, *et al.*, 2003). Due to ever-changing environment and the effect of globalization, the degree of competition is very high globally and the banks in Bangladesh are trying to adapt with various CRM activities such as communicational and operational CRM such as checking the balance of account, checking the record or statement of the account, receiving check

books, transferring the funds, making the payment to others, making the payment of different utility bills, making the payment of credit card bills to the banks and other financial firms.

The following major channels of communication between the banks and the customers have been observed in the banking industry of Bangladesh.

- i. **Branches of the Banks:** The banks are having face-to-face interaction to deliver services to their customers through the branches of the banks.
- ii. **Automated Teller Machine (ATM):** The customers of the banks can have different types of transactions through ATMs round the clock and 7 days a week.
- iii. **Priority Banking:** Many banks have a separate section or counter to offer upscale services to their valued and large customers.
- iv. **Internet Banking:** The customers of the banks have access to their accounts and have transactions staying at their residences, working stations, and from anywhere by using computer and internet devices.
- v. **Mobile Banking:** The customers of the banks have access to their accounts and have transactions from anywhere using their cell phones.
- vi. **Call Centre Services:** The customers of the banks can get support and help from the banks relating to banking transactions through telephone or cell phone.
- vii. **Media of Communication:** The banks are using different media of communication such as print and electronic, social media to reach and connect their customers.

Increasing competition and decreasing profit strongly influenced many banks to apply the strategies of Customer Relationship Management (CRM) in order to best satisfy their customers and other stakeholders. As part of the strategies, the banks are taking many steps and some of them are following:

- i. To emphasize the customers who generate maximum profit for the bank;
- ii. To concentrate on the customers who are taking services more frequently from the banks;
- iii. To focus on what and how much the customers are buying;
- iv. To have a clear understanding about their customers;
- v. To understand the needs, wants, desires of the customers;
- vi. To be aware of the family size, liking, disliking, and background of the customers; and
- vii. To design strategies proactively based on their customers, services as products, and customer services.

Understanding the customers is not an easy task for banks. If a bank has detailed understanding of the needs and profile of their customers, then this understanding and knowledge can facilitate a favourable change or improvement in managing the relationship with their customers. Building and enhancing relationships with target market is not only a software-based or technological matter, it is all about the understanding, communication, and engagement of entire business operations with the customers in the most effective and efficient way.

At present, with the availability of advanced technologies, customers are well informed about products and services offered by the firms and it is easy for them to have access to information within seconds. Thus, this kind of accessibility of customers to information is influencing banks to adopt more customer-oriented strategies.

The banking industry has adopted the best available technology that results in the best contact with each and every customer more efficiently than ever. As stated by many researchers, the implementation of Customer Relationship Management (CRM)

facilitates the companies to manage their customers in the best possible way by giving emphasis on profitable customers.

Reynolds (2002) stated that Customer Relationship Management (CRM) applications typically include the following:

- i. Automation of Call Center
- ii. Promotional management
- iii. Contact management
- iv. Warehousing of data
- v. Management of email
- vi. Automation of field services
- vii. Knowledge management
- viii. Automation of marketing activities
- ix. Personalization of customers
- x. Automation of sales force

On the other hand, the banks are adopting the techniques of Customer Relationship Management (CRM) to achieve the following outcomes (Foss and Stone, 2002):

- i. To design and develop customer focused environment inside banks;
- ii. To build and enhance long lasting relationship with their targeted customers;
- iii. To produce and deliver the best products and services to the customers; and
- iv. To find out the most cost-effective customers for the banks.

Kumar and Rajesh (2009) revealed that if a bank wants to grow in the volume of banking operations or increase the profitability, it is to consider all the challenges which affect its relationship with customers. Chakraborty, M. (2012) stated that customers are the most important and strategic asset of an organization. This is equally true for the banking sector of Bangladesh. Satisfied customers provide a bank with a source of competitive advantage. To create competitive advantages, the banks

in Bangladesh are implementing the following services as part of their Customer Relationship Management.

Telephone Banking: The people working in telephone banking operations are well trained in doing things which were usually available at the branches earlier. Some banking operations through telephone banking are applications of the loan, investment purchases, and redemptions, orders of chequebooks, replacements or changes of debit cards and credit cards, change of address, and so on.

Mobile Banking: Mobile Banking provides many services and some of them are following:

- i.** Account balances information through SMS
- ii.** Fund transfers between accounts
- iii.** Confirmation of direct payment
- iv.** Stock trading
- v.** Registration of customers
- vi.** Deposit of cash
- vii.** Withdrawal of cash
- viii.** ATM withdrawal
- ix.** Mobile Top-up
- x.** Person to person transfer
- xi.** Bank account to mobile account transfer
- xii.** Balance enquiry
- xiii.** Salary disbursement
- xiv.** Foreign remittance
- xv.** Bill payment
- xvi.** Merchant payment

Internet-Banking Services: Banks are providing many services for the customers through the Internet. Some of the internet-banking services are mentioned below.

- i. Enquiry of balance
- ii. Statement of the account
- iii. Payment of bill
- iv. Set up of beneficiary
- v. Instruction for repetitive payment
- vi. Execute or stop orders for payment
- vii. Request for cheque book
- viii. Operations of investment with the banks
- ix. Correspondence between customer and branch
- x. Transfers of funds
- xi. Over Draft (OD) management

The banks having customer-focused culture enables the banks to attain their goals better than their rivals. Moreover, the relationships have an important impact on our daily lives, hence it is quite difficult for the financial firms to ignore this important factor of their clients. Ensuring the delivery of the best services to the customers with their expectation, the banks can attain their relationships with their customers as well as financial goals. In the end, Customer Relationship Management (CRM) helps the banks to survive and grow for achieving goals.

Relationship management with customers in many professional services including the services provided by banks are appreciated and rewarded (Swartz and Lacobucci, 2000). CRM is an emerging trend in the banks and other financial institutions today and a lot of resources have already been spent on the implementation of CRM process (Jarrar and Neely, 2002). And, CRM is not only a system followed by leading financial firms to gain competitive advantage, instead, it has become a key to survival and growth for the firms. Started with the services of ATM, the banks in the financial services industry have offered telephone-banking, SMS banking, network banking, customer care centers, etc., that have progressively increased the investment of resources in front-office systems, that itself is directly related to customers (Liu, 2007; Laudon and Laudon, 2004).

According to Onut, et al., (2006), Banks and other financial service institutions have realized the significance of CRM and its potential to help them to acquire new customers, hold current customers, and maximize their lifetime value. Banks have also realized that CRM is the only solution to help them to maintain a long-term relationship with their customers (Onut, *et al.*, 2006). And, maintaining relationships with customers also requires strong coordination between different departments at the bank (such as IT, sales, service and support, credit, general banking and marketing department and so on) by applying CRM, a firm can have a dramatic effect on bottom-line performance. For example, Lowe's Home Improvement Warehouse, in a span of 18 months, achieved a 265 percent return on investment (ROI) on its \$ 11m CRM investment (Stringfellow, A.*et al.*, 2004).

The major reasons for which a firm can implement CRM are to decrease the cost of operations, increase revenue, enhance the successful relationship with customers, and enhance productivity as well as the profitability of the firm. CRM can be understood as a process that consistently contributes to the most real-time information to the database, which may help the firm to form a better corporate strategy. So, Customer Relationship Management (CRM) can be applied in all kinds of firms and closely related to input and output of an organization (Lin, N. H. *et al.*, 2009).

Customer Relationship Management (CRM) has been known as a firm's practice to promote cross-functional operations to revitalize its marketing activities for developing and sustaining a profitable customer relationship (Reimann, *et al.*, 2010; Richards and Jones, 2008). It covers a set of organizational activities supported by both technology and processes to systematically and effectively manage customer relationships by providing customers with high-quality operations, fulfilment and products and services (Battor and Battor, 2010; Chen, *et al.*, 2009; Payne and Frow, 2005; Soliman, 2011).

CRM can help organizations in different ways. For example – CRM system maintains historical data of customers, so it becomes very easy to find and communicate with the customers at the right time. To understand the customers' requirements, it is important to trace the information of customer interactions with the organizations. CRM also helps to develop and introduce a new product or service to customers through their regular interaction. In CRM system, customers are categorized based on

age, location, specification etc. so, it helps to focus and concentrate on each customer separately. It also helps to identify a long term and short time customer, etc. (Chakraborty, M., 2012).

Therefore, Anbuoli and Thiruvengkraj (2013) argued that the impact and role of CRM are crucially important in leading the financial institutions like banks towards a higher level of profits and sustainability. To render services to the customers of a financial institution has been identified as the most important responsibility and the CRM has been regarded as the most important tool to perform the jobs of delivering expected services to the customers.

Moreover, Balakrishnan and Krishnaveni (2014) revealed that the proper CRM practices will increase the customer satisfaction and build a relationship with present and prospective customers. This can be done by managing information and improving the performance of delivering products and services at a great speed that facilitates the acquisition and retention of customers.

As a result, many financial firms such as banking institutions, insurance firms, leasing firms, and other service providers have realized the impact and significance of Customer Relationship Management (CRM) and its prospects or potential benefits to facilitate them in acquiring new customers, holding existing customers and maximizing customer lifetime value (Vikram, B. B., 2015).

CHAPTER-3

CONCEPTUAL FRAMEWORK

3.1 Conceptualization

A conceptual framework generally explains the main things to be studied in a narrative way or graphical way. Conceptual framework provides the reader with a transparent understanding of the theoretical approach to the phenomena which is being studied. A conceptual framework has been defined in the following ways by different authors.

The conceptual framework is defined as a set of ideas and principles collected from the pertinent fields of study and used to design a subsequent demonstration (Reichel and Ramey, 1987).

A conceptual framework is the study of ideas, concepts, assumptions, expectations, perceptions, beliefs, and theories which helps and acknowledges about a particular study which is known as a key part of research design (Miles and Huberman, 1994).

Again, a conceptual framework facilitates a study in a particular field of knowledge that lay the groundwork for understanding the significance of the problem statement and questions of the research (Tonette and Maria, 2009).

Thus, a conceptual framework, which is a narrative or pictorial expression of the phenomena, includes the important aspects, concepts, ideas, variables, and the relationships among these aspects and variables.

Research Questions of the Study

The basic purpose of the study is to explore the major aspects which affect the loyalty of the customers, the key focus of Customer Relationship Management (CRM) for the survival and growth of the banks in the financial service industry of Bangladesh. The following questions have facilitated the researcher to attain the main purpose of this research:

- i. What are the major factors that affect the loyalty of the customers, the key focus of Customer Relationship Management (CRM) in the financial service industry of Bangladesh with a special focus on Private Commercial Banks (PCBs)?
- ii. What is the relationship between the factors which influence the loyalty of customers in the Private Commercial Banks (PCBs) of Bangladesh?
- iii. How do Private Commercial Banks (PCBs) maintain a relationship with their customers in Bangladesh?
- iv. Are there any differences between Conventional PCBs and Shariah Based Islamic PCBs in maintaining customer relationship management in Bangladesh?
- v. Are there any differences between Local PCBs and Foreign PCBs in maintaining customer relationship management in Bangladesh?
- vi. Are there any differences between OLD and NEW Generation PCBs in maintaining customer relationship management in Bangladesh?
- vii. How can a model of Customer Relationship Management (CRM) be developed for the Private Commercial Banks (PCBs) of Bangladesh?

Hypotheses of the Research

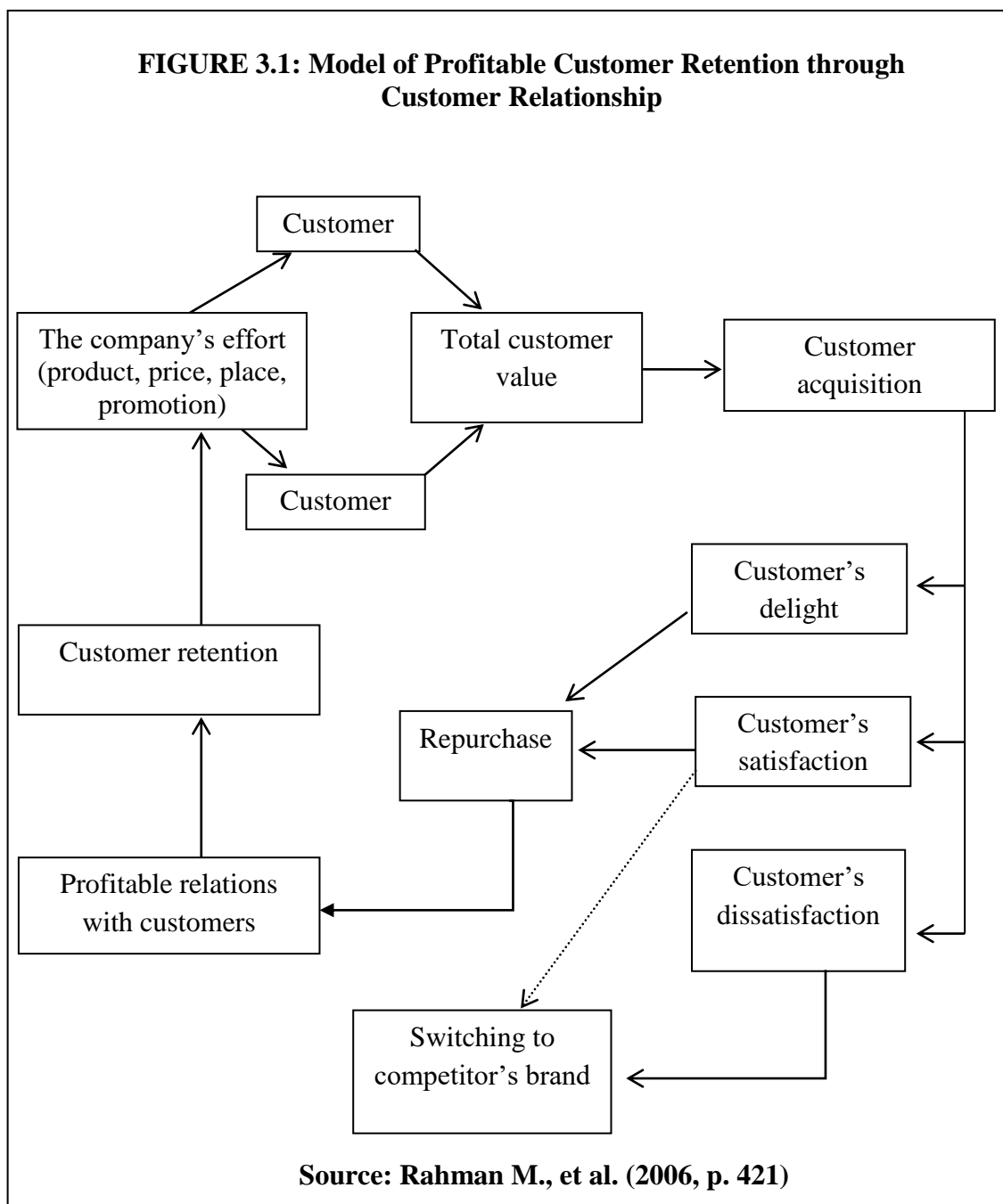
The following hypotheses have been developed by the researcher on the basis of the purpose of the research:

- H 01: There is a substantial impact of Service Quality on Customer Perceived Value.
- H 02: There is a substantial impact of Service Quality on Customer Satisfaction.
- H 03: There is a substantial impact of Service Quality on Customer Loyalty.
- H 04: There is a substantial impact of Customer Trust on Customer Perceived Value.
- H 05: There is a substantial impact of Customer Trust on Customer Satisfaction.
- H 06: There is a substantial impact of Customer Trust on Customer Loyalty.
- H 07: There is a substantial impact of Customer Perceived Value on Customer Satisfaction.
- H 08: There is a substantial impact of Customer Satisfaction on Customer Loyalty.
- H 09: There is a substantial impact of Customer Switching Barriers on Customer Loyalty.
- H 10: There is a substantial impact of Customer Culture on Customer Loyalty.
- H 11: The generation of the banks (Old vs. New) has significant moderating effects on the model of CRM in Bangladesh.
- H 12: The mode of operations of the banks (Conventional vs. Islamic) has significant moderating effects on the model of CRM in Bangladesh.
- H 13: The ownership structure of the banks (Local vs. Foreign) has significant moderating effects on the model of CRM in Bangladesh.

3.2 Existing Models Relevant to this Study

In exploring the factors of Customer Relationship Management (CRM), some models have been found relevant directly or indirectly to CRM. The following models developed by different authors and experts are found relevant to the purpose of this study.

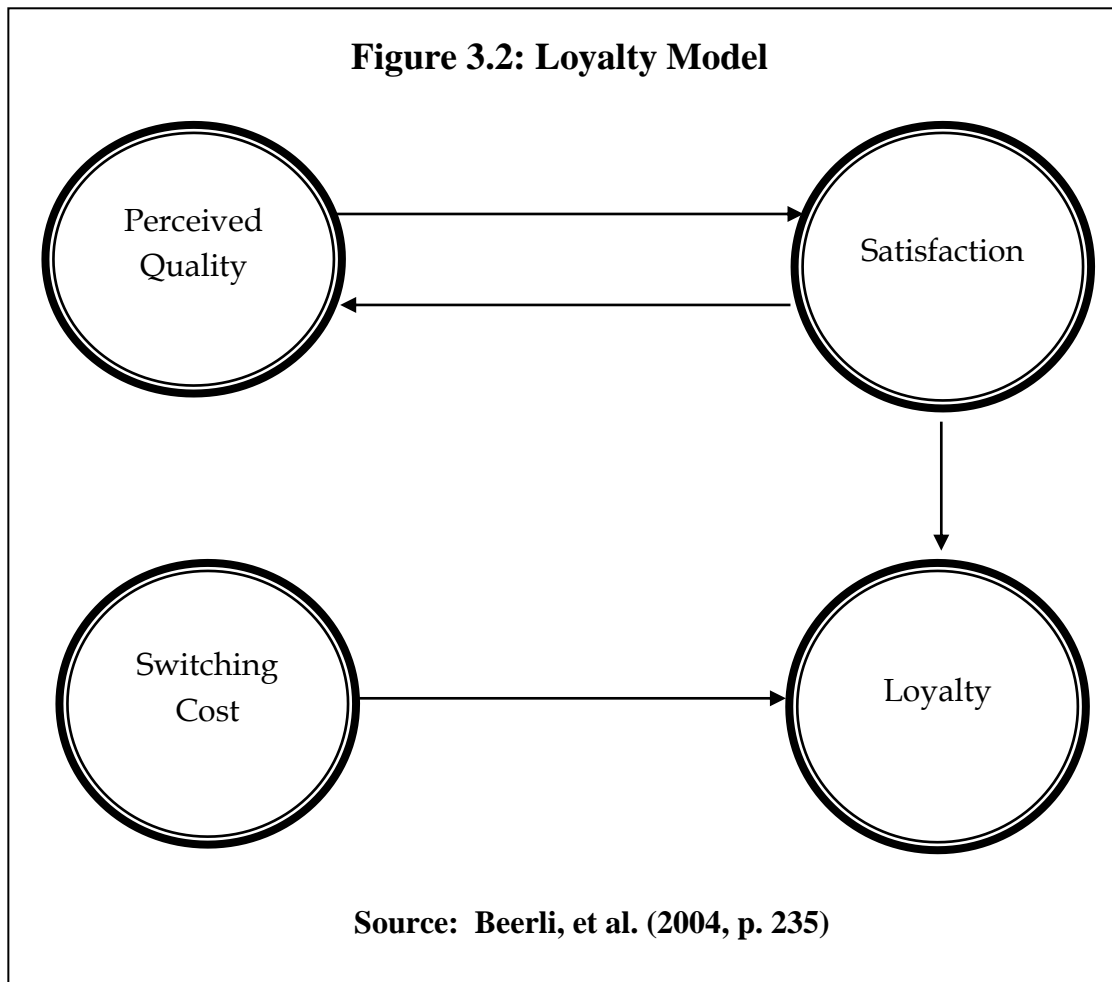
The model titled Profitable Customer Retention through Customer Relationship developed by Rahman, *et al.* (2006) is shown below.



The model depicts that a firm is making effort to attract and satisfy their customers. Typically, a company's efforts are translated into its marketing mix i.e. product, price, place, and promotion which are commonly treated as the controllable tools of marketing management. These marketing tools together form the marketing offer to the present and potential customers of the market. Each of this offers whether it is a product or service or something else has two dimensions: customer cost and customer benefit. These two variables form the total customer value. If the customers perceive positively towards the delivered value then they will purchase it, otherwise not. From the traditional point of view, the task of marketing management comes to the end at this point. But it is not the right way of thinking. Rather, the main task of marketing begins at this point. A marketing manager's success depends heavily on the extent to which s/he can identify, analyze and satisfy the unfulfilled needs, wants and demands of the customers. S/he must explore the actual meaning of the customer's response, which may be of three types: customer dissatisfaction, customer satisfaction, and customer delight or higher satisfaction. Firstly, if the customer is dissatisfied then s/he will definitely switch to the competing firms, and may even bad-mouth the company. Secondly, if the customer is merely satisfied, then the customer may repurchase company's product. At the same time, s/he may still switch to the competitors brand. Actually, this is an indifferent position. And finally, if the customer is delighted or highly satisfied, then it is expected that s/he will not switch anywhere. This is the level at which a company wants to reach. For achieving such a position, a company has to continuously perform some special tasks to build and maintain a long-term profitable relationship with its customers. By this way, a company can gain its ultimate objective – profitable customer retention.

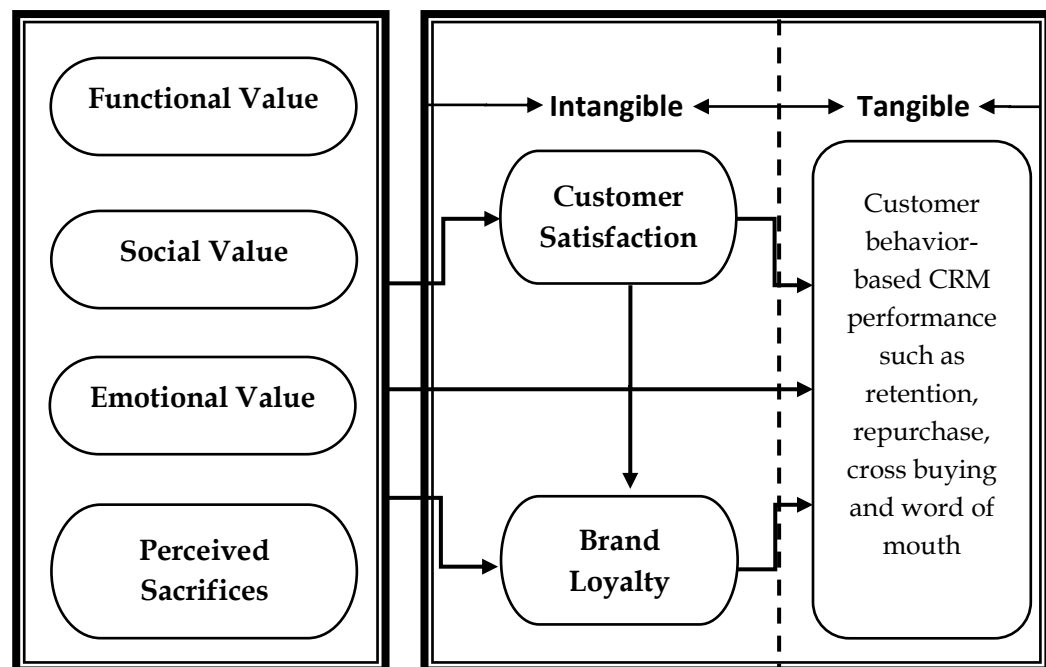
The loyalty model shown below was developed by Beerli, et al., (2004). The model depicts the influence of different factors on the loyalty of customers. It has been observed from the model that customer satisfaction is the most influential factor in customer loyalty. It is also evident that satisfied customers are more likely to be loyal than dissatisfied customers.

The following model also shows that switching cost is another factor influencing customer loyalty. Based on the model, it can be said that each and every customer has to pay some switching cost whenever s/he is willing to move from one another product or service to another product or service. For example, money, time, legal obligation, the distance can be the switching costs which customers will have to pay if they want to move to other products or services.



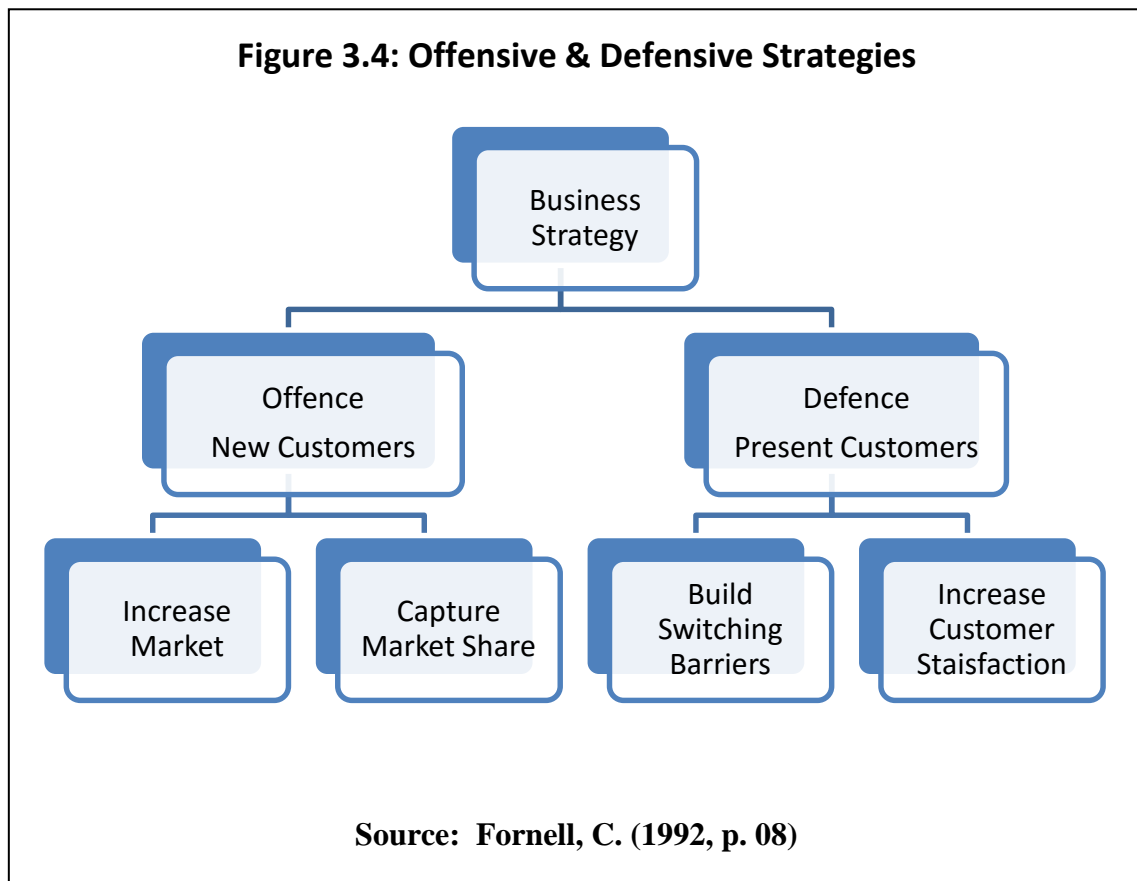
The following model titled “The Integrated Framework for Customer Value and CRM Performance” was developed by Wang, et al. (2004). The model depicts different values which customers obtain from a product or service. If these values are fulfilled, customers are satisfied. This continuous customer satisfaction creates customer loyalty in the end.

Figure 3.3: The Integrated Framework for Customer Value and CRM Performance



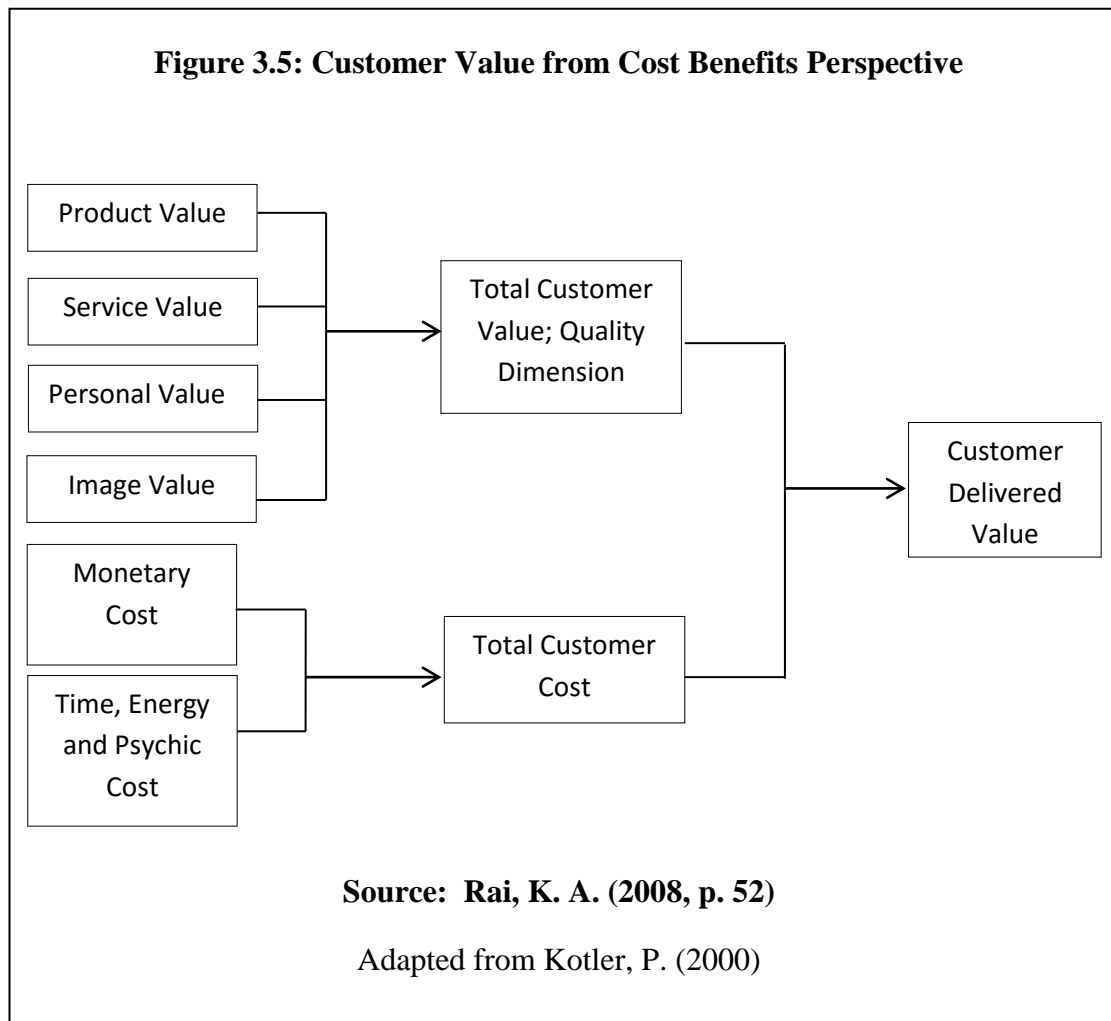
Source: Wang, et al. (2004, p. 17)

The following model was developed by Fornell C. (1992). The model shows that the banks can have the relationships with their customers in two ways which are Offensive Strategy and Defensive Strategy respectively. In offensive strategy, banks try to acquire new customers while banks try to retain their existing customers through defensive strategy.



Customer Value

The perceived value represents an all-inclusive evaluation by the customer about the utility of a product on the basis of “what is got and what is given”. Value resides in the balance between the functional solution acquired by the customer and the customer’s sacrifice in acquiring the solution.



3.3 Customer Relationship Management and the Factors that Affect Customer Loyalty

The key factors that affect the loyalty of the customer, the key focus of Customer Relationship Management (CRM), are discussed below.

3.3.1 Service Quality

Service quality is one of the major factors which can make a bank sustainable and competitive in the industry. Malik et al. (2011) mentioned that many researchers and practitioners are compelled to take the service quality into their consideration due to its influence on customer's perceived value and customer's satisfaction. Again, Kaura (2013) expressed that banks require giving emphasis on service quality to improve their customers' satisfaction which is important to make customers loyal to the bank. Kaura and Datta, (2012) found that improved service quality increased customer satisfaction in the banking industry of India. According to Mualla (2011) "Commercial banks must undertake a large amount of effort toward the quality of services and put more emphasis on building and maintaining long-term relationships with their customers. Again, Ladhari, et al. (2011) mentioned that high quality of a service has a positive impact on customer's satisfaction which is directly related to the profitability of a bank. It has been observed that a high-quality service provides a good number of benefits which include: good corporate image, higher customer satisfaction, opportunities for cross-selling, reduced loss of customers, increased chances of positive word-of-mouth, and finally, the maintenance of long-term relationships with customers (Ilyas, et al., 2013).

Quality can be defined as the capacity of a product or service to perform its functions for which it is offered to the market. In Japanese philosophy, quality means zero defect (or defect free) product and services which focus on doing the things right for the first time. Crosby (1980) pointed that quality means conformance to standards. Garvin (1993) defined quality by counting the incidence of internal (before products leave the factory) and external failure (after the product is installed).

Service quality is a cognitive judgment about a service by its receiver. In other words, it is a universal judgment or attitude concerning a particular service; the customer's overall assessment about the relative superiority or inferiority of a service offered by a

service firm (Fogli, L. 2006). Service quality has been defined as customers' overall assessment toward a service (Ganguli and Roy, 2011). In another view, customer satisfaction is generally defined as a collection of feeling or judgment of customers toward a product or service after they have purchased and consumed (Gupta and Bansal, 2012); whereas the quality of a service is an overall evaluation of the services and satisfaction concerned with the overall evaluation of the experience with those services offered by a provider (George and Kumar, 2014).

Likewise, service quality is the result of perceived service compared with expected service on the basis of customer's view of a bundle of elements or features provided by a service provider (Urban, 2013; Vassiliadis, et al., 2013). On the basis of the above definitions, there is a strong debate in the literature over the specific features of service quality (Barrera and Cepeda, 2014). One of the most representative models in this regard is SERVQUAL (Parasuraman, et al., 1988) which includes five major elements of service quality such as: reliability or ability to provide the service accurately; ability to respond to the customers quickly; the physical facilities of the service provider, equipment and appearance related to the service delivery; the ability of the providers to instill confidence in customers; and empathy or providing customized attention to the requirements of the customers.

It has been proved several times in different researches that the quality of market offering helps the firm in gaining market share, having expected a return on equity, reducing the cost of production, and enhancing effectiveness and efficiency. In case of physical objects, evaluation of quality is an easy job as uniform quality standards can be maintained persistently. On the other hand, distinctive characteristics of services make the measurement of the quality of a service difficult. Service quality is truly an elusive and concrete construct that is very difficult to measure or evaluate (Cronin, J. J., and Taylor, S. A., 1992).

Gefen (2002) stated that the quality of a particular service is basically a subjective comparison the customers make between the quality level of a service customers want to have from the provider and what they really receive from the provider. On the other hand, Parasuraman, et al. (1985, 1988) mentioned that the quality of a service is determined based on the differences between what level of performance the customers expect from the service provider and what level of performance they receive from the provider. In short, service quality is all about the delivery of the outstanding or

superior level of services in relation to the expectations of customers. In other words, service quality has been perceived as a multidimensional concept while the number of elements often varies from researcher to researcher. However, there is some consensus that service quality comprises of three basic elements such as outcome quality, interaction quality, and physical environment quality (Rust and Oliver, 1994). Here, outcome quality indicates the assessment of customers about the core services which are the prime influencing factors for which a customer buy a service.

Services have some distinctive characteristics such as intangibility, heterogeneity, perishability, and inseparability of production and consumption. Therefore, it is somewhat difficult to conceptualize and measure the quality of services. And, quality is a relative and subjective matter which depends on the perception and expectations of the customers with respect to the service offering. Customers perceive service quality as a comparison of what they think the service should be (expectation, E) with the customers' assessment of the services they have received (perceptions, P) from the service provider (Parasuraman, et al., 1985). The quality of a service has been described as a form of attitude which is not equivalent to customer satisfaction that results from the comparison of customer's expectations with the performance of the service provider (Parasuraman, et al., 1985; Bolton and Drew, 1991). Parasuraman et al., (1988) developed a measurement scale called SERVQUAL, which has 22- items to measure service quality comprising five dimensions which are reliability, responsiveness, assurance, empathy, and tangibility. The four dimensions such as reliability, responsiveness, assurance, empathy are related to people aspect of service quality and another dimension i.e. tangibles aspects is related to a physical setting where the service is delivered.

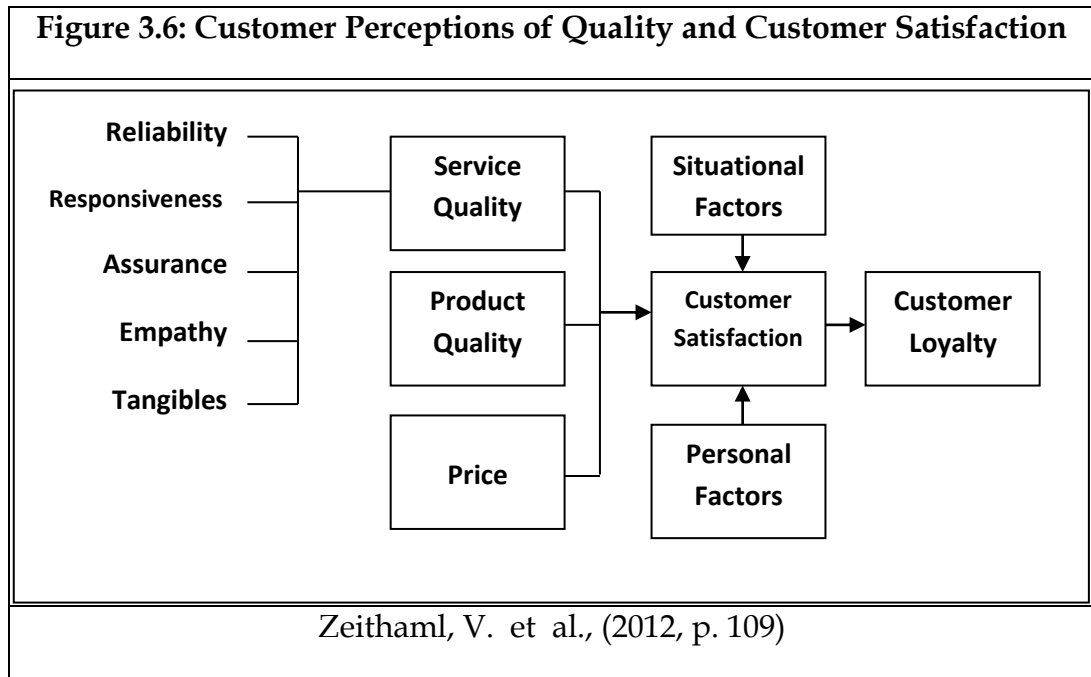
Most academics and researchers have agreed that customers have expectations while they are receiving any service from the provider and this expectation is serving as a reference point based on which the delivered service is judged or measured. However, there is still an unresolved controversy of using the expectation of a customer as a determinant of service quality. Parasuraman et al. (1985; 1988) included expectations as standards for the evaluation of the quality of a service.

In a revolutionary article, Parasuraman et al. (1985) developed a model titled GAPS model by synthesizing two factors which are (i) the expectation & disconfirmation theory relating to consumer's satisfaction, and (ii) the earlier investigations about the

dimensions of services quality. Afterwards, they developed a multiple-item scale titled SERVQUAL that explains and evaluates the elements of a service which are considered by the customers of a service in assessing its quality. In the SERVQUAL, the quality of a service is measured by five different dimensions and these dimensions are reliability, responsiveness, assurance, empathy, and tangibles (Parasuraman, et al., 1988). It is to mention that the application of SERVQUAL scale has been criticized from both theoretical and operational point of views. In addition, The SERVQUAL scale has also been criticized from a methodological point of view. This criticism is basically because of its calculation procedure that uses difference score between the expected performance and the perceived performance by a customer. SERVQUAL model has also been criticized due to multicollinearity resulting from the auto-correlation between the measures of scale (Spreng, et al., 1993), low reliability, and problems with discriminant validity (Brown, et al., 1993).

Kaura and Datta (2012) found that the tangible aspects of the service quality of a bank's service increase the level of customers' satisfaction. In addition, services enabled by technology provide constant, reliable and quality service and better technical aspects of service quality have a positive impact on customers' satisfaction. In a study, Bedi (2010) applied reliability, responsiveness, assurance, empathy, tangibility, service availability and the convenience of services. He showed that reliability, responsiveness, assurance, and empathy are the elements of human aspects of service quality. Additionally, there is a significant role of human behaviour in delivering services to the customers. Information Technology (IT) is not considered as a dimension of service quality in the conventional Service Quality (SERVQUAL) model.

Satisfaction is a function of customers' expectations and satisfaction is influenced by the perceptions of service quality, product quality and price as well as personal and situational factors. The following figure reflects the relationship between customer perceptions of quality and customer satisfaction.



The model SERVQUAL approach to measuring the quality of services has received substantial attention from academics and practitioners since it was first introduced by Parasuraman et al. in 1985. In the early 1980's, Parasuraman and his associates conducted an extensive qualitative research on business people and consumers to discover the concept of service quality and its dimensions. The study concluded that the service quality is perceived by the customers depending on the gaps between the expectations of the customers from the provider and the perception of the services provided by the firm. Primarily, the study also identified ten different elements of service quality including competence, courtesy, credibility, and security and so on. The list of elements was later reduced to five major dimensions which are tangibility, responsiveness, empathy, assurance, and reliability. They extended their research in 1988 founding the base of a scale titled SERVQUAL (Parasuraman, et al., 1988). The dimensions of SERVQUAL model are described below.

1. **Reliability:** The ability of the service provider to perform its services accurately and dependably.
2. **Responsiveness:** The willingness of the service provider to help the customers and provide services promptly.
3. **Assurance:** The ability and knowledge of the employees to inspire and instil trust and confidence in the customers.

4. **Empathy:** The degree to which the service provider is caring and paying personalized attention to its customers.
5. **Tangibles:** The appearance of physical settings, equipment, personnel, and other materials related to the delivery of services to the customer.

3.3.2 Customer Trust

In general, trust has an object (person, system, organization) which can be trusted or not.

The term 'Trust' can be defined as the willingness of one party to remain vulnerable towards the actions and reactions of another party having an expectation that another party will perform a particular action which is important to the trust or, irrespective of the capacity to control or monitor the other party (Mayer, R. C., et al., 1995). According to Chaudhuri and Holbrook (2001), "Customer trust has a strong influence on customer loyalty".

Trust in person is the trust we have in other people. According to Fukuyama (1995), "In a high-trust country, trust in other people, even people outside the circle, group, team, village, or group of relatives, is high'. Trusting another person is a kind of standard in a high-trust country or community. We trust other people unless there is evidence that the other people cannot be trusted. System trust is the trust in a system or process by which a service can be provided to the customers. Trust in the system, as well as an organization, is highly pertinent to the service delivery system and the service provider i.e. the bank here (Bulbul, 2013).

Organization trust is the trust in an organization or institution such as a bank to keep its promises and to act according to the agreed and expected promises, procedures, and outcomes. This is also referred to as narrow-scope trust, defined by Sirdeshmukh et al.(2002) as "the expectation held by customers that the service provider, in this case, the bank, is dependable and can be relied on to deliver its promises."

In a service industry especially for banks, trust is very vital in different relational exchange situations which lessen the perceived risk of the result of a service (Dimitriadis, et al., 2011). Trust in a bank is important for bank-customer relationships and for long-term relationships with customers in general due to a

number of reasons. Trust facilitates repetitive transactions with customers. Having trust with a bank, customers do not get worried about their personal interests being taken care of, their savings with the bank, and the financial offerings they have bought or they plan to buy from a bank, which includes insurance policies and mortgages and others. When customers have a high level of trust, customers feel confident that their interests and requirements are being well served by the service provider such as a bank. To some extent, a high level of trust is a buffer against negative experiences which can arise amongst customers. Customers are likely to forget or pardon a negative experience and perceive that experience as an exception while they trust the bank. On the contrary, if the level of trust is low, a customer may perceive a negative experience as evidence that the bank cannot be trusted.

It is generally accepted that if I know and trust someone, I will definitely give importance on his or her opinion in my decisions. Similarly, customers who know and trust a company's products and services are more likely to buy the company's products regularly and finally become loyal. To build awareness and trust, a bank must have effective channels of communications with its targeted customers. If a bank can gain the trust of its customers, the bank is more likely to translate customer trust into customer loyalty.

Because of the financial crisis of 2008, trust in the banking system or process, trust in banks, and trust in non-bank financial institutions (NBFI) such as insurance companies and pension funds, has declined in many countries (Hurley, et al., 2014; Jarvinen, 2014). The crisis has indicated the important role of trust in banks. The typical banking system and some specific banks are perceived as the root of the financial crisis. Thus, trust has been breached and must be considered from both broad scope as well as narrow-scope perspective (Gillespie and Hurley, 2013).

Ball, et al. (2004) stated that if a market is competitive, the lack of trust must hinder the development of customer loyalty. Kassim and Abdullah (2010) showed in their study that there is a link between customer trust and customer loyalty especially in two cultural contexts which are Malaysia and Qatar and found that the relationship is significant. In another study, Nguyen and Leclerc (2011) showed that customers in the service industry are likely to show the positive behavioural attitude towards the products or brands they have trust. In a study, Shainesh (2012) mentioned that trust is an important indicator of customer loyalty.

According to Jarvinen (2014), consumer trust in the context of the banking industry is based on consumer experience about the ability of banks to deal with customers in a dependable way, maintain the rules and regulations, work well and serve the general interest and requirements of the customers. Schumann et al. (2010) identified four major determinants of trust in service providers: the ability to serve (competence), benevolence to customers (customer orientation), predictability about the needs of customers, and integrity of the bank.

Trust, therefore, increases customer resistance to alternative market offerings offered by the competitors and thereby helps to maintain loyalty to the company by reinforcing the belief that the parties are not motivated by opportunism (Rondan, et al., 2006). In fact, many studies showed that customer trust determines customer loyalty to the companies (Aurier and N'Goala, 2010).

In fine, the closer the relationships between the bank and its customers, the higher the customers have to trust in the bank and vice versa. The intimate relationships between the customers and the bank are not because of any prejudice but because of their mutual satisfaction that results in the loyalty of the customers. Thus, customer trust has a substantial influence on customer loyalty and the higher the customer trust in the bank is the higher the customer loyalty to the bank.

3.3.3 Customer Perceived Value

Customer perceived value is gaining more and more interest and attention from the firms day by day. Generally, customers are making their purchase decisions on the basis of perceived value they are receiving from a product. Customer perceived value is the difference between all the benefits a customer has from a product and all the costs incurred to obtain that product in relation to available competing offers in the market (Kotler, P. et al., 2010). And, customers will purchase the market offering that offers them the highest customer value from available competitive ones.

Customer perceived value is the perception of customers about quality, social benefit and psychological benefit and money paid to the firm or services. So, if the customer's perceived value is positive, then it will generate the customer's loyalty to the service provider. In a study, Khan et al. (2013) explored the dimensions of customer perceived value in the retail banking customers in Malaysia. They proposed that functional values and relational values were two broad conceptual aspects of

customer perceived value. Functional value referred to the rational and economic valuations of individuals about the quality of a market offering. And, the relational value is regarded as an outcome that results from collaborative and repetitive encounters with the service providers and its partners. The study again identified three dimensions under the title of functional value which are the quality of service, the price paid by the customer, and flexibility in delivering service, whereas the two dimensions under the title of relational value are confidence of customers in the service provider and communication of the provider to the customers.

Perceptions are subjective and vary from customer to customer. In general, perceptions about a particular product may be different from customer to customer and so is the customer perceived value.

Generally, customers go for the goods or services which offer them the highest customer perceived value from available alternatives in the market. Here, we can say that by offering a better value of services than other competing banks, a bank can create a competitive advantage over its competitors. In Bangladesh, it has been observed that the customers also give emphasis on their emotional involvement with the companies or products while the purchase goods or services from the market. In fine, customer perceived value is greatly connected to the satisfaction of customers and customer's satisfaction, in turn, is largely related to the loyalty of customers.

3.3.4 Customer Satisfaction

The term 'customer satisfaction' has been gaining much attention from academics and practitioners for last several years as customers are the primary source of profit for any company. Several studies illustrated that a positive relationship exists between the satisfaction of the customers and their loyalty (Tariq and Moussaoui, 2009). However, some studies showed that the relationship between the satisfaction of customers and the loyalty of customers is not straightforward. Besides customer's satisfaction, customers consider some other factors which contribute to the decision of continuing or terminating a relationship with a service provider (Buttle & Burton, 2002). Satisfaction was studied from different perspectives by different scholars. Oliver (1981) explained the concept satisfaction as, "the summary of the psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the

customer's prior feelings about the consumption experience with a product or service.”

In general, we can say that customer's satisfaction is the function of customer's expectation. According to Churchill and Surprenant (1982), “Customer satisfaction is an outcome of purchase and use resulting from the buyers' comparison of the rewards and costs of the purchase in relation to the anticipated consequences”. Customer's satisfaction is also defined as an emotional state which generally comes in response to the evaluation of a particular service (Westbrook, 1981). According to Philip Kotler (2010) “Customer satisfaction is the extent to which a product's perceived performance matches a buyer's expectations.”

From a service perspective, the term customer satisfaction is defined as an emotional condition of a customer that results from a generic evaluation of all the facets that make up the relationship between the service provider and the customers (Severt, 2002).

Earlier, customer satisfaction was defined by Woodruff et al. (1991) as a collection of feeling or emotion that results from the cognitive evaluation of the service received from a provider against the costs incurred to get the service from the provider. Again, Tam (2004) explained customer's satisfaction is a psychological procedure determined by the evaluation of what a customer gives up or sacrifices to obtain a service i.e. cost of service and what he or she receives in return i.e. benefits from the service. Thus, customer's satisfaction is an emotional or feeling state of a customer that comes through this evaluation process.

In fine, customer satisfaction is a psychological evaluation of a customer based on the comparison between the results of customer expectations prior to purchase and the performance perceptions after the purchase of a product. Generally, customers are satisfied when they are happy with the result of their purchase, attain their purchase objectives, and experience no disturbance with the providers. It has been observed and believed that satisfied customers maintain their contact and relationship with the company or the provider and purchase more and more products or services more repetitively than dissatisfied customers (Paul, 2016).

Customer satisfaction is strongly influenced by perceptions of the quality of service, quality of the product, the price charged by the firm, personal factors, and situational

factors. And, the level of customer satisfaction can be of three types which are dissatisfaction, satisfaction, and delight.

When the performance of a product matches the expectations of the customer, the customer is satisfied. If the performance of the product does not match the expectations of the customers or lacks the expectation of the customers, the customer is not satisfied. Nowadays, the firms are making efforts not only to narrow down or minimize the differences between these two states i.e. expectation and perception but also to provide products for their customers that exceed the expectation of customers to delight them and in turn to make the customers loyal. It has been observed that customer satisfaction is one of the most important elements for the retention of customer and consequently for customer relationship management. When a customer is satisfied, s/he becomes a volunteer marketer of that product or the firm. Thus, customer's satisfaction is imperative in business and it has a strong influence on customer's retention and customer's loyalty. However, it was also found that a satisfied customer does not necessarily become always loyal, some customers may maintain a relationship with a company despite being dissatisfied (Matos, et al., 2013).

Finally, customer satisfaction facilitates the measure of how financial services provided by the banks meet their customers' expectation. It is one of the key performance indicators of any business organizations such as banks.

3.3.5 Customer Switching Barriers

Switching barriers are the barriers a customer feels and faces when moving from one brand to another brand of a market offering. In any competitive financial service industry like Bangladesh, customer switching behaviour is injurious to each and every financial institution such as a bank. Various experts have defined switching behaviour in different ways at different times such as Bejou and Palmer (1998) explained that customer switching behaviour is a dynamic process that is built over a period of time and it resulted in the ending of the relationship. Again, Oyeniya and Abiodun (2010) mentioned that customer switching incurred by customers for discontinuing a transaction relationships and beginning a new relationship with some other firms. Sathish, et al. (2011) referred that switching is a negative consequence of the buyer decision-making process and the then implementation of the decision relating to a

particular product or service from the market. Based on these definitions, we can say that whether switching is a process or decision of ending a relationship with a particular service provider, whatever the reason may be, and developing the same relationship with another provider of the same category of the service.

When considering a switch in service providers, a customer may face a number of barriers that make it difficult to leave one service provider and begin a relationship with another (Zeithaml, et al., 2012). In banks, switching barriers are the barriers or factors which make it difficult or costly for the customers to move from the service of a bank to another. Based on different studies, it can be stated that there is a relationship between customer switching barriers and customer loyalty. For example, Jones et al. (2000) in a study confirmed that switching barriers have a strong role in consumer loyalty and he showed switching barriers include perceived switching costs, interpersonal relationships, and attractiveness of alternative.

Patterson and Smith (2003) found out six switching barriers which are costs of searching, cost of social ties or relationships, cost of setting up service, functional risk, cost of the attractiveness of other available alternatives, and cost of losing special treatment benefits. Patterson (2004) identified switching barriers are psychological costs, economic costs, and set-up costs. On the other hand, switching barriers in the retail banking industry include costs of searching, costs of the transaction, costs of learning, costs of losing discount as a loyal customer, and costs of emotional involvement (Pass, 2006). In another study, Vazquez and Foxall (2006) identified three switching barriers which are relational benefits, switching cost and availability & attractiveness of alternatives. It has also been found that switching barriers are related to perceived risk defined as consumer's perception of the uncertainty and adverse consequences of buying a product or service. The availability of alternatives plays an important role in the buying decision of a customer. If a customer has more alternatives available in the market, then his or her loyalty may also be different as compared to a customer who has less or no other alternatives available in the market. Thus, it can be stated that switching barriers have a strong influence on the loyalty of customers.

3.3.6 Customer Culture

Culture is a comprehensive concept that includes almost everything in a society which influences an individual's thought process and behaviour. Culture (from the Latin *cultura* stemming from *colere*, meaning, 'to cultivate') is a concept which has different connotations. The term 'culture' has been defined in different ways by different experts. Culture is a compound term that encompasses knowledge, belief, art, law, morals, customs and any other abilities and habits acquired by an individual as a member of a given society.

It is an established fact that culture has a strong influence on customer's attitudes and customer's behaviours (Hofstede, 1984) because each and every consumer was born and brought up in a particular culture. Therefore, customers, who are biased in favour of any bank, may become loyal customers.

It is evident that the decision-making pattern of a customer represents a persistent style of cognitive and affective responses to the stimulus. And, national culture has been proved to have a significant impact on a customer's values, attitudes and preferences (Hofstede, 1984), and to have a strong influence on the decision-making process of the consumer (Leo, C., et al., 2005).

As a citizen of Bangladesh, the researcher has observed that most of the nationals of Bangladesh have some certain values which they conceived from the culture of the country. Generally, consumers of a country develop their certain values such as liking, disliking, preferences, morals, rituals, customs and behaviour based on their culture. Similarly, how customers are responding to the firms is strongly influenced by their culture. So, if a bank can understand the values and elements of the culture of their customers then it will be useful for the bank to develop better strategies to make its customers loyal and in turn Customer Relationship Management.

3.3.7 Customer Loyalty

For survival and growth in this highly competitive business environment, all business organizations must find the best way to serve their customers. The key concept here is Customers' loyalty. If a company wants to build and maintain long-term relationships with its customers, it will have to focus on customer's loyalty. The most important goal of Customer Relationship Management (CRM) is gaining customer loyalty.

Siddiqi (2011) found that there is a relationship between service quality, customer satisfaction and customer loyalty and these relationships provide creative ideas for the banks to improve services so as to attain a competitive advantage in the banking sector especially in retail banking. Narang et al. (2011) agreed that CRM not only builds a better relationship with customers but also helps build the loyalty of the customers which is very crucial and important for a competitive advantage over the competitors. So, if a financial institution such as bank wants to maintain a sustainable competitive advantage over the competitors, then the bank has to make its customers loyal.

The service companies use customer loyalty as a key to achieving competitive advantage. And, customer loyalty is crucial and beneficial for both the customers and service providers. From the company's point of view, loyal customers are ready to repurchase from the company and meaningfully add value to the company. On the other hand, from the customer's point of view, remaining loyal to a particular service provider generates benefits for customers as well because it helps to reduce time and resources required for finding and selecting alternatives from the market.

In the past, the companies used to get customers because there were few competitors or no competitors at all in the market. Generally, customers did not have any choices or options or substitutes and the markets were growing very fast and most of the organizations did not emphasize customer's satisfaction. The firms thought that there would be high demand for their goods and services. The firms also thought that if they retained 100 customers, they would get 1000 more customers soon and this would continue year after years. The companies used to believe that there would be always new customers to replace the customers they lost. Now, the situation has been changed and in this fiercely competitive business environment, this traditional

understanding of business is no longer enough; today, if a bank gets a new customer, it will have to make him or her life-long customers.

Customer loyalty can be expressed as when a customer is continuing to believe that an organization's goods or service offer are the best option for him or her and the offering best fulfills their value proposition whatever that may be. The customers take that particular market offering whenever they are in a position to make the buying decision.

It is not an easy task for a firm to make their customer loyal because today's customers are highly savvy individuals who have easy access to different channels of communications and sources of information. So, customers are getting all the information about the latest and most attractive products and services available in the market creating a benchmark quality in the industry. As many new and improved or modified products and services are coming to the market rapidly and very frequently, it is getting really hard for companies to compete on the basis of the most rapid changes in the business environment. Thus, the customers' loyalty can be the most important key to maintaining relationships with their customers.

Customer's loyalty was defined in different ways by different experts. Some of them are mentioned below.

Customer's loyalty indicates when a customer has a commitment to buy a particular product or brand repeatedly in spite of other firms are offering the same or better products and carrying out a lot of marketing activities but your customers stay with your product or brand (Oliver, 1999). In other words, customer's loyalty is a composition of positive attitude, feeling, and preference of customers toward the purchase of a particular product or brand repeatedly.

In the financial sector, loyalty is a profound intention to maintain an existing relationship between a financial institution and its customers in the future, by purchasing the services repetitively from the same service provider in spite of different environmental and situational influences and marketing promotional efforts of the competitors (Oliver, 1999). Customer's loyalty has become one of the most important aspects of a firm for its survival and growth as acquiring a new customer is much more expensive than retaining an existing customer.

The loyalty of customers is defined as a profoundly rooted commitment of a customer to repurchase or re-patronize a particular preferred product or brand persistently in the days to come. This repetitive purchasing takes place in spite of any situational influences and marketing measures that may cause switching to other available products or brands (Walsh, *et al.*, 2008). Baumann (2011) showed customer loyalty as attitude and behaviour of the customers, on the other hand, Ladhari (2011) expressed customer loyalty as a customer's continued patronage of a particular bank. Again, Li and Zheng (2013) defined loyalty as a customer's likelihood of generating positive word-of-mouth and repurchasing intentions to buy a particular product or service. Hussein *et al.* (2014) in a study mentioned that customer's loyalty is the attitudinal and behavioural tendency of a customer to prefer a particular brand to others due to better services, expected performance, positive word of mouth and so on.

Finally, Customer Loyalty can be defined as a psychological trait constituted by the continuous satisfaction of the customer along with the emotional involvement with the provider of a service which leads to a state of willingness and persistence to be in the relationship with that service provider.

The main purpose of any business organizations is to create customers. It has been found that five percent enhancement in the loyalty of the customer increases twenty-five percent to ninety-five percent values (Dawkins and Reichheld, 1990). Perhaps, this is the fact that brought a significant change in the realization of the firms about customer loyalty. Consequently, companies understood the importance of customer loyalty and accordingly most of the companies developed various customer loyalty strategies and programs in their own industry.

In the banking industry, loss of a few profitable customers may result in a big loss in profits in comparison to the loss of many average customers. Organizations like banks must develop customer database to understand their customers better, build better strategies about their products and services, and satisfy their customers. This allows the banks to get a repeat purchase from customers-resulting in developing loyalty.

Studies suggest that a loyal customer might pay higher prices for products and services of a firm compared to price-conscious new customers, leading to rising in profitability of the firm. This explains why firms have given more focus on

developing and maintaining long-term relationships with customers as a means of increasing their profits.

A study shows that that to retain a customer for a firm is ten times less costly than to get a new customer. On the other hand, to bring a new customer on the same profit level is sixteen times more costly for the firm.

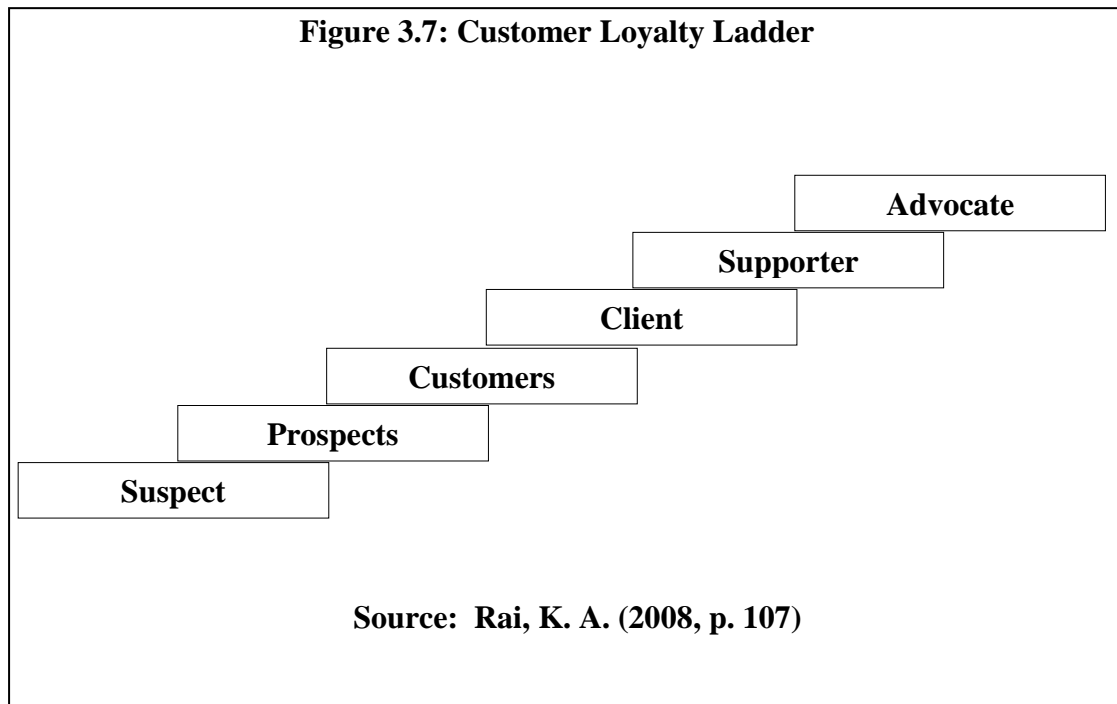
The complaints of the customers are like blessings to a company. If a customer complains, the respective firm receives the most important information about the weak areas of the firm without spending any resource on the identification of the weaknesses. So, the firms have the chances to improve their performance by working on the root causes of weak areas that are the focus of customer complains. Moreover, it is a great opportunity for the companies to ensure customers loyalty through solving the identified problems.

If a company wants to build customer's loyalty, the company should undertake necessary measures to involve their customers with the company. Meaningful involvement with customers produces increased loyalty to the company (Zeithaml, *et al.*, 1988).

If a particular service requires long-term interaction between buyer and seller, the relationships between buyer and seller become the most important for the company as a seller (Zeithaml, 1981). A meaningful relationship between the service receiver and service provider can result in the retention of customers and consequently the loyalty of customers. Additionally, the level of customer's participation and involvement with the provider of the services certainly lead the level of relationships between the receivers and providers of the services (Farquahar, 2004). Thus, customer's loyalty is the most significant objective of the companies which are involved in Customer Relationship Management and can have the most favourable outcome in this deadly competitive business world (Coviello, *et al.*, 2002).

3.3.8 Customer Loyalty Ladder

A firm is supposed to invest in its products and services which are offered to its customers. The firm is to discover and deliver values to meet the requirements of its customers so that the customers remain as advocates on the curve of customer's loyalty.



Undoubtedly, referral sales are always high-margin and low-cost sales for a company. They have also the implication of being not “one-time sale”. Besides, referral sales are likely to induce more satisfaction.

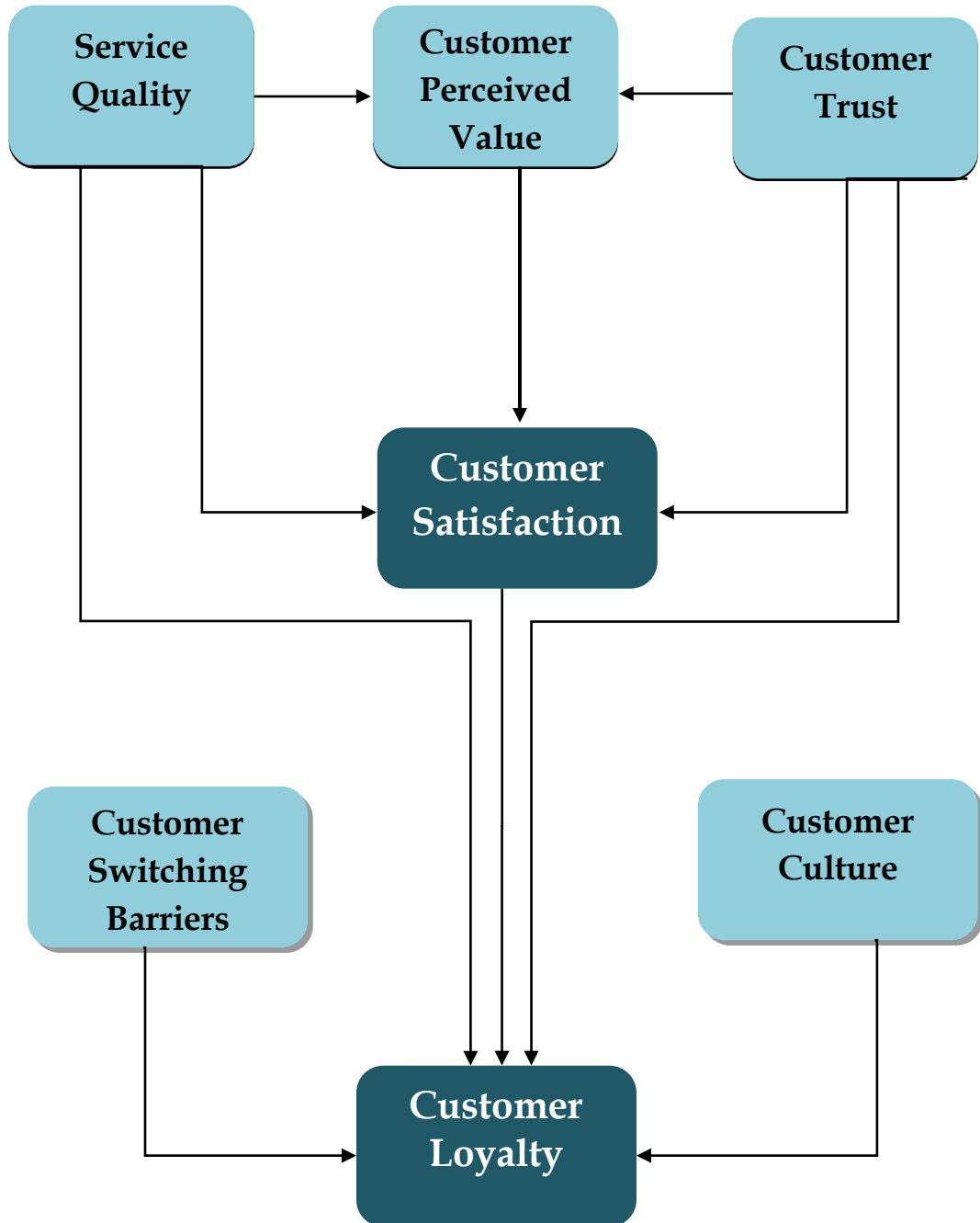
3.4 Proposed Model of Customer Relationship Management for the Financial Services Industry of Bangladesh

The concept ‘Customer Relationship Management (CRM)’ has many aspects. However, the basic theme for a business organization is to become more customer-focused. It does not necessarily create a new revenue stream today and beyond for a business organization. Moreover, it will add customer loyalty to the business organization in the end. For survival and growth, all financial firms opt to make their customers loyal. Here, a logical question may arise is ‘what affects the loyalty of customers to a financial firm such as a bank?’

CRM has usually been focused and implemented by many manufacturing and service firms in the developed countries. In addition, some models relating to CRM may be followed in developing countries like Bangladesh though these models have been developed mostly by developed countries. And, sufficient literature has not been found on CRM and the application of CRM in different manufacturing and services industries in the developing countries such as Bangladesh. Moreover, the models of CRM practised in developed countries are not tested to see whether these models are applicable in Bangladesh in spite of having the difference in consumers’ profile between developed and developing countries. It is also to mention that there is no specific model of CRM on how the financial institutions especially banks are practising customer relationship management in Bangladesh.

Based on the reviewed literature and analyzed models in this study, some factors have been identified which are expected to affect customer loyalty in the financial services industry. The researcher has identified a lot of factors related to CRM such as customer’s satisfaction, service quality, price, product quality, customer’s trust, reduction of perceived risk, customer’s habit, customer’s culture, customer’s switching barriers, customer’s perceived value and so on. Among all these factors, some major factors have been identified and selected which are expected to influence the loyalty of customers, the main focus of CRM, in the banking sector of Bangladesh. The author proposes a model showing the major factors which affect CRM in the banking industry of Bangladesh. It is expected that the proposed model would be useful for the financial service firms such as banks in Bangladesh for their survival and growth by developing customer loyalty. The model of Customer Relationship Management proposed by the researcher is shown below.

Figure 3.8 Proposed Model Developed by the Researcher



Source: Researcher's Own Construction

CHAPTER- 4

RESEARCH METHODOLOGY

4.1 Nature of the Study

A mixed form of research methodology has been applied combining qualitative and quantitative approach. A combination of exploratory, descriptive and causal studies has been followed to conduct the study.

To explore first specific objective, exploratory research has been conducted based on secondary data. Exploratory Study is conducted when the problem is not clear. It is used to get a clear and deeper understanding of any issue, this study is used (Saunders, et al., 2006).

For achieving the second objective, a survey has been carried out on the customers of the selected banks. In Descriptive Study, also known as statistical research, the real situation is described and it gives answers to the questions who, what, where, when and how (Saunders, et al., 2006).

In addition, Causal Study has been applied to identify the variables and measure the relationship between the variables which influence Customer Relationship Management (CRM). The study finds out the impact of one factor on another and it is used to predict or project with the help of the results which will influence a business in the days to come (DJS Research Ltd, 2008). If any variable or factor has influence or impact on another variable or factor and brings some changes, this relationship is called the causal relationship between these two factors or variables. This impact or change is measured and analyzed for making decisions in favour of the companies.

4.2 Population of the Study

A population comprises all the elements or individuals, items, or objects - whose characteristics are under a study. The population that is being studied is also known as target population (Mann, 1995).

In Bangladesh, there are 57 scheduled banks which are being operated under the supervision and full control of Bangladesh Bank Order, 1972 and Bank Company Act,

1991. The scheduled banks in Bangladesh are divided into three categories which are following:

- i.** State Owned Commercial Banks (SOCBs): There are 6 SOCBs which are fully or largely owned by the Government of Bangladesh.
- ii.** Specialized Banks (SDBs): There are 2 specialized banks which were established for specific objectives like agricultural or industrial development.
- iii.** Private Commercial Banks (PCBs): There are 40 local private commercial banks and 9 foreign commercial banks which are largely owned by the private entities.
 - a. Conventional PCBs: There are 32 conventional PCBs which are now operating in the financial service industry of Bangladesh. They perform their banking functions in a conventional manner i.e. interest-based operations.
 - b. Islami Shariah-based PCBs: There are 8 Shariah-based Islamic PCBs in Bangladesh and they are operating their banking activities according to Shariah-based Islamic principles i.e. Profit-Loss Sharing (PLS) mode of operations.
 - c. Foreign Private Commercial Banks: There are 9 foreign PCBs which are operating their business in Bangladesh. The branches of these banks are incorporated abroad.

It is observed that Private Commercial Banks (PCBs) are playing a significant role in the total banking operations of Bangladesh and the number of banks is also the highest among different categories. The population of this study consists of all customers of Private Commercial Banks (PCBs) including 1st generation, 2nd generation, and 3rd generation of local private commercial banks and foreign private commercial banks in Bangladesh.

4.3 Sampling of the Research

In selecting the banks as a sample from the population of this study, the researcher has followed judgmental sampling, a non-probability sampling method in which the researcher has selected the elements of the study based on his judgment. The researcher has considered following criteria while selecting banks as a sample.

- i. Private commercial banks with different generations such as 1st, 2nd, and 3rd generation
- ii. Private commercial banks having diversified target markets
- iii. Private commercial banks with extensive network in major areas of Bangladesh
- iv. Private commercial banks with local and foreign ownership
- v. Private commercial banks with different mode of operations such as conventional and Islamic banking operations
- vi. The researcher`s time and other constraints in this regard

Based on the sampling criteria mentioned above, the following banks have been selected for this study:

Table 4.1: Name of the Banks with Generation

No.	Name of the Bank	Category of Bank	Generation of Bank
1	IFIC Bank Limited	Conventional PCB	1 st Generation
2	Islami Bank Bangladesh Limited	Islami Sharia-Based PCB	1 st Generation
3	Southeast Bank Limited	Conventional PCB	2 nd Generation
4	Al Arafah Islami Bank Limited	Islami Sharia based PCB	2 nd Generation
5	Dutch-Bangla Bank Limited	Conventional PCB	2 nd Generation
6	Mercantile Bank Limited	Conventional PCB	3 rd Generation
7	Mutual Trust Bank Limited	Conventional PCB	3 rd Generation
8	BRAC Bank Limited	Conventional PCB	3 rd Generation
9	Standard Chartered Bank	Foreign PCB	Foreign Commercial Bank
10	HSBC	Foreign PCB	Foreign Commercial Bank

4.4 Sample Size and Sample Selection

300 respondents as a sample size are good (Comrey and Lee, 1992; Tabachnick and Fidell, 2001) while the sample size from 200 to 500 is considered adequate for most of the customer surveys (Hill and Alexander, 2000).

To obtain a clear picture of Customer Relationship Management (CRM) in Private Commercial Banks (PCBs) of Bangladesh, the researcher has taken a sample size of 450 respondents from 10 different private commercial banks. A structured questionnaire has been administered to these 450 customers who have been selected from 45 branches of 10 Private Commercial Banks through a group of trained surveyors including the researcher. The branches of the banks have been selected from different locations of the country such as different places of Dhaka City Corporation, Savar, Manikgong, Narayanganj, Hemayetpur, Jhitka Bazar, and Tongi. A total of 450 questionnaires have been distributed and filled out during the survey. Out of 450 questionnaires, a total of 45 questionnaires have been rejected due to the incomplete and ambiguous filling. The respondents of the study are the account holders of those 10 selected banks such as depositors or borrowers.

To select the respondents, four to six branches have been selected as a sample from each bank. The branches of the banks selected in this study are shown in the appendix.

The respondents from each branch have been selected following the convenience sampling. Sample frame has included the account holders who have visited the selected branches of the banks and have been found willing to respond to the interviewer during the data collection period. The survey was administered during the period from July 01, 2016 to December 15, 2017, in the selected branches of greater Dhaka. During the survey, a total of 450 questionnaires have been distributed and filled out by the respondents. After collecting questionnaires from the respondents, a total of 405 questionnaires have been found usable. A summary of distributed questionnaires and usable questionnaires are shown in the following table.

Table 4.2: Size and Source of Sample

No.	Name of the Bank	Questionnaire Distributed	Questionnaire Useable	% of Questionnaire Used
1	IFIC Bank Limited	55	51	92.73%
2	Islami Bank Bangladesh Limited	55	52	94.55%
3	Southeast Bank Limited	30	25	83.33%
4	Al Arafah Islami Bank Limited	40	35	87.5%
5	Dutch-Bangla Bank limited	50	44	88%
6	Mercantile Bank Limited	40	35	87.5%
7	Mutual Trust Bank Limited	45	41	91.11%
8	BRAC Bank Limited	35	30	85.71%
9	Standard Chartered Bank	50	44	88%
10	HSBC	50	48	96%
		Total=450	Total=405	Average= 89.44%

4.5 Independent and Dependent Factors of CRM

Based on comprehensive literature review and a focus group discussion with 9 Customer Relationship Officers from the banks selected as sample, a good number of factors related to Customer Relationship Management in the financial service industry have been identified. The mentionable factors are customer's satisfaction, service quality, price, product quality, customer's trust, perceived risk, customer's habit, customer's culture, customer's switching barriers, customer's perceived value, and so on. To identify the factors for final customer survey, different levels of screening have been performed. After screening, the researcher has identified 7 major factors related

to the Customer Relationship Management practices in the financial services industry of Bangladesh. The major factors are Service quality, Customer Trust, Customer Perceived Value, Customer Satisfaction, Customer Switching Barriers, Customer Culture, and Customer Loyalty. Among all these factors, Customer Loyalty, the main focus of CRM, is the dependent variable in the proposed model and the rest of the variables such as Service Quality, Customer Trust, Customer Perceived Value, Customer Satisfaction, Customer Switching Barriers, and Customer Culture are independent variables.

4.6 Instrument of the Research

A questionnaire is a set of questions by which responses can be obtained from the respondents. On the basis of existing literature related to the objectives of the study, questions have been set to collect required data from the customers of the banks.

To measure different factors relating to CRM such as services quality, customer trust, customer perceived value, customer satisfaction, customer switching barriers, customer culture, and customer loyalty, the researcher has adopted the items/scales developed by different researchers. To measure the above mentioned factors, the researcher has adopted the scales of Parasuraman, et al., (1988); Hess (1995) & Jarvenpaa and Tractinsky (1999); Wang, et al., (2001); Lassar, et al., (1995); Kim, et al., (2003); Hofstede (1984); Srinivasan, et al. (2002) & Huang (2008).

To measure service quality, the researcher has used the SERVQUAL scale developed by Parasuraman, et al. (1988). For measuring customer's trust, the researcher has used the measure of Hess (1995), Jarvenpaa and Tractinsky (1999). To measure customer's satisfaction, the researcher has adopted the measures of Wang, et al. (2001). For measuring customer's perceived value, the measures of Lassar, et al. (1995) scale has been implemented in this study. The measures of Kim, et. al., (2003) have been

adopted to measure customer's switching barriers for the purpose of the study. To examine customer's culture, the researcher has used the measures of Hofstede (1984) scale. Finally, to measure customer's loyalty, the researcher has used the measures of Srinivasan, et al. (2002) and Huang (2008).

4.7 Analysis of Data

Based on literature review and focus group discussion, it has been identified that a total of 34 attributes under 7 major factors are related to the Customer Relationship Management (CRM) in the financial service industry of Bangladesh. How do Private Commercial Banks (PCBs) maintain Customer Relationship Management (CRM) in Bangladesh and what makes customers loyal? To address these questions, this study has been carried out. The study has been designed to find out how banks are practising CRM and to identify the factors that affect Customer Loyalty, the main focus of Customer Relationship Management (CRM) in the financial service industry of Bangladesh. Then, the relationships of similarities and dissimilarities (+, -) among the variables of CRM have been illustrated based on empirical research. In the qualitative study, the researcher has conducted a focus group discussion with 9 Customer Relationship Officers from the selected banks. Their comments and ideas have been incorporated into the development of the final questionnaire. After three-phase pretesting of the questionnaire, the researcher has finally selected 34 items in the questionnaire for the study because all of the items have achieved satisfactory alpha (greater than 0.70) value which indicates the reliability of the items. For the overall questionnaire, the reliability value has been greater than 0.80 which is highly acceptable. Internal consistency of the items and constructs of the model of CRM have been tested with the help of Cronbach's Alpha reliability analysis. Then, in the final survey, 450 respondents have been approached for their valuable responses but the study has received 405 usable questionnaires. The data have been collected through a survey administered in different branches of the banks using a detailed

structured questionnaire. The respondents have been asked different attributes which are usually considered and preferred to purchase financial services, especially in banking services by using 5 points Likert scale. For collecting data, 05 graduate students have been selected as surveyors along with the researcher. The surveyors have been trained for two days so that they can collect data uniformly and accurately. The training is consisted of making introductory contact with the respondents, asking the questions, probing, recording the answers, and concluding the interview and so on. Exploratory Factor Analysis (EFA) has been applied using Principle Components Analysis (PCA) as a method of convergence and Kaiser as a method of normalization. Correlations between the factors have been performed and the study has taken initiatives to check the relationships and its significance of the relationships among the seven constructs by regression analysis. To check the relationships, significance, and model summary, linear regression analysis with the forward method has been performed. For making the study fruitful, the researcher has divided the study framework (conceptual framework) into three separate models (Model A, B, and C), and then, has checked the relationships between independent variables and dependent variables.

Confirmatory Factor Analysis (CFA) has been performed to confirm the factors for the conceptual model of CRM. Prior to performing Confirmatory Factor Analysis (CFA), the researcher has checked the unidimensionality of the model. In CFA analysis, the researcher has tested the convergent validity and discriminant validity. In convergent validity test, Average Variance Extracted (AVE) and Composite Reliability (CR) have been tested. The factors of the study have been confirmed by the convergent validity. The study has also conducted discriminant validity test. In the study, all the possible reliability and validity measures have been tested which permits the study of structural equation modelling (SEM).

Finally, Structural Equation Modeling (SEM) with the help of AMOS-21 has been performed to test the hypotheses of the study and check the goodness of fit indices of the proposed model of Customer Relationship Management. All the data have been analyzed in Statistical Package for Social Science (SPSS-21) integrated with AMOS.

The methodology of the research can be summarized in the following flowchart:

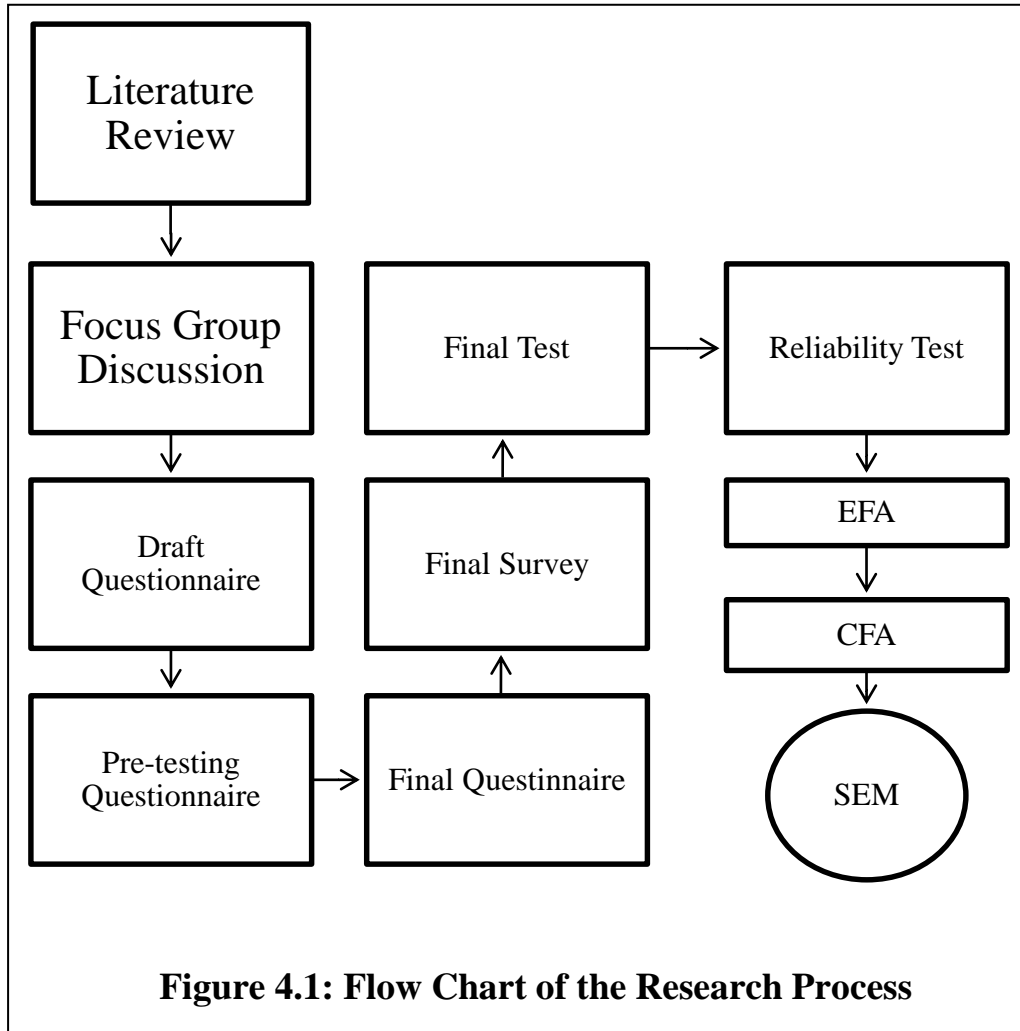


Figure 4.1: Flow Chart of the Research Process

4.8 Preparation of Questionnaire for the Study

In preparing the questionnaire, the researcher has tried to follow a modest arrangement of questions for the better understanding of the respondents selected in this study. At the very outset, the questionnaire contains the questions relating to some demographic information such as the respondent's age, level of education, marital status, and income. Then, the questionnaire contains questions relating to the factors which affect the loyalty of customers with the following order:

1. Services quality
2. Customer's trust
3. Customer's perceived value
4. Customer's satisfaction
5. Customer's switching barriers
6. Customer's culture
7. Customer's loyalty

The above-mentioned sequence of questions in the questionnaire has been maintained to elicit cooperation from respondents by asking elementary questions in the inception of an interview. Then, the questions on services quality, customer's trust, customer's perceived value, customer's switching barriers, customer's culture, and customer's loyalty have been incorporated as these questions may require more time and thoughts from the respondents.

4.9 Operationalization of the Factors of the Research

1. Service Quality

To measure service quality, the respondents have been asked the following statements (Parasuraman, et al., 1988):

- i. The bank has the ability to perform the services to the customers accurately and dependably (Reliability).
- ii. The bank has the willingness to provide prompt services and to help customers (Responsiveness).
- iii. The service providers in the bank have adequate knowledge, courtesy and ability to inspire trust and to instil confidence in the customers (Assurance).
- iv. The bank gives customized attention to every single customer (Empathy).
- v. The appearance of physical settings, equipment, personnel, written and other visual materials of the bank is appealing to the customers (Tangibles).

Based on the above statements, this study has five items for the construct ‘Service Quality’.

2. Customer Trust

To measure Customer Trust, the respondents have been asked the following statements (Hess, 1995; Jarvenpaa and Tractinsky, 1999):

- i. The bank has made its promises.
- ii. The bank has been found honest.
- iii. The bank has been reliable.
- iv. The bank has met my requirements.
- v. The bank has been able to manage transactions with me online.
- vi. The bank has got concrete knowledge in the banking.
- vii. I have belief in the know-how of the bank

The research has seven items mentioned above for the construct ‘Customer Trust’.

3. Customer Perceived Value

To measure Customer Perceived Value, the respondents have been asked the following three statements (Lassar, et al., 1995):

- i. The price of the services offered by this bank is fair.
- ii. In comparison to what I pay, I usually receive more in terms of my money, effort, time and other costs.
- iii. Considering what I pay and what I gain simultaneously, I think, the services of this bank are of great value.

The study has three items mentioned above for the construct 'Customer Perceived Value'.

4. Customer Satisfaction

To measure Customer Satisfaction, the respondents have been asked the following four statements (Wang, et al., 2001):

- i. I am satisfied with the services of this bank.
- ii. I always have a pleasant impression while I take services from this bank.
- iii. I am willing to return to this bank in the days to come.
- iv. I will recommend this bank to my friends for their banking services.

This study has four items mentioned above for the construct 'Customer Satisfaction'.

5. Customer Switching Barriers

To measure Customer Switching Barriers, the respondents have been asked the following five statements (Kim, et al., 2003):

- i. I think moving to a new bank will be a hassle for me.
- ii. It will cost me a lot of money if I want to move from this bank to another bank.
- iii. It will cost me a lot of time to move from this bank to another bank.
- iv. The prices of the services charged by other banks are higher than this bank.
- v. It will cost me a lot of efforts to move from this bank to a new bank.

The study has five items which are mentioned above for the construct ‘Customer Switching Barriers’.

6. Customer Culture

To examine the impact of Customer Culture, the respondents have been asked the following four statements (Hofstede, 1984) :

- i. As an individual, I prioritize personal goals in my life.
- ii. I am not comfortable in unusual circumstances.
- iii. I usually purchase whatever I want without considering what other people think or feel.
- iv. I always purchase what I like and remain loyal to a product or brand.

The research has four items which are mentioned above for the construct ‘Customer Culture’.

7. Customer Loyalty

To measure Customer Loyalty, the respondents have been asked the following six statements (Srinivasan et al., 2002; Huang, 2008).

- i. I visit this bank on regular basis to have services.
- ii. I seldom think of moving from this bank to a new bank.
- iii. I take services from this whenever I require any financial transaction or services.
- iv. This is a bank of my preference or choice.
- v. I like to have services from this bank.
- vi. Whenever I need to have any financial transaction or services, the bank is always of my first preference.

This research has six items mentioned above for the construct ‘customer loyalty’.

4.10 Research Questions of the Study

The basic purpose of this research is to explore the major aspects which impact the loyalty of the customers, the key focus of Customer Relationship Management (CRM) for the survival and growth of the banks in the financial service industry of Bangladesh. The following questions have facilitated the researcher to attain the main purpose of this research:

- i. What are the major factors that influence the loyalty of the customers, the key focus of Customer Relationship Management (CRM) in the financial service industry of Bangladesh with a special focus on Private Commercial Banks (PCBs)?
- ii. What is the relationship between the factors which influence the loyalty of customers in the Private Commercial Banks (PCBs) of Bangladesh?
- iii. How do Private Commercial Banks (PCBs) maintain a relationship with their customers in Bangladesh?
- iv. Are there any differences between Conventional PCBs and Shariah Based Islamic PCBs in maintaining customer relationship management in Bangladesh?
- v. Are there any differences between Local PCBs and Foreign PCBs in maintaining customer relationship management in Bangladesh?
- vi. Are there any differences between OLD and NEW generation of PCBs in maintaining customer relationship management in Bangladesh?
- vii. How can a model of Customer Relationship Management (CRM) be developed for the Private Commercial Banks (PCBs) of Bangladesh?

4.11 Hypotheses of the Study

The following hypotheses have been developed by the researcher on the basis of the purpose of the research:

- H 01: There is a substantial impact of Service Quality on Customer Perceived Value.
- H 02: There is a substantial impact of Service Quality on Customer Satisfaction.
- H 03: There is a substantial impact of Service Quality on Customer Loyalty.
- H 04: There is a substantial impact of Customer Trust on Customer Perceived Value.
- H 05: There is a substantial impact of Customer Trust on Customer Satisfaction.
- H 06: There is a substantial impact of Customer Trust on Customer Loyalty.
- H 07: There is a substantial impact of Customer Perceived Value on Customer Satisfaction.
- H 08: There is a substantial impact of Customer Satisfaction on Customer Loyalty.
- H 09: There is a substantial impact of Customer Switching Barriers on Customer Loyalty.
- H 10: There is a substantial impact of Customer Culture on Customer Loyalty.
- H 11: The generation of the banks (Old vs. New) has significant moderating effects on the model of CRM in Bangladesh.
- H 12: The mode of operations of the banks (Conventional vs. Islamic) has significant moderating effects on the model of CRM in Bangladesh.
- H 13: The ownership structure of the banks (Local vs. Foreign) has significant moderating effects on the model of CRM in Bangladesh.

4.12 The Pilot Testing of the Questionnaire

The basic purpose of the pilot testing of a questionnaire is to improve or refine the questionnaire so that more accurate and pertinent responses can be obtained from the respondents (Saunders, et al., 2000). The researcher has done a pilot testing of the questionnaire in three stages on the account holders of some selected banks.

The pilot testing of the questionnaire is very important for a researcher to obtain the clarity of the questionnaire and the real outcome of the research. In the first stage of pilot testing, the researcher has received feedback from thirty customers who have been selected randomly from some selected private commercial banks. The researcher has got some suggestions about the questionnaire from the respondents in this stage. Based on the comments of the respondents, some minor changes have been made.

In the second stage, the researcher has again distributed questionnaires to another thirty customers. These customers have been selected from three branches of three different categories of the banks which are Conventional PCB, Sharia-Based Islamic PCB, and Foreign PCB. Again, there have been some comments from the respondents about the questionnaire. The researcher has modified the questionnaire accordingly.

In the third and final stage of the pilot testing of the questionnaire, thirty questionnaires have been distributed to thirty customers of six branches of three different categories of the banks. Finally, the researcher has received a positive response from the respondents about the questionnaire.

4.13 Issues Related to the Field Study

The researcher has got some problems while collecting data from the respondents in different branches of the banks. For example, many account holders have not shown willingness to cooperate with the surveyors or have been hesitant to fill out the questionnaires. However, most of the account holders have been convinced to fill out the questionnaires when they have been assured that this information would only be used for academic purpose. Surprisingly, few managers of the branches have not allowed the surveyors to interview with the customers to get responses from them. However, most of the branch managers have been convinced and found cooperative with the researcher. In some cases, the managers of the branches have requested the researcher to give them research finding after completion of the study.

Sometimes, the account holders have been in a rush and unwilling to fill out the questionnaires which have made it difficult for the researcher to collect data. Finally, one point to mention that the young account holders have been found more cooperative than the older accountholders in responding to the surveyors.

CHAPTER-5

OVERVIEW OF THE BANKS

5.1 IFIC Bank limited

IFIC Bank (International Finance Investment and Commerce Bank Limited) was incorporated by the People's Republic of Bangladesh as a banking company in 1976 as a joint venture by Bangladesh Government and private sector's sponsor. Bangladesh government introduced privatization in 1983 and allowed private banks subsequently. IFIC bank was converted into a full-fledged Private Commercial Bank (PCB) in 1983.

The bank has a total number of 134 branches all over the country with 53 ATM booths. Besides, the bank has successfully introduced SMS banking, Internet Banking and Mobile Banking to smoothen its operation.

Since 1976, the very first day of its operation, the bank has been playing a leading role to establish joint venture operations beyond national boundary among all private sector banks. So far, the bank has operations in Nepal, Pakistan, Maldives, Oman, and the UK. It has some international ventures such as Oman International Exchange, LLC, Oman (IFIC holding a 25% share); NIB Bank Ltd. Pakistan (23%); IFIC Money Transfer (UK) Ltd, (100%); Bank of Maldives, Maldives; Nepal Bangladesh Finance & Leasing Ltd, (40.91%). It also has a local subsidiary by IFIC Securities Ltd (99.99%).

Mission: Our mission is to provide service for our clients with the help of a skilled and dedicated workforce whose creative talents, innovative actions and competitive edge make our position unique in giving quality service to all institutions and individuals that we care for. We are committed to the welfare and economic prosperity of the people and the community, for we derive from them our inspiration and drive for onward progress to prosperity. We want to be the leader among banks in Bangladesh and make our indelible mark as an active partner in regional banking operating beyond the national boundary. In an intensely competitive and complex financial and business environment, we particularly focus on growth and profitability of all concerned.

The vision of IFIC, we want to be the preferred financial service provider through innovative, sustainable and inclusive growth and deliver the best in class value to all stakeholders.

Upholding the integrity always and everywhere in the operations of the business is the core value of the bank. Apart from that, providing the best customer experience, encouraging creativity among the employees, serving the customers equitably and transparency are also the values of the bank.

The bank got enlisted with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) in 1986 and 1997 respectively. The authorized capital 20,000 million and paid-up capital 5638.22 million BDT with 563821907 no. of outstanding securities. The bank is committed to providing a better return to its shareholders than competitors. Maximum share is held by the general public (34.38%) and followed by the Government of the People's Republic of Bangladesh (32.75%) of the share capital of the Bank. Besides, Institute holds (23.21%), Sponsors (8.48%) and foreign investors (1.08%) as of February 2017.

Business Profile

Though the banking sector has been facing challenges in the last couple of years, the bank has the ability to make momentum almost in all parameters such as earnings, improving human resources quality, risk management, technology and asset quality. The bank also achieved landmark of TK10, 000 crore deposit in 2014, launched mobile banking in 2015 and also touched the landmark in foreign trade business with TK 20000 crore.

The bank has been offering a wide range of products, services and other value-added services to its extensive range of customer including retail, SME and corporate and so on. For the individual customer, the bank is offering deposit products, cards, different loan products, student account, NRB account, and so on.

The bank offers comprehensive corporate banking solutions for the corporate house, MNCs and other institutional clients to meet up their different financial requirements. It offers its services towards manufacturing industries, traders and services industries as well. It usually covers some specific areas in its corporate banking segments such as Working Capital Finance, Industrial & Project Finance, Trade Finance, Lease Finance, Syndication & Structured Finance, and Treasury & Off-shore Banking.

The bank has focused on the technology based state of the art banking facilities for the valued clients including internet banking, SMS banking, POS, Debit and credit card in addition to existing traditional banking services and products. It is offering 15 different products under SMS Banking for selected targeted markets such as Easy Commercial Loan, Retailers Loan, Muldhan Loan, Women Entrepreneur's Loan (Protyasha), and so on.

Till 2016, the bank disbursed a total of BDT 28,067.81 million SME loan in three major areas including manufacturing, service, and trading. The total deposit of the bank was increased by 9.08% in 2016 compared with 2015 (BDT 160155.01 million in 2016 from BDT 146,820 million in 2015). In 2016, the bank's total loans and advances increased to BDT 137,118.11 million, which is 11.24% more than the year 2015. Finally, the bank's NPL ratio was decreased to 5.29% in 2016 from 6.46% in 2015.

5.2 Islami Bank Bangladesh Limited (IBBL)

Islami Bank Bangladesh Limited (IBBL) was incorporated in Bangladesh on 13th March 1983 under the Companies Act 1913 as the first Islamic Bank in the South East Asia. It has 36.91% Bangladeshi shareholders and 63.09% foreign shareholders. This bank has been known as one of the most leading Shariah Based Islamic Private Commercial Banks in Bangladesh since its inception.

The bank has extended its services over last 34 years of its operations in every corner of the country. It started its journey by opening first branch on 30th March 1983 and now it has the largest branch network among all private sector banks in the country.

At present, IBBL has total 318 no. of branches with 58 AD Branches, 497 no. of ATM booths, 03 offshore banking units and having 11381 staffs. Besides, IBBL maintains 33 IDMs (IBBL Deposit Machine) along with 6,000 shared ATMs network across the country.

The vision is “to always strive to achieve superior financial performance, be considered a leading Islamic Bank by reputation and performance.”

The mission is “to establish Islamic Banking through the introduction of a welfare oriented banking system and also ensure equity and justice in the field of all economic activities, achieve balanced growth and equitable development in through

diversified investment operations particularly in the priority sectors and less developed areas of the country. To encourage socio-economic upliftment and financial services to the low-income community particularly in the rural areas”.

The bank has strong core values to operate banking activities. Major values are trust in Almighty Allah, follow the Islamic Shariah, operating a business with full honesty and integrity, personalized services, adoption of technology, finally transparency and accountability.

The bank got enlisted with both Dhaka Stock Exchange on July 02, 1985 and Chittagong Stock Exchange (CSE) on March 07, 1996. It got listed in DSE in 1985 and had authorized capital 20,000 million and paid-up capital 16,099.90 million BDT with 1609990668 no. of outstanding securities. The bank is committed to making a better return for its shareholders than competitors. As of February 2017, maximum share of the bank is held by sponsors (61.68%) followed by the general public (17.33%), foreign investors (15.18%), institute (5.81%).

The IBBL has dedicated itself to the welfare of the society. It has a foundation named Islami Bank Foundation with a fund of BDT 38 million. It has its welfare activities in education, medical, health and other welfare activities.

Business Profile

Being the 1st private sector Islamic bank in Bangladesh, IBBL has not only set the standard for others but also initiated lots of new initiatives in the banking sector of Bangladesh. During this year, the Bank will complete its 35 years of serving its valued customers.

IBBL, the only bank from Bangladesh, was selected in the top 1000 banks of the world in 2012 by UK based magazine “The Banker”. US magazine Global Finance also awarded IBBL as the best bank of Bangladesh in 1999, 2000 and 2005 and the best Islamic financial institution in Bangladesh from 2008 to 2013. In addition, the bank has also got lots of other awards.

The bank has a wide range of products and services for its customers. The IBBL has mobilized deposits through Al-Wadeah Accounts (Al-wadeah Current Account on the principles of Al-wadeah like Al-Wadeah Current Account) and Mudaraba Accounts like Mudaraba Savings Account, Mudaraba Special Savings Account, Mudaraba

Monthly Profit Deposit Account, Mudaraba Term Deposit Account, Mudaraba Foreign Currency Deposit Account and so on. The bank also has different investment products following profit-loss sharing system according to the principles of Islamic Shari'ah. IBBL follows different modes of investment including Bai-modes (Bai-Murabaha, Bai-Istijrar etc); Share-modes (Mudaraba, Musharaka), Ijara-mode and so on.

Finally, IBBL has an adequate number of products and services and passionate and dedicated RM who are providing continuous service to provide better financial health management for their valued customers.

5.3 Southeast Bank limited

Southeast Bank Limited was established in 1995 as a second-generation bank in Bangladesh. The bank came up with a vision to become a pioneer in the banking sector by providing superior service and contribute expressively to the economic growth of the country. The bank started its journey on March 12, 1995, when it was incorporated as a public limited company. The bank got its license for banking operation from Bangladesh Bank on March 23, 1995.

Southeast Bank has succeeded since its arduous journey in comprehending the dreams of those who established the bank. The bank has been able to establish one of the leading banks in private sector which are contributing to the economy of the country. In the year 2016, the bank had total 2616 staffs to serve its huge customer base.

The bank has total 130 branches in 8 major cities including 7 divisional cities. It has also 120 ATM booths all over the country to serve its customer 24*7.

The objective of the bank is to create, promote and build company's value in the long run. The bank has the highest focus on providing effective services and maximizing customers' satisfaction. The bank believes in transparency in decision making and maintaining full disclosure to both shareholders and regulatory authority.

The bank's Vision is "to be a premier banking institution in Bangladesh and contribute significantly to the national economy".

The mission statement of the bank is to focus on high-quality financial services with state of the art technology, provide fast customer service; innovative banking at a competitive price, stable returns to shareholders and so on.

The Southeast bank was listed on the Dhaka Stock Exchange (DSE) in 2000. It is also listed on the Chittagong Stock Exchange (CSE). The bank's authorized capital is 15,000 million and paid-up capital 9169.50 million BDT with 916950176 no. of outstanding securities. The bank is committed to making a better return for its shareholders. Maximum share is held by Sponsors (32.36%) followed by the general public (31.75%), Institute (29.73%) and foreign investors (6.16%).

Southeast Bank is highly responsive to the customers' needs and committed to providing better services, products, technology to give better banking experience with the bank. The bank has already introduced customers' feedback system to incorporate customers' demand and needs.

Business Profile

Despite a lot of challenges, Southeast Bank positioned itself as a leading private commercial bank in Bangladesh by making sustainable performance in the last couple of years. Regardless of both local and global economic volatility, uncertainties among the investors, competitive business environment, the bank has achieved significant progress in its business operations.

The bank got 'Certificate of Merit' for its published annual report in 2014 from the Institute of Chartered Accountants of Bangladesh (ICAB). Besides, the bank also received "Appreciation Award 2015" for commendable remittance services.

Southeast Bank has become a substitute for quality banking services and products. It has diverse products and services that meet up the needs of all segments of customers. It has both conventional banking and Islamic banking operation. Conventional banking services include - Savings Bank (SB) Account, Current Deposit (CD) Account, Special Notice Deposit (SND) Account, and Fixed Deposit Receipt (FDR) Account. Whereas, Islamic banking services include - Mudaraba Savings Account, Al-Wadiah Current Account, Mudaraba Special Notice Deposit Account, Mudaraba Term Deposit Receipt Account and so on.

The bank usually provides loan and advance in the following areas Working Capital Finance, Overdraft (OD), Project Finance, Syndicated Loan, Packing Credit, Loan against Export Bill, and Loan against Trust Receipt.

The bank's total assets reached to BDT 291,798.01 million in 2016. A total deposit of the bank is increased by 9.29% and reached to BDT 229973.43 million. Total Loans and Advances was also raised by 13.61% and reached to BDT 191865.59 million in 2016. The bank was able to generate after-tax profits of BDT 2435.07 million. Earnings per share (EPS) of the bank reached to BDT 2.66 in 2016. At the same time, Return on Equity (ROE) was 9.06% in 2016 while it was 11.86% in the year 2015.

5.4 Al-Arafah Islami Bank Limited (AIBL)

Al Arafah Islami Bank Ltd. (AIBL) started its journey as a private limited company on June 18, 1995, with the objective of attaining success here and hereafter by pursuing the Islamic Shariah. Renowned businessman and renowned pious individuals are the sponsors of the bank.

The bank has focused on quality services through the incorporation of state of the art technology and innovation and new products for the customers. AIBL has a commitment to the society and the nation for the holistic development through Islamic Shariah.

The bank has been contributing towards the socio-economic development of Bangladesh through 140 branches, including 23 AD and 129 ATM networks across the county. The bank has total 2978 manpower and 41053 shareholders as on April 2016.

The vision of the bank is “to be a pioneer in Islamic Banking in Bangladesh and contribute significantly to the growth of the national economy”.

The mission of the bank is to achieve the satisfaction of almighty Allah both here and hereafter through Islamic Shariah based banking services focusing on new technology for quality services, efficient and fast customer service, providing the best return to

the shareholders, innovative banking in competitive price, creating skilled human capital, special attention on micro and SME financing and so on.

The bank is committed to customer-focused Islamic banking to mobilize deposits and make a quality investment in order to make the bank as a leading Islamic bank in Bangladesh. It also has attention on SME along with its corporate clients. Clients' need and demand are always a top priority when the bank design any business products or take any business initiative.

The bank got listed with Dhaka Stock Exchange Ltd. (DSE) in 1998. It is also listed with Chittagong Stock Exchange Ltd. (CSE). The authorized capital is BDT 15,000 million and paid-up capital BDT 9943.06 million with 994306428 no. of outstanding securities. The bank is committed to making a better return for its shareholders than competitors. Maximum share is held by sponsors (41.94%) and followed by the public (38.88%), institute (16.40%), foreign investors (2.78%) as of March 2017. 100% of paid-up capital is being owned by indigenous shareholders. ALBL has been able to make a continuous profit and provide a good dividend to the shareholders over the last couple of years.

Business Profile

Due to some unavoidable circumstances, 2016 was not a good business year for the financial institutions. In spite of that, AIBL has achieved its business target in 2016. The management of the bank is always keen and active to take any initiative and action in favour for the betterment of the customers and shareholders. In recent years, the bank has a specific focus on developing skilled human capital, increase low-cost deposit, special focus on SME sector.

The bank has offered a diverse array of products and services to satisfy its customers' need and demand. It has a special focus on taking care of each segment of the clients' base.

AIBL deposit products include Al Wadiah Current Deposit, Mudaraba Short Notice Deposit, Mudaraba Savings Deposit, Mudaraba Term Deposit, Monthly Profit Based Term Deposit, Al-Arafah Monthly Hajj Deposit, Mudaraba Kotipoti Deposit Scheme, Foreign Currency Deposit, Pension Deposit Scheme, Al-Arafah Savings Bond, Foreign Currency Deposit, Mudaraba Tripal Benefit Deposit Scheme and so on.

Investment sector of the bank includes Investment in Agricultural Sector, Investment in Industrial Sector, Investment in Business Sector, Investment in Construction and Housing, Investment in Foreign Trade, Investment Schemes in Masque and Madrasa, Investment in Transportation Sector, Small Enterprise Investment Schemes and so on. Though 2016 was challenging, AIBL made a profit and experienced satisfactory growth in most of the areas of business. It has an attention on covering capital adequacy, efficient management, good position in liquidity, a mix of good asset quality, better earnings and so on. The bank's operating profit was increased by BDT 1150 million and stood at BDT 7511 million. ROE was 15.67%, while EPS reached BDT 3.07. The total asset of the bank was increased by 18.93% and stood at BDT 272467 million whereas deposit was increased by BDT 29816 million and rose to BDT 199709 million.

5.5 Dutch-Bangla Bank Limited (DBBL)

Dutch-Bangla Bank Limited (DBBL) is a scheduled joint venture commercial bank between Bangladesh and Dutch Company. Bangladeshi Investor Mr M Sahabuddin Ahmed and a Dutch company namely FMO brought this bank in Bangladesh. DBBL commenced its journey formally on June 3, 1996, with a major objective to carry out all banking business operations in Bangladesh. It was established under Bank Companies Act 1991 and incorporated under Companies Act 1994 as a public limited company.

As a first Bangladeshi automated bank, DBBL established Electronic-Banking division in 2002 to bring modern banking services and to support automation. In 2003, DBBL introduced plastic money to the Bangladeshi after full automation.

DBBL is having country's largest ATM network in the process of cutting the customers' banking costs and fees by 80%. It has almost 4362 ATM booths all over the country covering almost every corner of Bangladesh. Besides, DBBL also has 165 branches covering all major cities of Bangladesh.

DBBL's vision describes its commitment for better Bangladesh, where arts and letters, sports and athletics, music and entertainment, science and education, health and hygiene, clean and

pollution free environment and above all a society based on morality and ethics make our lives worth living. DBBL's essence and ethos rest on a cosmos of creativity and the marvel-magic of a charmed life that abounds with the spirit of life and adventures that contributes towards human development.

The core objective of the DBBL stated that the bank believes in its uncompromising promise to fulfil all the needs of customers to make them satisfied and want to become their first choice in banking. In last 21 years of banking services in Bangladesh, the DBBL become the "Your Trusted Partner" in banking.

The DBBL is listed on the Dhaka Stock Exchange in 2001. It is also listed on the Chittagong Stock Exchange (CSE). The authorized capital 4,000 million and paid-up capital 2000 million BDT with 200000000 no of outstanding securities. Consumers and investors' confidence never waned on DBBL stocks even in the tough time and subsequently, the stock of Dutch-Bangla Bank set the record for the highest share price in the Dhaka Stock Exchange in 2008. According to the management of DBBL, DBBL is committed to serving its customers better than competitors. Maximum share is held by Sponsors (87%) followed by the Institute (6.42%), General Investors (6.10%), Foreign investors (.48%).

DBBL is getting a competitive edge over its major competitors in Bangladesh because it has well-trained employees and CRM based business process. Since it has the largest ATM network in Bangladesh with sufficient no of branches DBBL is offering the extra benefit over its competitors to retain its customer base and getting the opportunity to attract more customers.

Business Profile

From the first day of banking operations, the bank has been financing in high potential and growing manufacturing industries in Bangladesh. Because manufacturing sector exports a lot of Bangladeshi products and concentration of the bank on this sector literally assist Bangladesh to achieve its desired growth.

DBBL has a good number of branches and ATM network to serve its huge number of customer base with a full level of satisfaction. So far, it has served 16 million happy customers in their last 22 years of banking in Bangladesh. The current client base of the bank has increased to 4.0+ million. DBBL has achieved the best "Digital Bank"

award, which is recognized by the Digital World 2015 organized by the Bangladesh Government and BASIS.

In this highly competitive business environment, DBBL was able to experience 11% growth in deposit mobilization and its deposit reached to BDT 207,234 million in 2016. Loans and Advances of the bank stood at BDT 173,398 million at the end of 2016 from BDT 152,270 million in 2015 having growth of 13.9%. Its operating profit and net profit after tax also increased in 2016 despite political unrest in the beginning of the year and adverse business condition. It is successfully diversifying its portfolio in terms of client base and sectorial focus that lead the bank to reduce overall portfolio risk. Credit growth of the bank was 13.9%, which is outperforming its deposit growth.

Corporate Banking, Retail Banking, Financial Inclusion, SME Banking, Treasury, Off-shore Banking Unit are the major areas where the bank has its major operations. The bank has strategic investments in IT, ATM booths, mobile banking especially in “Rocket”. Besides banking activities, DBBL has a huge contribution to CSR, especially in the education sector.

DBBL has been offering different products and services for long-term stable growth and inclusive banking for all.

5.6 Mercantile Bank Limited (MBL)

Mercantile Bank Limited commenced its operations in 1999 as a commercial bank to provide banking services for the socio-economic development of Bangladesh. The bank provides broad range products and services to its customers and corporate clients to meet up their needs and demands.

MBL has extensive network coverage across the country in terms of branches and ATM booths. The bank has 119 branches, including 5 SME / Krishi branches and 21 AD branches. The bank has also 2 off-shore banking units in Gulshan, Dhaka and in Chittagong. MBL has 149 ATM networks and 20 CDMs to serve its huge customer base 24*7. The bank so far issued 7,454 credit cards and 142,285 Debit & Prepaid Cards.

Mercantile Bank Limited has two subsidiaries namely Mercantile Bank Securities Ltd (MBSL) and Mercantile Exchange House (UK) Limited. MBSL commenced its journey in 2010 and operating with 7 branches. Basically, it deals with trading of stocks. MEH started its journey in 2011 though it was incorporated in 2010. It is operating with 1 branch in the UK to provide smooth, faster and easier remittance services to Bangladeshi who are living and working in the UK.

The vision of MBL stated “would make finest corporate citizen” and mission statement stated that it will become most caring, focused for equitable growth based on the diversified deployment of resources and nevertheless would remain healthy and gainfully a profitable bank.

The strategic objectives of the MBL are to increase shareholders’ value, to be a market leader in product innovation, to be the top 3 financial institutions in Bangladesh in terms of operational efficiency, and in terms of market share the bank wants to be in top five financial institutions in Bangladesh where they are operating.

The bank is listed on the Dhaka Stock Exchange Ltd. (DSE) and the Chittagong Stock Exchange Ltd. (CSE). The authorized capital 12,000 million and paid-up capital 7391.57 million BDT with 739156701 no. of outstanding securities. The bank is committed to giving the better return for its shareholders than competitors. Maximum share is held by the general public (53.14%) and followed by the Sponsors (39.54%), and institute (7.32%) as of February 2017.

Business Profile

During the last year (2016), the bank focused on sustainable long term growth, better deposit mix, improvising the assets’ quality, innovation in product development, minimizing and rationalizing operating cost, increasing operational efficiency, better customer service, branch expansion, introduction and enhancing mobile banking, increasing SME financing and strengthening corporate governance system. Despite a lot of setbacks, the bank has experienced a positive trend in all criteria of performance.

The bank is offering its products and services in corporate finance, retail banking, Islamic finance, asset management and equity brokerage. Deposit products include Current Deposit (CD) Accounts, Savings Bank Deposit (SB) Accounts, Special

Notice Deposit (SND), Fixed Deposit Receipt (FDR), Scheme Deposits etc. Loan and advances include Consumers Credit Scheme, Rural Development Scheme, Lease Financing, Education Loan, Car Loan, Home Loan, E T P / Bio-Gas / Solar Energy Loan, Krishi / Polli Loan etc. The bank's corporate banking includes Short Term Finance, Long Tern Finance, Real Estate Finance, Import Finance / Trade Finance, Export Finance, Structured Finance - Project Finance – Syndication, Loan Syndication and so on.

In 2016, overall banking industry faced lots of challenges like subdued credit demand, growing cost sensitivity. Different factors of domestic economy were not satisfactory to the MBL and others to have the desired level of profitability in the last year. The bank focused on to reduce its NPL and it was 5.13% in 2016. During 2016, the deposit base increased by 6.71% to 165.26 billion DBT from 2015 while loan and advance portfolio experienced growth by 19.45% to 150.91 billion compared to 2015. The bank was successful to reduce its cost of deposit in 2016 to 6.25% from 7.52% in 2015. MBL has experienced 20.22% growth in export to 113.04 billion, while import registered growth by 16.49 % to 139.77 billion from 2015. Despite the clouds hovering in the banking sector, MBL performed better in 2016 in terms of operating profit and ROA. ROA was increased by 1.15%, while ROE was increased by 3.43% with Total Shareholders' Equity increased to BDT 16.81 billion in 2016. The bank's earnings per Share (EPS) stood at BDT 3.01.

5.7 Mutual Trust Bank Limited (MTB)

Mutual Trust Bank Limited (MTB) got a license from Bangladesh Bank to start banking operations on October 5, 1999, and officially it started its journey on October 24, 1999. It was incorporated as a public limited company on September 29, 1999, under the Companies Acts 1994. The bank commenced its operations with a motive to be one of the best performing banks in Bangladesh.

The bank is operating its business all over the country with 113 branches and 145 ATM booths to provide the best banking experience to its valued customers.

MTB has memberships with the Institute of Bankers Bangladesh (IBB), Bangladesh Association of Banks (BAB), Bangladesh Institute of Bank Management (BIBM),

Dhaka Stock Exchange (DSE), Bangladesh Foreign Exchange Dealer Association (BAFEDA), FBCCI, DCCI, ICCB etc.

MTB believes that the banking is no more conventional. To give the best banking experience and to face the challenges evolving every day, banks need to come up with innovative ideas, technological advancement, and best value-adding services for the customers. In line with this MTB introduced “Smart Banking” idea that epitomizes a vision based collaborative, elastic and engaging experiences for the valued clients.

MTB operates as a group of which it has MTBL, MTB off-shore banking unit, MTB Securities Ltd, MTB Capital limited in Bangladesh and abroad operation includes MTB Exchange (UK) Ltd.

MTB’s vision is based on a philosophy known as MTB3V. MTB imagined being “one of the best performing banks in Bangladesh; the bank of choice and a truly world-class bank.

The Mission statement states that MTB wants to be the most esteemed financial institution in Bangladesh; renowned as most dynamic, innovative and customer-focused bank that offers a wide range of products and services to create remarkable economic value and excellence.

The bank got listed with Dhaka Stock Exchange Ltd. (DSE) in 2003. It is also listed with Chittagong Stock Exchange Ltd. (CSE). The authorized capital 10,000 million and paid-up capital 4431.79 million BDT with 443179160 no. of outstanding securities. Maximum share is held the general public (40.42%) followed by sponsors (37.18%), institute (19.27%), foreign investors (2.68%) as of March 2017.

Business Profile

MTB is motivated to be one of the most responsive and agile banks in Bangladesh. The bank is emphasizing to create a strong and skilled workforce with the innovative and top-quality product and services with infrastructural capabilities. MTB’s far-reaching action plans and strategies pave the way to be a strong customers’ focused bank in addition to assisting economic development, growth and sustainable returns to shareholders.

Despite a lot of hindrances like instability in the political environment, global business and slowdown in the economy, ups and downs in businesses, the bank has

experienced a good growth through a continuous commitment to business excellence. The bank has strategic priorities to increase sustainable business, ensure high standard compliance and governance, leverage human resources and technology, improve funding and liquidity position, create a culture of empowerment, and become a socially responsible bank.

The bank has got a number of awards and recognitions from different renowned bodies. The bank's awards and recognitions include DHL-The Daily Star Bangladesh Business winner as the best financial institutions of 2014, The Golden Globe Tigers Summit Awards 2015 for excellence and Leadership in Branding and marketing, SME bank of the year 2014 from SME foundation are some of them.

The bank offers a wide range of products and services for the different customer base. The bank has retail banking, wholesale banking, off-shore banking, NRB banking and SME banking. Under retail banking, it has deposit products like Current Account, MTB Regular Savings, MTB Privilege Savings, MTB Senior, MTB Inspire, MTB Graduate, MTB Shanchay, MTB Ankur, Fixed Deposit etc. And, loan products include personal loan, auto loan, home loan, home equity loan and so on. Under wholesale banking, the products are Term Finance, Project Finance, Finance for Importing Capital, Lease Finance, Working Capital Finance, Secured over Draft (SOD), Cash Credit (Hypo), Time Loan, Trade Finance, Bank Guarantee, Syndications & Structured Finance and so on. Under NRB banking, the products are NRB Savings Account, NRB Deposit Pension Scheme (NRB DPS), NRB Fixed Deposit Account (NRB FD) and other NRB services include Inward Foreign Remittance through globally reputed money transfer companies etc. SME banking includes Bhaggobati, Krishi, Mousumi, Revolving Loan, Small Business Loan, Probaho, Buniad and so on.

MTB's total operating profit stood to BDT 3408 million with 21.21% growth, net profit after tax was increased by 7.01% in 2016 compared with 2015. Loan and advances of the bank increased to BDT 110834 million in 2016 with 15.19% growth whereas total deposit was increased by 10.87% in 2016.

5.8 BRAC Bank Limited

BRAC Bank started its journey in 2001 like any other conventional commercial bank. The bank came up with a special focus on Small and Medium Enterprises (SME) sector. The bank realized that SME sector was neglected by other financial institutions, though this sector played an important role in the economic development and creating employment in the country.

Over the last decades, banks were reluctant to invest in the SME sector. Consequently, it was almost impossible for the SME entrepreneurs to get the finance from banking sector. BRAC bank stepped forward to create banking facilities for this unbanked SME entrepreneurs. It has disbursed over BDT 30000 crore of SME loan since its inception. In this 16 years of journey, the banks proved to be country's one of the fastest growing banks.

So far, the bank has 181 branches, over 500 ATM booths, 448 SME Unit offices, 81 CDMs and 229 remittance delivery points across the country. With the huge network, it has induced its operation through its subsidiary like bKash. The bank has created the ground to be the best bank of the country in terms of service, efficiency, good governance, accountability, transparency and so on. bKash has become the most popular medium to transfer money and a household name in mobile banking operations in Bangladesh. It has almost 25 million customers and about 1 lac agents across the country.

The corporate vision of the bank stated that "building profitable and socially responsible financial institution focused on Market and Business with Growth potential, thereby assisting BRAC and stakeholders to build a just, enlightened, healthy democratic and poverty free Bangladesh".

Mission statement includes the bank is looking for sustainable growth in the SME sector, continues growth in low-cost deposit, efforts to enhance non-funded income, to create effective synergies between banks' branches and different departments, manage various line of business, no compromise with service quality and so on.

The bank got listed on the Dhaka Stock Exchange Ltd. (DSE) in 2007. And, it is also listed on the Chittagong Stock Exchange Ltd. (CSE). The authorized capital 12,000 million and paid-up capital 7126.75 million BDT with 712674745 no of outstanding

securities. The bank is committed to making a better return for its shareholders than competitors. Maximum share is held by Sponsors (44.44%) and followed by foreign investors (42.34%), institute (7.17%), the general public (6.08), and government (0%) as of March 2017.

The bank has a strong focus on customers' needs and demands and is trying to build strong relationships based on integrity and superior service.

Business Profile

BRAC bank has performed well and made its presence felt in the banking sector under the new leadership of new MD and CEO and is able to make good results in 2016. Huge investments were made in improvising technology and restructuring. The bank is confident enough to make momentum in the pursuit of being recognized as one of the best banks in terms of governance, service, compliance, profitability and so on.

The bank has achieved a lot of awards including ICMAB Best Corporate Award 2015 (3rd Position), 'Sustainable Marketing Excellence Award' from CMO Asia, 'Best Bank in Bangladesh Award' from Finance Asia in 2013, The Best Managed Bank Award from The Asian Banker form 2011-2013, the Award for Best Retail Bank in Bangladesh by The Asian Banker in 2011, FT Sustainable Bank of the Year 2010 and may more.

In the SME banking segment, the bank has focused on following sectors including Agriculture, RMG, Textile, Ship Building , Other Manufacturing Industries, SME Loans, Construction, Power, Gas Transport, Storage and Communication, Trade Service, Residential Real Estate Financing, Consumer Credit, Capital Market, NBF, and others.

SME Deposit Products of the bank include Prapti Current Account, Prachurjo Fixed Deposit, Shonchoy SME Deposit whereas loan products are Anonno Rin, Apurbo Rin, Prothoma Rin, Shomridhhi Rin, Shompod Rin.

In the retail banking segment, the bank offers Premium Banking, Supreme Banking, and Excel Banking. Deposit Products under retail segment includes Savings Accounts, Triple Benefit Savings Account, Current Accounts, Salary Account, Current Plus, Foreign Currency Account, Term Deposits- DPS, Flexi DPS, Interest

First Fixed Deposit, Fixed Deposit General, Freedom Fixed Deposit, Unit Fixed Deposit, Abiram Fixed Deposit. Loan Products of retail banking are Home Loan, Personal Loan, Auto Loan, Personal Loan for Doctors, Personal Loan for Landlord, Secured Loan / Overdraft. In addition, it also has Wholesale Banking and Probashi Banking.

The bank has a good number of credits such as Platinum Card, VISA Classic, VISA Gold, Universal Card and Debit Card - VISA Planet Card, Hajj Card, Travel Card and so on.

As SME is treated as the engine of the economic growth of Bangladesh, the bank has given top priority in this sector. In 2016, SME loans increased by 30% and disbursed almost 56,270 million BDT. SME borrowers of the bank are increased by 38456 and now the bank is serving 324788 SME borrowers and disbursed almost BDT 365756 million. The net profit of the bank stood at BDT 4460 million and operating profit increased by 18.8%. The total asset of the bank was also increased by 14.2% and net interest income was increased by 24.6%. EPS of the bank was increased to 6.28 TK from 3.43 in 2015.

5.9 Standard Chartered Bank | Bangladesh (SCB)

Standard Chartered Bangladesh, a wholly owned subsidiary of Standard Chartered, is a banking and financial services company which has been operating in Bangladesh for over a hundred years headquartered in Dhaka, Bangladesh.

Though established in 1905, Standard Chartered Bank initially established its first branch in Chittagong in 1948. This is one of the oldest and largest foreign banks operating in Bangladesh. It is the only bank that has 110 years of banking operations in the country and never closed its doors over a hundred years. In 1972, it extended its credit lines to Bangladesh as a first foreign bank.

While all other private commercial banks are opening branches and ATM booths all over the country, the SCB is holding limited space here in Bangladesh in selected cities though it is one of the largest multinational banks in Bangladesh. It has a total of 26 branches in Bogra, Chittagong, Dhaka, Khulna, Savar and Sylhet. The bank has 96 ATM booths covering almost every corner of Dhaka and Chittagong. The bank brought Grindlays Bank and American Express in Bangladesh.

The bank is not listed on the Dhaka Stock Exchange Ltd. (DSE) and the Chittagong Stock Exchange Ltd (CSE).

Business Profile

SCB offers a wide range of products and services to its customers to fulfil their needs. The banks' liability products offer a broad range of saving products to fit the way how the customers want their worth to grow. The bank has 3 savings products, 5 current products and 2 fixed deposit products which inspire customers to save for their future. Savings accounts include- Current Account, Resident Foreign Currency Account, Savings Accounts, Super Savers, Fast Current Account, Convertible & Non-Convertible Current Account, Super Savers Premium, Time Deposits, and Fixed Deposit. The bank also offers school banking which encourages young people to save money.

The bank's leading products include a wide range of loans and credit card facilities. Loan services of the bank cover Personal Loans, Mortgage & Home Loans - Home Loan, and Home Credit. SCB offers multiple cards including Super Value Titanium Credit Card, Visa Signature Credit Card, Platinum Visa / Master Credit Card, Gold Visa / Master Card Credit Card, and Silver Visa / Master Credit Card.

The SCB introduced Saadiq, Islamic Banking Division in 2009 to offer a comprehensive range of Shariah based products and services. SCB is the first bank that offered Shariah-compliant Credit Card to the customers.

The bank so far received a number of recognitions from different authorities such as "Letter of Appreciation" from the Governor of Central Bank for achieving the Agriculture and Rural Credit Disbursement target for the fiscal year 2013-2014, Best Bank in 2006 for Corporate Social Responsibility by Bankers' Forum. The bank was awarded in 2007 as National Best Corporate by ICMAB. In 2007, Bangladesh Association of Software & Information Services recognized SCB as Best IT User. The Banker recognized as the Bank of the Year in 2013, 2012 & 2010 respectively. SCB also got the Best Consumer Internet Bank in 2013 at Global Finance Awards. It was also recognized as the Best Foreign Commercial Bank in Bangladesh in 2009 to 2014 by Finance Asia, the Best Corporate Performance Award in 2012, 2013, and 2014 in the foreign commercial bank category by the ICMAB.

5.10 The Hongkong and Shanghai Banking Corporation (HSBC)

The Hong Kong and Shanghai Banking Corporation (HSBC) is one of the leading and largest banking and financial institutions in the world. It has been serving the world since 1865 in four different segments namely retail banking and wealth management, commercial banking, global banking and markets and global private banking. At present, the bank is serving 37 million customers in 80 countries and territories in Asia, Africa, Europe, Middle East, North America and Latin America.

It has more than 4000 offices worldwide and is serving customers to connect to opportunities, enabling businesses for economic prosperity and helping people to fulfil their ambitions. The bank is listed on New York Stock Exchange, London Stock Exchange, Hong Kong Stock Exchange, Paris Stock Exchange and Bermuda Stock Exchange.

HSBC started its operations in Bangladesh in 1996 by opening a branch in Dhaka. It has been offering a wide range of financial services in Bangladesh including consumer banking, commercial banking, trade services, global liquidity and cash management and custody and clearing since inception.

Though it is a leading global bank, it has been offering banking services in Bangladesh for a specific target customer. So far, it has 10 branches and 23 ATM networks in Bangladesh. With HSBC Bangladesh ATM Cards, customers have the privilege to access to the wide range of ATM network under the VISA - PLUS network in Bangladesh. As all the ATMs are connected to the China Union Pay (CUP) network, customers are using CUP enabled ATM cards.

Values of HSBC are “at HSBC, how we do business is as important as what we do. We seek to build trust-based and lasting relationships with our many stakeholders to generate value in society and deliver long-term shareholder returns”.

The bank is not listed on the Dhaka Stock Exchange Ltd. (DSE) and the Chittagong Stock Exchange Ltd.

CHAPTER-6

DEMOGRAPHIC ANALYSIS OF THE RESPONDENTS

The term demography is related to various statistics of the population. In this study, data have been collected from both primary and secondary sources. Primary data have been collected from the customers of 10 different Private Commercial Banks (PCBs) in Bangladesh. Initially, 450 questionnaires have been distributed to the customers of selected banks. Out of 450 customers, the study has received 405 usable questionnaires where 45 questionnaires have been rejected due to the incomplete filling. In this section, the study describes the respondents on the basis of age, gender, occupation, marital status, level of income, generation of the banks, conventional versus Islamic banks, local versus foreign banks and so on.

6.1 Number of Respondents with the Banks

In the study, data have been collected from 10 PCBs and the details of the number of respondents with their banks are shown in the following table.

Table-6.1: Number of Respondents with the Banks

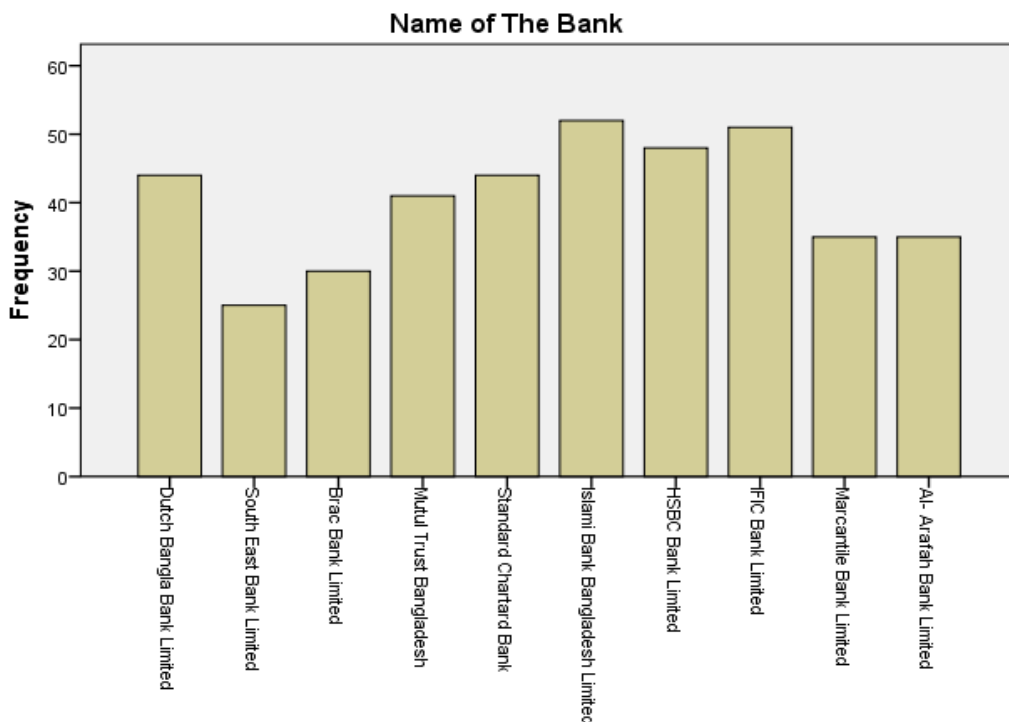
Name of The Banks				
Bank Names	Frequency	Percent	Valid Percent	Cumulative Percent
Dutch Bangla Bank Limited	44	10.9	10.9	10.9
South East Bank Limited	25	6.2	6.2	17.0
Brac Bank Limited	30	7.4	7.4	24.4
Mutual Trust Bank	41	10.1	10.1	34.6
Standard Chartered Bank	44	10.9	10.9	45.4
Islami Bank Bangladesh Limited	52	12.8	12.8	58.3
HSBC Bank Limited	48	11.9	11.9	70.1
IFIC Bank Limited	51	12.6	12.6	82.7
Mercantile Bank Limited	35	8.6	8.6	91.4
Al- Arafah Islami Bank Limited	35	8.6	8.6	100.0
Total	405	100.0	100.0	

Source: Data Collected from the Survey

The Table-6.1 states that the researcher has collected data from 10 different PCBs which have been selected based on Generation of Banks, Mode of Operations, and the Ownership Structure of the Banks. This study has received useable 405 questionnaires out of 450 questionnaires. Out of 405 useable questionnaires, there are 44 respondents from Dutch Bangla Bank Limited, 25 from South East Bank Limited, 30 from Brac Bank Limited, 41 from Mutual Trust Bank Limited, 44 from Standard Chartered Bank, 52 from Islami Bank Bangladesh Limited, 48 from HSBC Bank Limited, 51 from IFIC Bank Limited, 35 from Mercantile Bank Limited, and 35 from Al- Arafah Islami Bank Limited.

The following Bar Chart is graphically presenting the number of respondents of 10 different PCBs in the study.

Bar Chart 6.1: Number of Respondents with the Banks



Source: Table-6.1 (Number of Respondents with Banks)

6.2 Gender of the Respondents

The total respondents of the study are 405 comprising male and female account holders. There are 301 (74.3%) male respondents and 104 (25.7%) female respondents in the study.

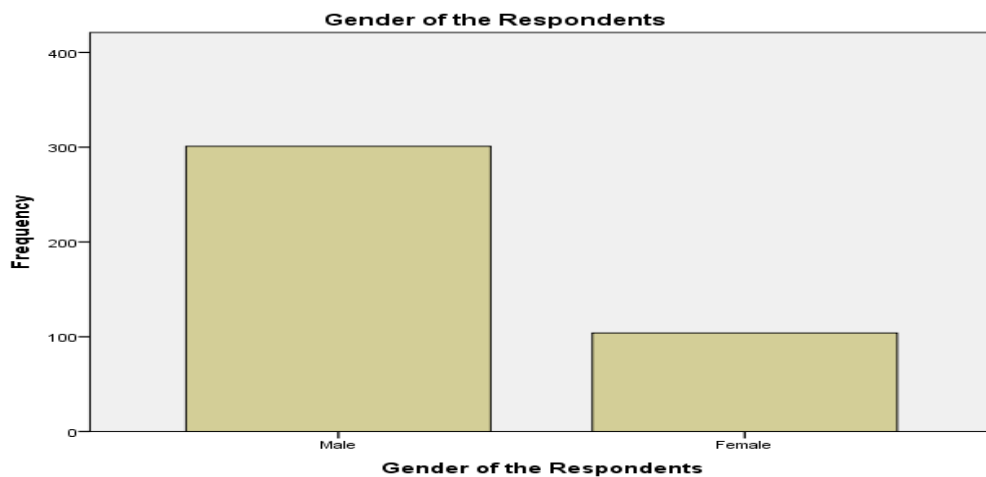
Table-6.2: Gender of the Respondents

Gender of the Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	301	74.3	74.3	74.3
	Female	104	25.7	25.7	100.0
	Total	405	100.0	100.0	

Source: Data Collected from the Survey

The following Bar Chart shows the respondents based on their gender i.e. male and female.

Bar Chart 6.2: Gender of the Respondents



Source: Table 6.2 (Gender of the Respondents)

6.3 Age of the Respondents

According to the Table 6.3, the largest group of the respondents (44.9%) belongs to the age group from 20 to 30 years. The second largest respondents' group in the sample is from 31 and 40 years. The second largest group is 37.5% of the total respondents. On the other hand, the respondents belonging to the age group from 41 to 50 years are 57 which is 14.1% of the total respondents. And, the respondents belonging to the age of 51 and above are 14 which is 3.5% of the total respondents.

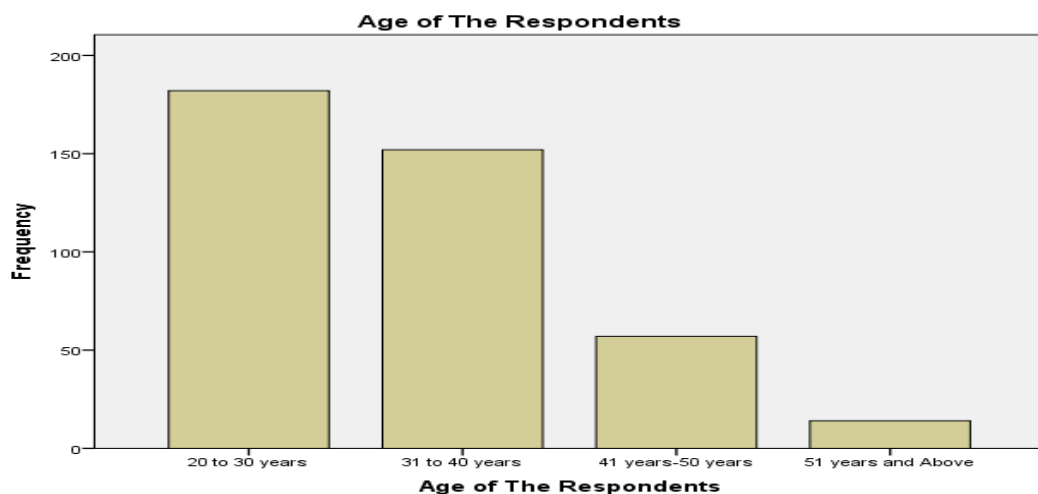
Table 6.3: Age of the Respondents

Age of The Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 to 30 years	182	44.9	44.9	44.9
	31 to 40 years	152	37.5	37.5	82.5
	41 years-50 years	57	14.1	14.1	96.5
	51 years and Above	14	3.5	3.5	100.0
	Total	405	100.0	100.0	

Source: Data Collected from the Survey

The following Bar Chart is depicting the frequencies of the respondents' age.

Bar Chart 6.3: Age of the Respondents



Source: Table 6.3 (Age of the Respondents)

6.4 Level of Education of the Respondents

In this study, the respondents have been divided into four levels. Table 6.4 depicts that majority number of respondents i.e. 179 (44.2%) are graduates and 177(43.7%) are Master’s Degree holders. On the other hand, 10 respondents are from SSC and below that level and 39 respondents are from HSC level.

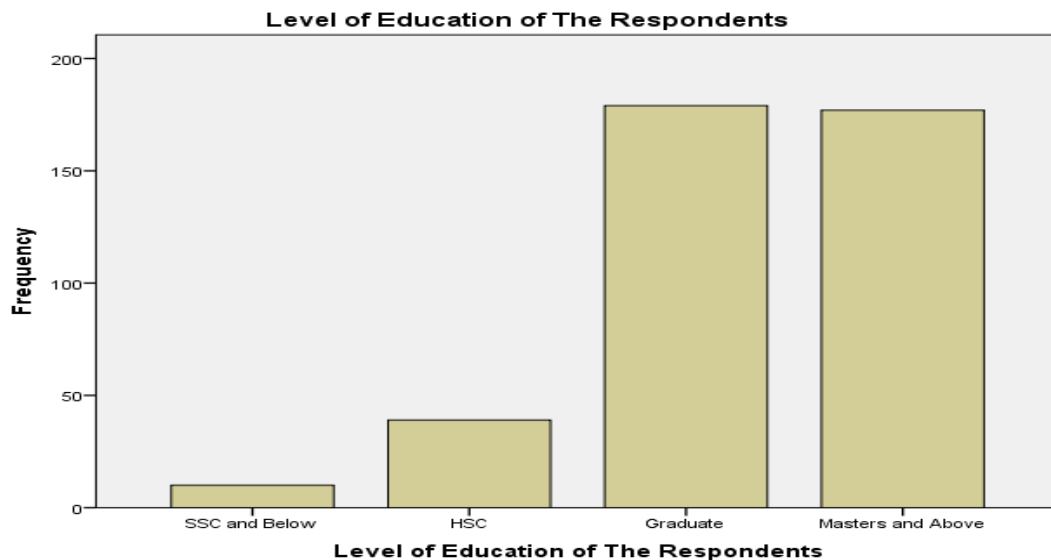
Table-6.4: Level of Education of the Respondents

Level of Education of The Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SSC and Below	10	2.5	2.5	2.5
	HSC	39	9.6	9.6	12.1
	Graduate	179	44.2	44.2	56.3
	Masters and Above	177	43.7	43.7	100.0
	Total	405	100.0	100.0	

Source: Data Collected from the Survey

The levels of education of the respondents are shown in the following Bar Chart 6.4.

Bar Chart 6.4: Level of Education of the Respondents



Source: Table-6.4 (Level of Education of the Respondents)

6.5 Level of Income (Monthly) of the Respondents

The monthly income of respondents has been divided into four levels. Majority of the respondents (28.4%) lie in the level of Tk.30,001 – 40,000 whereas only 81(20%) respondents lie in the level of Tk. 50,000 and above. The Table 6.5 shows that out of 405 respondents, 115 respondents' income is in between Tk. 30,001 and 40,000, 112 respondents' income is in-between Tk. 20,001 and 30,000, and 97 respondents' income is in between Tk. 40,001 and 50,000.

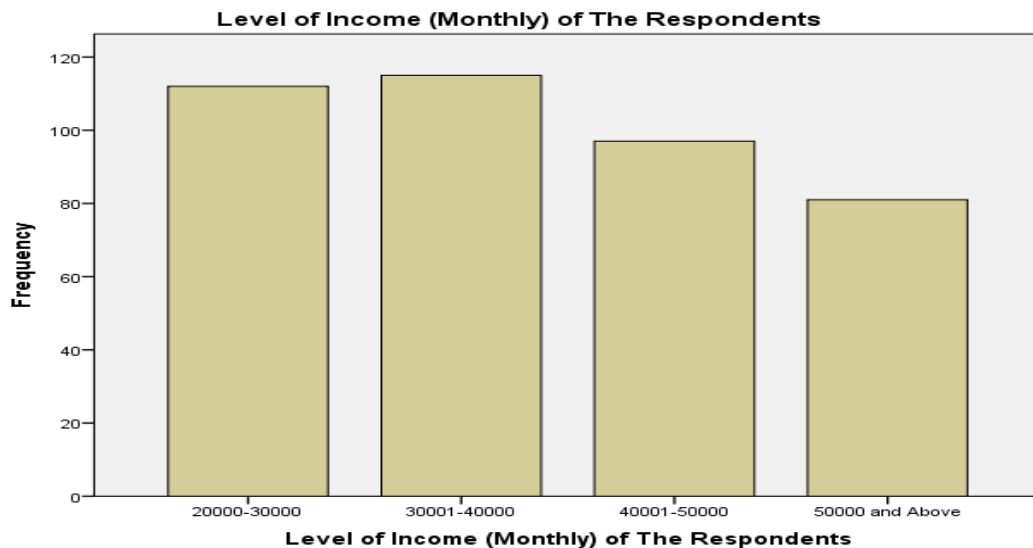
Table-6.5: Level of Income (Monthly) of The Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
20000-30000	112	27.7	27.7	27.7
30001-40000	115	28.4	28.4	56.0
Valid 40001-50000	97	24.0	24.0	80.0
50000 and Above	81	20.0	20.0	100.0
Total	405	100.0	100.0	

Source: Data Collected from the Survey

The following Bar Chart illustrates the levels of monthly income of the respondents surveyed in this study.

Bar Chart 6.5: Level of Income (Monthly) of the Respondents



Source: Table-6.5 [Level of Income (Monthly) of the Respondents]

6.6 Marital Status of the Respondents

The Table-6.6 indicates that 58% of the respondents have been found in the married category while the rest 42% respondents lie in a single category. A total of 169 respondents are single and 235 respondents are married in the respondents of the study.

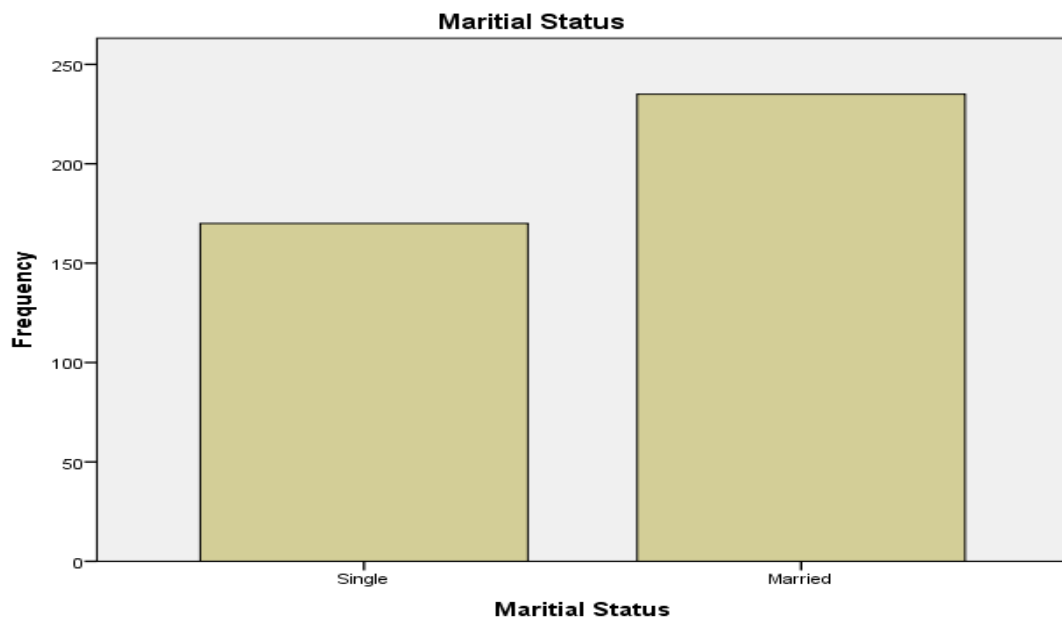
Table 6.6: Marital Status of the Respondents

Marital Status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	169	42	42	42
	Married	235	58.0	58.0	100
	Total	405	100.0	100.0	

Source: Data Collected from the Survey

The following Bar Chart 6.6 shows the marital status of the respondents of this study

Bar Chart 6.6: Marital Status of the Respondents



Source: Table 6.6 (Marital Status of the Respondents)

6.7 Generation wise Number of Respondents

The researcher has collected data from three generations of private commercial banks (PCBs) as well as foreign PCBs. The study has found that 25.4% of the respondents are from the banks of the first generation, 25.7 % are from the second generation, 26.2 are from third generation banks and 22.7 % are from foreign PCBs.

The Table-6.7 indicates that 106 respondents are from the third generation of banks whereas 92 respondents are from Foreign Private Commercial Banks.

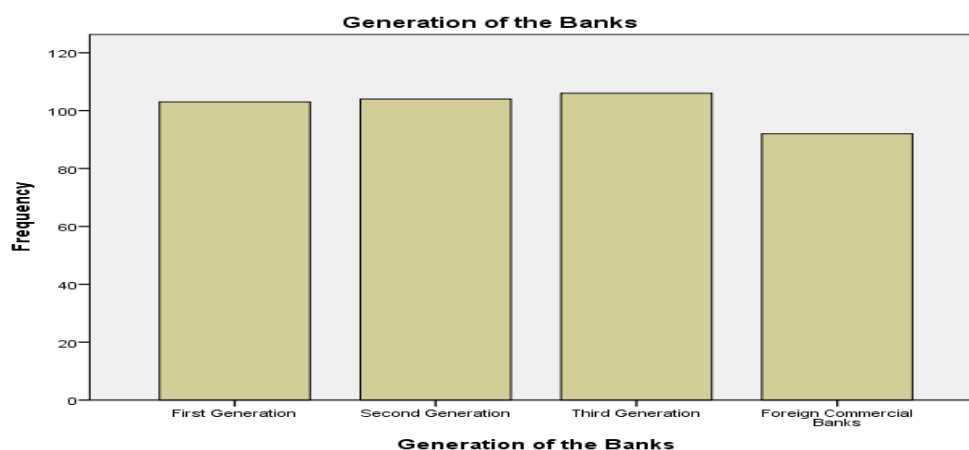
Table 6.7: Number of Respondents based on Generation of the Banks

Number of Respondents based on Generation of the Banks					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	First Generation PCBs	103	25.4	25.4	25.4
	Second Generation PCBs	104	25.7	25.7	51.1
	Third Generation PCBs	106	26.2	26.2	77.3
	Foreign PCBs	92	22.7	22.7	100.0
	Total	405	100.0	100.0	

Source: Data Collected from the Survey

The Bar Chart 6.7 depicts the frequencies of the respondents from different generations and categories of banks in the study.

Bar Chart 6.7: Number of Respondents based on Generation of the Banks



Source: Table 6.7 (Number of Respondents based on Generation of the Banks)

Moderating Variables

As the study has an objective to check the multi-group effects on the proposed model of CRM in the study, the data have been converted in the following way.

6.8 Number of Respondents: Local versus Foreign PCBs

This study has been conducted on 450 respondents and the researcher has received 405 useable questionnaires. The study has collected data from the customers of local PCBs and foreign PCBs. The frequency Table-6.8 shows that 313 respondents are from local private commercial banks and 92 respondents are from foreign private commercial banks. Thus, 77.3% respondents are the customers of local private commercial banks and 22.7% respondents are the customers of foreign private commercial banks.

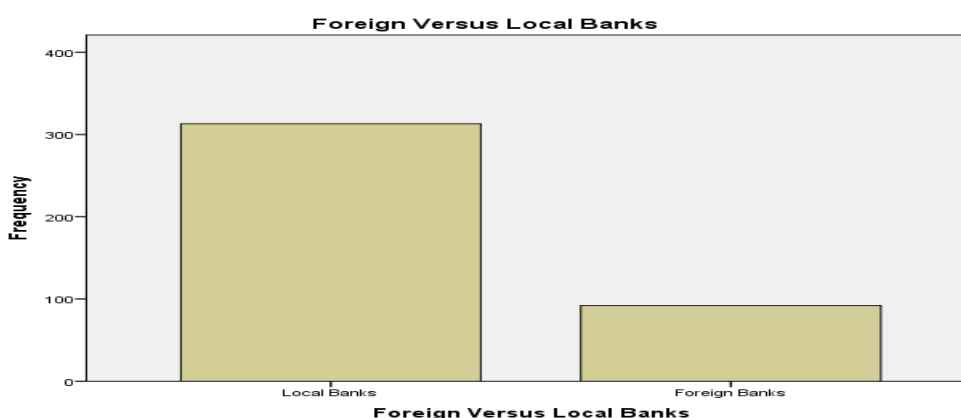
Table 6.8: Respondents of Local versus Foreign PCBs

Foreign Versus Local PCBs					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Local PCBs	313	77.3	77.3	77.3
	Foreign PCBs	92	22.7	22.7	100.0
	Total	405	100.0	100.0	

Source: Data Collected from the Survey

The following bar diagram shows the number of respondents selected from local private commercial banks and foreign private commercial banks.

Bar Chart 6.8: Respondents of Local versus Foreign PCBs



Source: Table 6.8 (Respondents of Local versus Foreign PCBs)

6.9 Number of Respondents: Conventional versus Islamic PCBs

According to the following frequency Table-6.9, 78.5% respondents are selected from Conventional PCBs and 21.5% respondents are from Sharia-based Islamic PCBs. The table shows that majority of the respondents are from conventional PCBs.

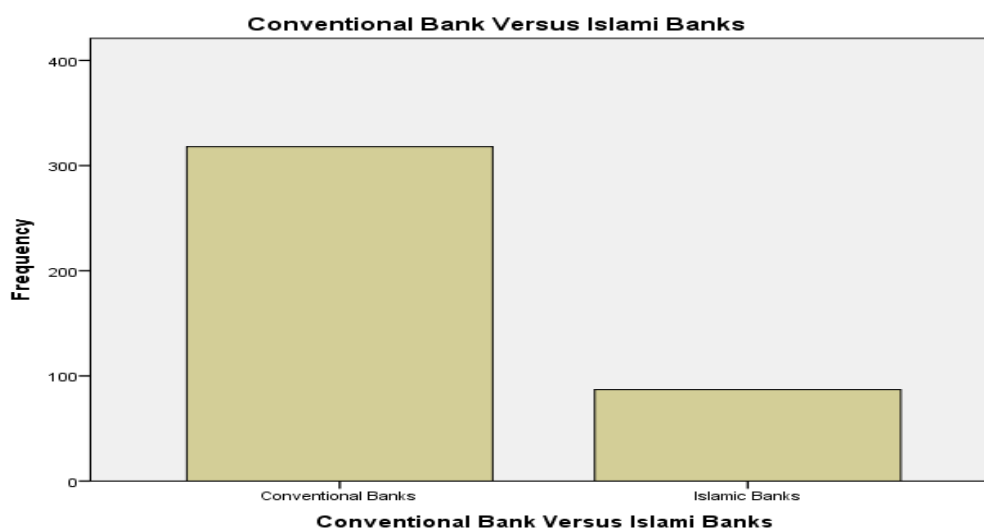
Table-6.9: Number of Respondents : Conventional versus Islamic PCBs

	Frequency	Percent	Valid Percent	Cumulative Percent
Conventional PCBs	318	78.5	78.5	78.5
Valid Islamic PCBs	87	21.5	21.5	100.0
Total	405	100.0	100.0	

Source: Data Collected from the Survey

The following bar diagram shows the number of the respondents selected from Conventional PCBs and Shariah-based Islamic PCBs.

Bar Chart 6.9: Number of Respondents: Conventional versus Islamic PCBs



Source: Table 6.9 (Number of Respondents: Conventional versus Islamic PCBs)

6.10 Number of Respondents: Old Generation versus New Generation of PCBs

In the study, the data have been collected from the respondents of different generations of PCBs. The study has collected data from the customers of 1st generation, 2nd generation, and 3rd generation of PCBs. Here, the respondents of the 1st generation banks have been grouped into Old Generation and the respondents of 2nd and 3rd generations have been grouped into New Generation of banks.

The following frequency Table-6.10 shows that 73.8 % respondents belong to Old Generation of banks and 26.8% respondents belong to the banks of New Generation.

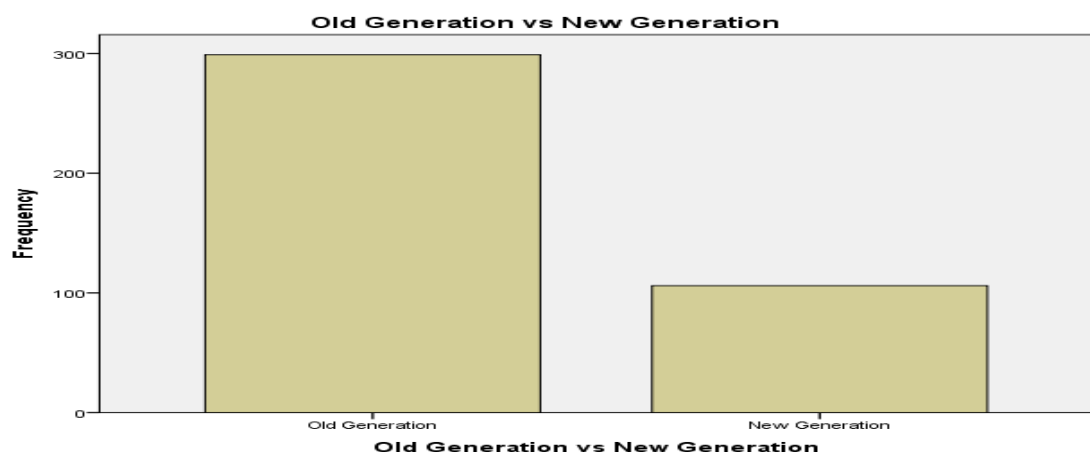
Table-6.10: Number of Respondents: Old Generation versus New Generation PCBs

	Frequency	Percent	Valid Percent	Cumulative Percent
Old Generation	299	73.8	73.8	73.8
New Generation	106	26.2	26.2	100.0
Total	405	100.0	100.0	

Source: Data Collected from the Survey

The following bar diagram depicts the respondents who have been interviewed from Old Generation and New Generation of PCBs.

Bar Chart 6.10: Number of Respondents: Old Generation versus New Generation PCBs



Source: Table 6.10 (Number of Respondents: Old Generation versus New Generation PCBs)

Cross Tabulation

6.11 Respondents of Different Generations of Local PCBs and Foreign PCBs with Gender

The Table - 6.11 shows that 73.8% respondents are male and 26.2% are female in 1st generation of PCBs. In the second generation of PCBs, 76% respondents are male and 24% are female. In case of third generation banks, 72.6% are male and 27.4% respondents are female. In case of foreign PCBs, 75% respondents are male and 25% are female.

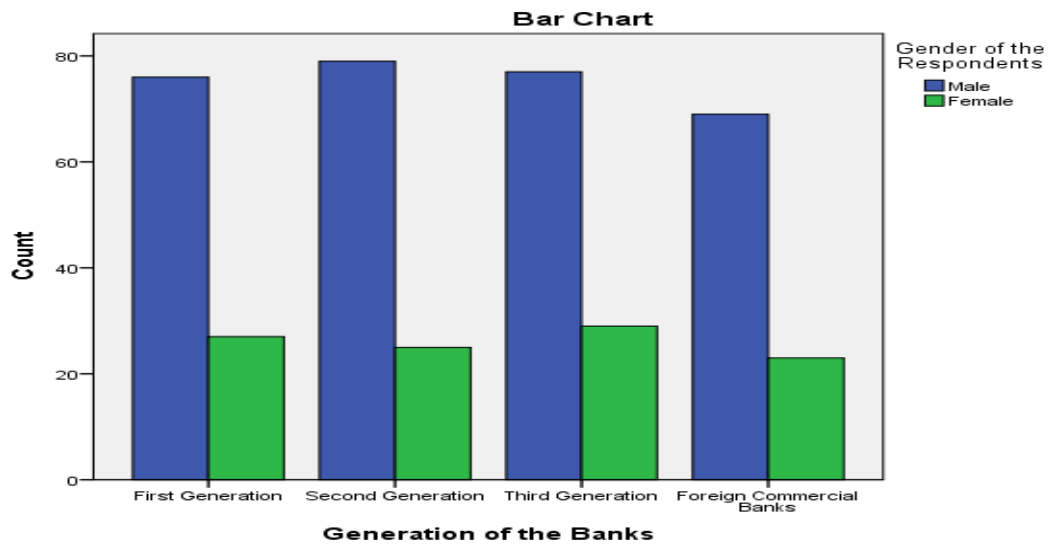
Table-6.11: Respondents of Different Generations of Local PCBs and Foreign PCBs with Gender

Generations and Categories	Particulars	Gender of the Respondents		Total
		Male (301)	Female (104)	
First Generation	Frequency	76	27	103
	Percentage (%)	73.8%	26.2%	100.0%
Second Generation	Frequency	79	25	104
	Percentage (%)	76.0%	24.0%	100.0%
Third Generation	Frequency	77	29	106
	Percentage (%)	72.6%	27.4%	100.0%
Foreign PCBs	Frequency	69	23	92
	Percentage (%)	75.0%	25.0%	100.0%

Source: Data Collected from the Survey

The following bar diagram illustrates the gender of respondents with different generations of Local PCBs and foreign private commercial banks (PCBs).

Bar Chart 6.11: Respondents of Different Generations of Local PCBs and Foreign PCBs with Gender



Source: Table 6.11 (Respondents of Different Generations of Local PCBs and Foreign PCBs with Gender)

6.12 Marital Status of Respondents with Different Generations of Local PCBs and Foreign PCBs

The Table 6.12 shows that 25.2% respondents are single and 74.8% respondents are married in the first generation PCBs. In case of the second generation, 56.7% respondents are single and 43.3% respondents are married. In the third generation, 44.3% are single and 55.7% respondents are married. And, in case of foreign PCBs, 41.3% respondents are single and 58.7% respondents are married.

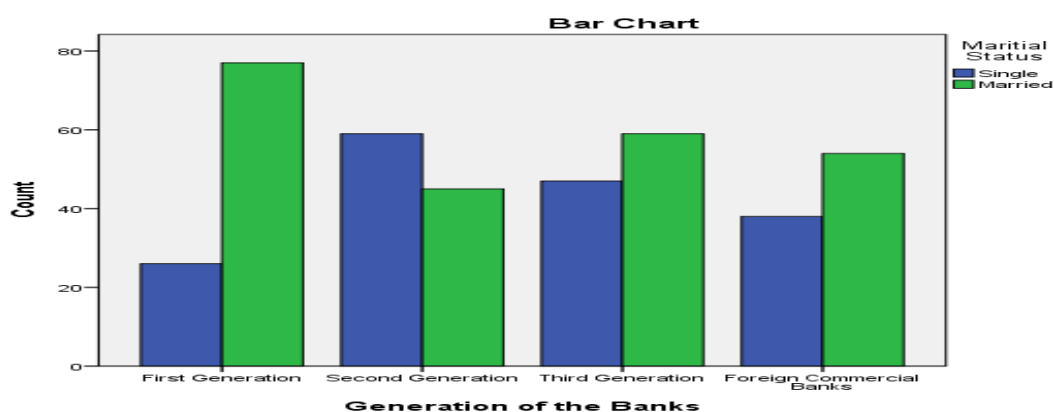
Generations and Categories	Particulars	Marital status of the Respondents		
		Single (170)	Married (235)	Total
First Generation	Frequency	26	77	103
	Percentage (%)	25.2%	74.8%	100.0%

Second Generation	Frequency	59	45	104
	Percentage (%)	56.7%	43.3%	100.0%
Third Generation	Frequency	47	59	106
	Percentage (%)	44.3%	55.7%	100.0%
Foreign PCBs	Frequency	38	54	92
	Percentage (%)	41.3%	58.7%	100.0%

Source: Data Collected from the Survey

The following bar diagram shows the marital status of respondents who have been selected from three generations of local PCBs and foreign PCBs.

Bar Chart 6.12: Marital Status of Respondents with Different Generations of Local PCBs and Foreign PCBs



Source: Table 6.12 (Marital Status of Respondents with Different Generations of Local PCBs and Foreign PCBs)

6.13 Level of Income of the Respondents with different Generations of PCBs and Foreign PCBs

According to the Table - 6.13, in the banks of the first generation, 38.8 % respondents' monthly income lies in the level of Tk. 30,001- 40,000 and 7.8% respondents' income falls into the level of Tk. 50,000 and above. In case of the second generation, the larger group 37.5% lies in the monthly income of Tk. 20,000 - 30,000, while only 12.5% lies in the level of Tk.50,000 and above. In case of the third generation of banks, 38.7% respondents' income belongs to the level of Tk. 20,000-30,000 whereas only 10.4% respondents lie in the level of Tk. 50,000 and above. In the foreign PCBs, 53.3% respondents' monthly income lies in the level of Tk. 50,000 and above and 3.3% respondents' income belongs to the level of Tk. 20,000 – 30,000.

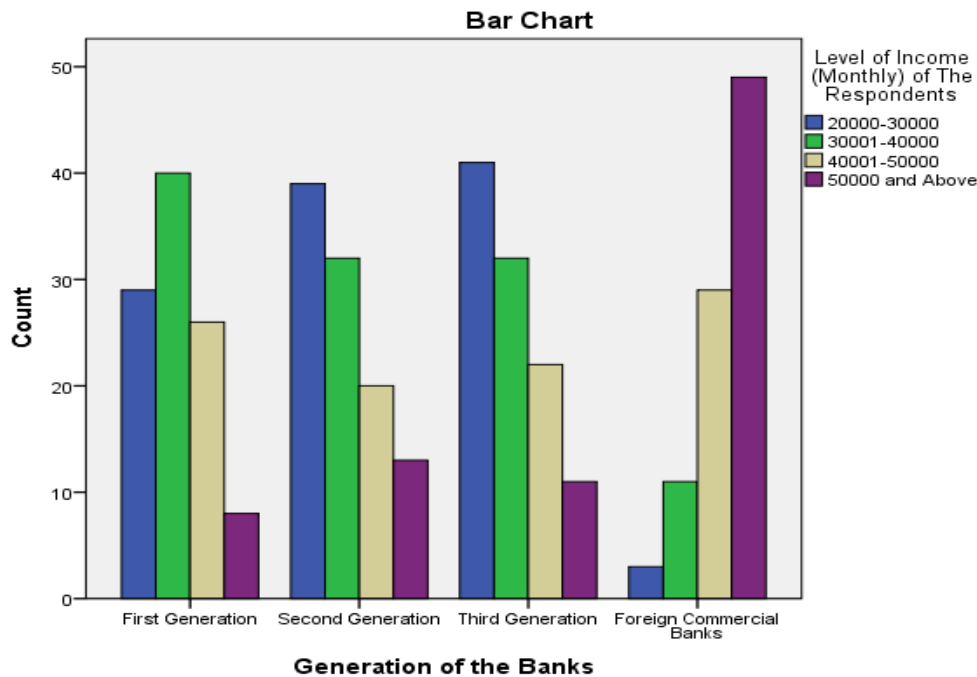
Table 6.13: Level of Income of the Respondents with different Generations of PCBs and Foreign PCBs

Generations and Categories	Particulars	Level of Income (Monthly)				
		20000-30000	30001-40000	40001-50000	50000 and Above	Total
First Generation	Frequency	29	40	26	8	103
	Percentage (%)	28.2%	38.8%	25.2%	7.8%	100.0%
Second Generation	Frequency	39	32	20	13	104
	Percentage (%)	37.5%	30.8%	19.2%	12.5%	100.0%
Third Generation	Frequency	41	32	22	11	106
	Percentage (%)	38.7%	30.2%	20.8%	10.4%	100.0%
Foreign PCBs	Frequency	3	11	29	49	92
	Percentage (%)	3.3%	12.0%	31.5%	53.3%	100.0%

Source: Data Collected from the Survey

This bar chart illustrates the level of income of the respondents who have been selected from different Generations of PCBs and Foreign Private Commercial Banks.

Bar Chart 6.13: Level of Income of the Respondents with Different Generations of PCBs and Foreign PCBs



Source: Table 6.13 (Level of Income of the Respondents with different Generations of PCBs and Foreign PCBs)

6.14 Age of the Respondents with Different Generations of PCBs and Foreign PCBs

According to the following Table-6.14, in the banks of the first generation, 53.4% respondents lies in the age group of 31 to 40, 28.2% in the age group of 20 to 30. In the second generation, majority respondents 55.8% lie in the group of 20 to 30 years while only 4.8% lies in the group of 51years and above. In the third generation of banks, majority respondents 53.8% fall into the age group of 20 to 30 years whereas only 2.8% falls into the category of 51 years and above. And, in case of foreign PCBs, 41.3% falls into the age group of 20 to 30 years whereas 41.3% respondents belong to the age group of 31to 40 years.

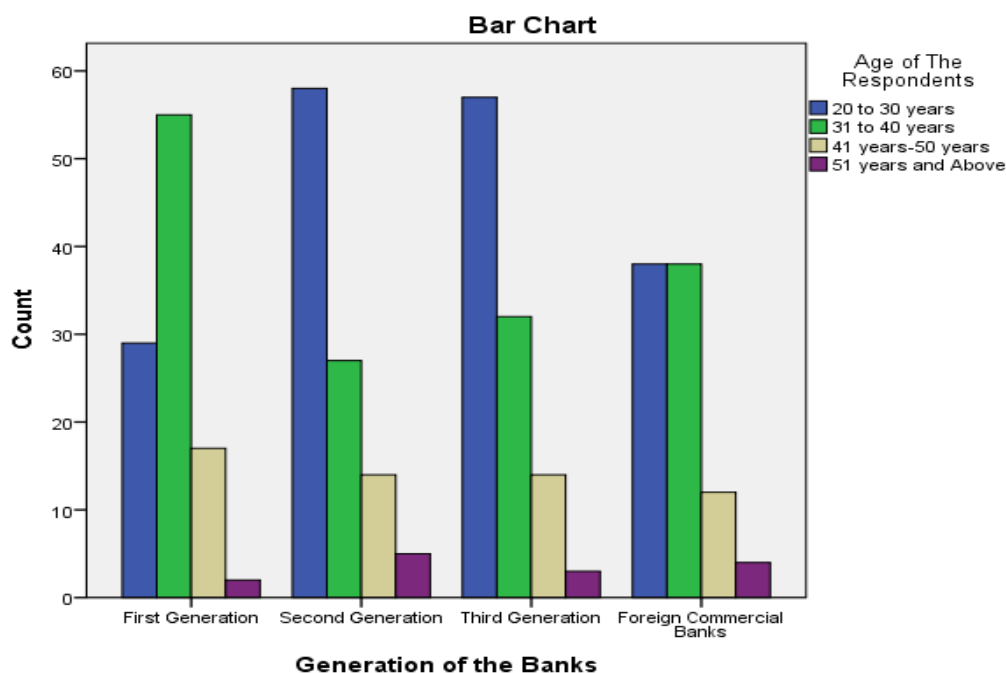
Table-6.14: Age of the Respondents with Different Generations of PCBs and Foreign PCBs

Generations and Categories	Particulars	Age of The Respondents				
		20 to 30 years	31- 40 years	41 -50 years	51 and Above	Total
First Generation	Frequency	29	55	17	2	103
	Percentage (%)	28.2%	53.4%	16.5%	1.9%	100.0%
Second Generation	Frequency	58	27	14	5	104
	Percentage (%)	55.8%	26.0%	13.5%	4.8%	100.0%
Third Generation	Frequency	57	32	14	3	106
	Percentage (%)	53.8%	30.2%	13.2%	2.8%	100.0%
Foreign PCBs	Frequency	38	38	12	4	92
	Percentage (%)	41.3%	41.3%	13.0%	4.3%	100%

Source: Data Collected from the Survey

The following bar diagram shows the age of respondents who have been selected from different generations of local PCBs and foreign PCBs.

Bar Chart 6.14: Age of the Respondents with Different Generations of PCBs and Foreign PCBs



Source: Table 6.14 (Age of the Respondents with Different Generations of PCBs and Foreign PCBs)

6.15 Level of Education of the Respondents with Different Generations of PCBs and Foreign PCBs

The following frequency table (Table-6.15) indicates that except the second generation, the majority of the respondents fall into Masters and above level of education in all generations and in all categories of the banks. In the first generation of banks, 48.5% of respondents are in Masters level and only 1% fall into the level of SSC and below. In the second generation of banks, 51% of the respondents lies in graduation level and only 1% lies in SSC and below. In case of the third generation

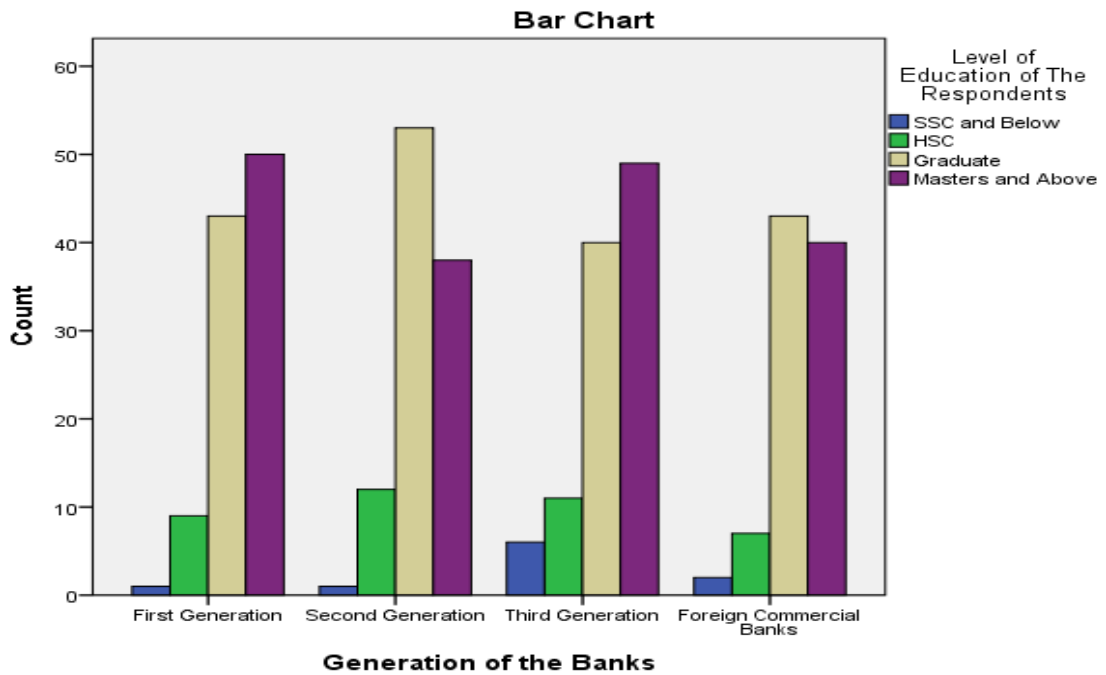
banks, 46.2% customers are of masters and above level and only 5.7% remains in SSC and below. Lastly, 46.7% respondents fall in graduation level and 2.2% respondents fall into SSC and below that level in case of foreign PCBs.

Table-6.15: Level of Education of Respondents with Different Generations of PCBs and Foreign PCBs						
Generations and Categories	Particulars	Level of Education of The Respondents				
		SSC and Below	HSC	Graduate	Masters and Above	Total
First Generation	Frequency	1	9	43	50	103
	Percentage (%)	1.0%	8.7%	41.7%	48.5%	100.0%
Second Generation	Frequency	1	12	53	38	104
	Percentage (%)	1.0%	11.5%	51.0%	36.5%	100.0%
Third Generation	Frequency	6	11	40	49	106
	Percentage (%)	5.7%	10.4%	37.7%	46.2%	100.0%
Foreign PCBs	Frequency	2	7	43	40	92
	Percentage (%)	2.2%	7.6%	46.7%	43.5%	100%

Source: Data Collected from the Survey

The following bar chart shows the academic level of respondents who have been selected from different generations of PCBs along with foreign PCBs.

Bar Chart 6.15: Level of Education of the Respondents with Different Generations of PCBs and Foreign PCBs



Source: Table-6.15 (Level of Education of Respondents with Different Generations of PCBs and Foreign PCBs)

6.16 Gender of the Respondents with Specific Banks

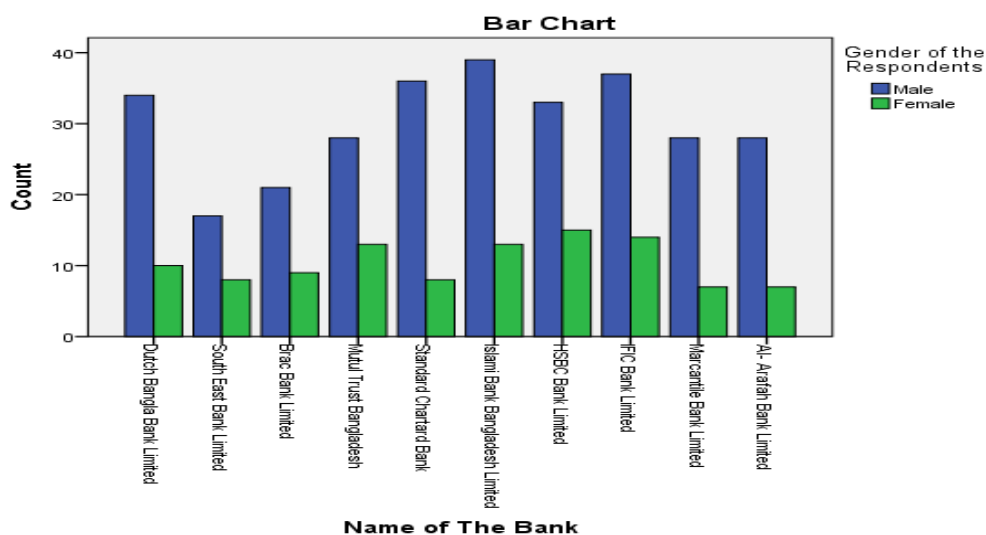
The Table-6.16 states that data have been collected from 10 different banks of which 8 banks are local private commercial banks and 2 are foreign private commercial banks. The banks have been chosen on the basis of generations, modes of operations, and ownership structure of the banks to have a comprehensive picture of the industry. This study has received 405 questionnaires usable out of 450 distributed questionnaires to the account holders.

Table -6.16: Gender of the Respondents with Specific Banks				
Name of Banks	Particulars	Gender of The Respondents		
		Male (301)	Female (104)	Total
Dutch Bangla Bank Limited	Frequency	34	10	44
	Percentage (%)	77.3%	22.7%	100.0%
South East Bank Limited	Frequency	17	8	25
	Percentage (%)	68.0%	32.0%	100.0%
Brac Bank Limited	Frequency	21	9	30
	Percentage (%)	70.0%	30.0%	100.0%
Mutual Trust Bank	Frequency	28	13	41
	Percentage (%)	68.3%	31.7%	100.0%
Standard Chartered Bank	Frequency	36	8	44
	Percentage (%)	81.8%	18.2%	100.0%
Islami Bank Bangladesh Limited	Frequency	39	13	52
	Percentage (%)	75.0%	25.0%	100.0%
HSBC Bank Limited	Frequency	33	15	48
	Percentage (%)	68.8%	31.3%	100.0%
IFIC Bank Limited	Frequency	37	14	51
	Percentage (%)	72.5%	27.5%	100.0%
Mercantile Bank Limited	Frequency	28	7	35
	Percentage (%)	80.0%	20.0%	100.0%
Al- Arafah Islami Bank Limited	Frequency	28	7	35
	Percentage (%)	80.0%	20.0%	100.0%

Source: Data Collected from the Survey

The following bar diagram shows the gender of the respondents in the study.

Bar Chart 6.16: Gender of the Respondents with Specific Banks



Source: Table 6.16 (Gender of the Respondents with Specific Banks)

6.17 Age of the Respondents with Specific Banks

The following frequency table (Table-6.17) is showing the percentage of the respondents on the basis of their age. In most of the banks, the majority of the respondents lie in the level of 20 to 30 and 31 to 40 years.

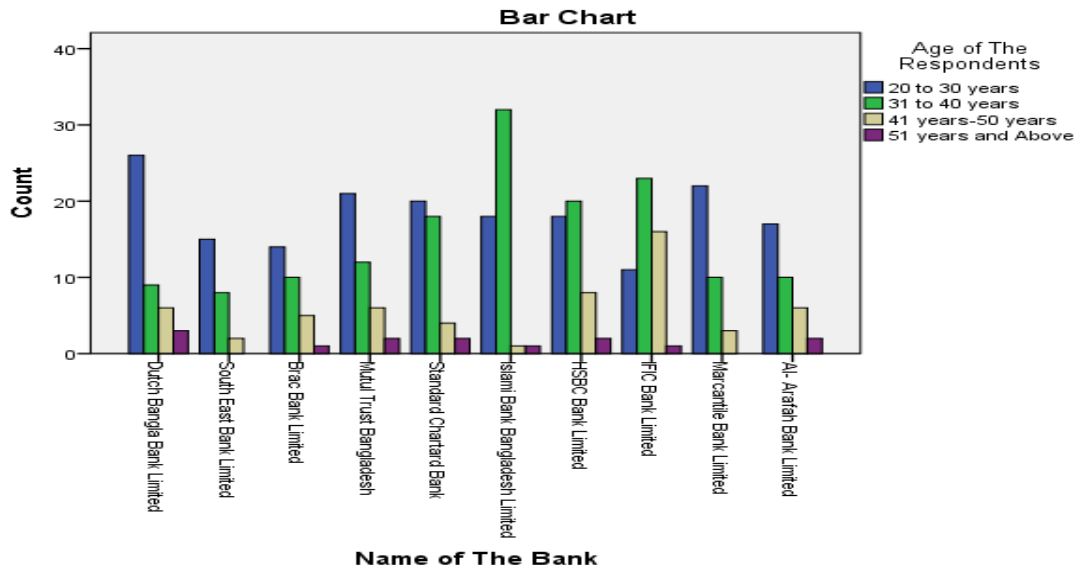
Name of Banks	Particulars	Age of The Respondents				
		20 - 30 years	31- 40 years	41- 50 years	51 and Above	Total
Dutch Bangla Bank Limited	Frequency	26	9	6	3	44
	Percentage (%)	59.1%	20.5%	13.6%	6.8%	100.0%
	Frequency	15	8	2	0	25

South East Bank Limited	Percentage (%)	60.0%	32.0%	8.0%	0.0%	100.0%
Brac Bank Limited	Frequency	14	10	5	1	30
	Percentage (%)	46.7%	33.3%	16.7%	3.3%	100.0%
Mutual Trust Bangladesh	Frequency	21	12	6	2	41
	Percentage (%)	51.2%	29.3%	14.6%	4.9%	100.0%
Standard Chartered Bank	Frequency	20	18	4	2	44
	Percentage (%)	45.5%	40.9%	9.1%	4.5%	100.0%
Islami Bank Bangladesh Limited	Frequency	18	32	1	1	52
	Percentage (%)	34.6%	61.5%	1.9%	1.9%	100.0%
HSBC Bank Limited	Frequency	18	20	8	2	48
	Percentage (%)	37.5%	41.7%	16.7%	4.2%	100.0%
IFIC Bank Limited	Frequency	11	23	16	1	51
	Percentage (%)	21.6%	45.1%	31.4%	2.0%	100.0%
Mercantile Bank Limited	Frequency	22	10	3	0	35
	Percentage (%)	62.9%	28.6%	8.6%	0.0%	100.0%
Al- Arafah Islami Bank Limited	Frequency	17	10	6	2	35
	Percentage (%)	48.6%	28.6%	17.1%	5.7%	100.0%

Source: Data Collected from the Survey

The following bar diagram is illustrating the age group of respondents with specific banks in the study.

Bar Chart 6.17: Age of the Respondents with Specific Banks



Source: Table 6.17 (Age of the Respondents with Specific Banks)

6.18 Level of Education of the Respondents with Specific Banks

The following frequency table (Table-6.18) indicates the academic level of the respondents who have been selected from 10 different banks in the study.

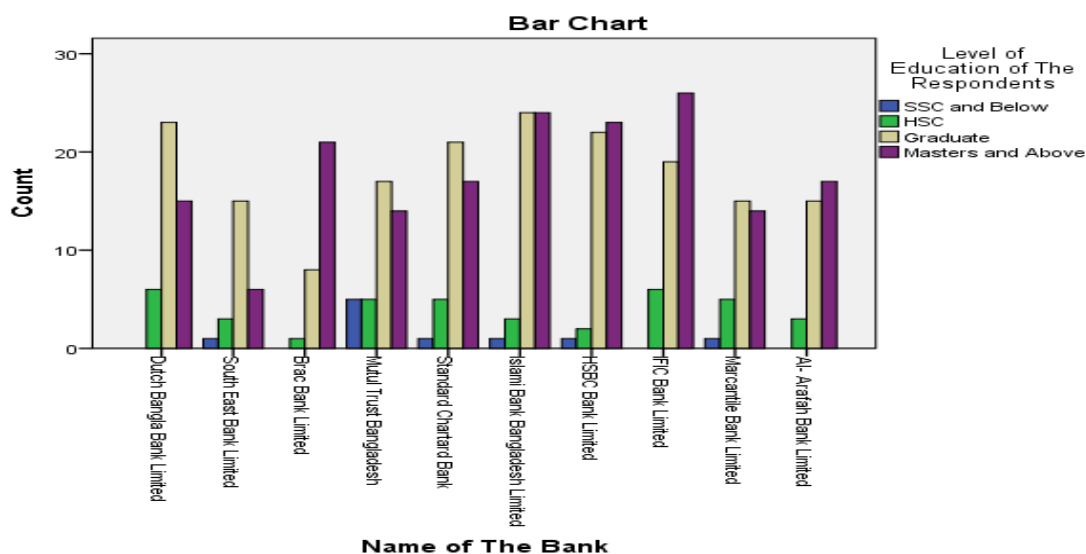
Name of Banks	Particulars	Level of Education of The Respondents				Total
		SSC and Below	HSC	Graduate	Masters and Above	
Dutch Bangla Bank Limited	Frequency	0	6	23	15	44
	Percentage (%)	0.0%	13.6%	52.3%	34.1%	100.0%
South East Bank Limited	Frequency	1	3	15	6	25
	Percentage (%)	4.0%	12.0%	60.0%	24.0%	100.0%

Brac Bank Limited	Frequency	0	1	8	21	30
	Percentage (%)	0.0%	3.3%	26.7%	70.0%	100.0%
Mutual Trust Bank Limited	Frequency	5	5	17	14	41
	Percentage (%)	12.2%	12.2%	41.5%	34.1%	100.0%
Standard Chartered Bank	Frequency	1	5	21	17	44
	Percentage (%)	2.3%	11.4%	47.7%	38.6%	100.0%
Islami Bank Bangladesh Limited	Frequency	1	3	24	24	52
	Percentage (%)	1.9%	5.8%	46.2%	46.2%	100.0%
HSBC Bank Limited	Frequency	1	2	22	23	48
	Percentage (%)	2.1%	4.2%	45.8%	47.9%	100.0%
IFIC Bank Limited	Frequency	0	6	19	26	51
	Percentage (%)	0.0%	11.8%	37.3%	51.0%	100.0%
Mercantile Bank Limited	Frequency	1	5	15	14	35
	Percentage (%)	2.9%	14.3%	42.9%	40.0%	100.0%
Al- Arafah Islami Bank Limited	Frequency	0	3	15	17	35
	Percentage (%)	0.0%	8.6%	42.9%	48.6%	100.0%

Source: Data Collected from the Survey

The following bar chart illustrates the level of education of the respondents who have been interviewed from 10 different banks during this study.

Bar Chart 6.18: Level of Education of the Respondents with Specific Banks



Source: Table 6.18 (Level of Education of the Respondents with Specific Banks)

6.19 Level of Income of the Respondents with Specific Banks

The Table-6.19 shows the level of income of the respondents surveyed in the study. Except for Standard Chartered Bank and HSBC bank, Majority of the respondents of the study lie in the level of income from TK. 20,000 to 30,000 and 31,000 to 40,000. The table reveals that in Standard Chartered Bank, the customers are of higher income level as 54.5% respondents lie in the level of income from 50,000 and above whereas 0% respondents lie in the level of income from TK.20, 000 to 30,000.

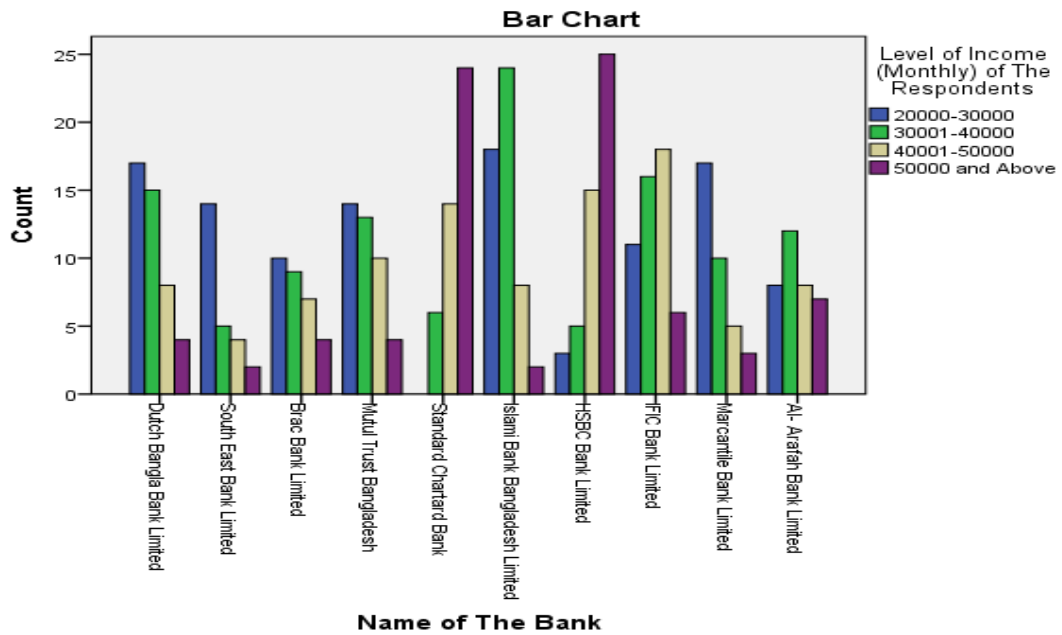
Name of Banks	Particulars	Level of Income (Monthly)				
		20000-30000 (112)	30001-40000 (115)	40001-50000 (97)	50000 and Above (81)	Total (405)
Dutch Bangla Bank Limited	Frequency	17	15	8	4	44
	Percentage (%)	38.6%	34.1%	18.2%	9.1%	100.0%
South East	Frequency	14	5	4	2	25

Bank Limited	Percentage (%)	56.0%	20.0%	16.0%	8.0%	100.0%
Brac Bank Limited	Frequency	10	9	7	4	30
	Percentage (%)	33.3%	30.0%	23.3%	13.3%	100.0%
Mutual Trust Bangladesh	Frequency	14	13	10	4	41
	Percentage (%)	34.1%	31.7%	24.4%	9.8%	100.0%
Standard Chartered Bank	Frequency	0	6	14	24	44
	Percentage (%)	0.0%	13.6%	31.8%	54.5%	100.0%
Islami Bank Bangladesh Limited	Frequency	18	24	8	2	52
	Percentage (%)	34.6%	46.2%	15.4%	3.8%	100.0%
HSBC Bank Limited	Frequency	3	5	15	25	48
	Percentage (%)	6.2%	10.4%	31.2%	52.1%	100.0%
IFIC Bank Limited	Frequency	11	16	18	6	51
	Percentage (%)	21.6%	31.4%	35.3%	11.8%	100.0%
Mercantile Bank Limited	Frequency	17	10	5	3	35
	Percentage (%)	48.6%	28.6%	14.3%	8.6%	100.0%
Al- Arafah Islami Bank Limited	Frequency	8	12	8	7	35
	Percentage (%)	22.9%	34.3%	22.9%	20.0%	100.0%

Source: Data Collected from the Survey

The following bar chart depicts the level of income of the respondents interviewed from different banks in the study.

Bar Chart 6.19: Level of Income of the Respondents with Specific Banks



Source: Table 6.19 (Level of Income of the Respondents with Specific Banks)

6.20 Marital Status of the Respondents with Specific Banks

The following table (Table-6.20) shows the number and the percentage of single and married respondents who have been surveyed under different banks in the study.

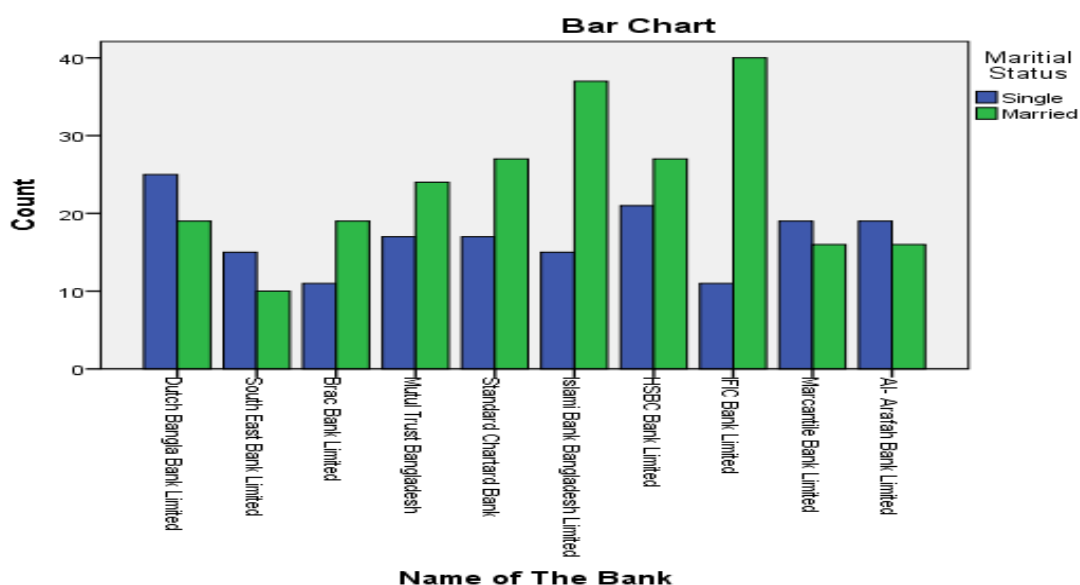
Name of Banks	Particulars	Marital Status		
		Single	Married	Total
Dutch Bangla Bank Limited	Frequency	25	19	44
	Percentage (%)	56.8%	43.2%	100.0%
South East Bank Limited	Frequency	15	10	25
	Percentage (%)	60.0%	40.0%	100.0%
Brac Bank Limited	Frequency	11	19	30
	Percentage (%)	36.7%	63.3%	100.0%

Mutual Trust Bangladesh	Frequency	17	24	41
	Percentage (%)	41.5%	58.5%	100.0%
Standard Chartered Bank	Frequency	17	27	44
	Percentage (%)	38.6%	61.4%	100.0%
Islami Bank Bangladesh Limited	Frequency	15	37	52
	Percentage (%)	28.8%	71.2%	100.0%
HSBC Bank Limited	Frequency	21	27	48
	Percentage (%)	43.3%	56.3%	100.0%
IFIC Bank Limited	Frequency	11	40	51
	Percentage (%)	21.6%	78.4%	100.0%
Mercantile Bank Limited	Frequency	19	16	35
	Percentage (%)	54.3%	45.7%	100.0%
Al- Arafah Islami Bank Limited	Frequency	19	16	35
	Percentage (%)	54.3%	45.7%	100.0%

Source: Data Collected from the Survey

The following bar diagram represents the marital status of the surveyed individuals who have been selected from 10 different banks in the study.

Bar Chart 6.20: Marital Status of the Respondents with Specific Banks



Source: Table 6.20 (Marital Status of the Respondents with Specific Banks)

6.21 Gender of the Respondents: Conventional versus Islamic PCBs

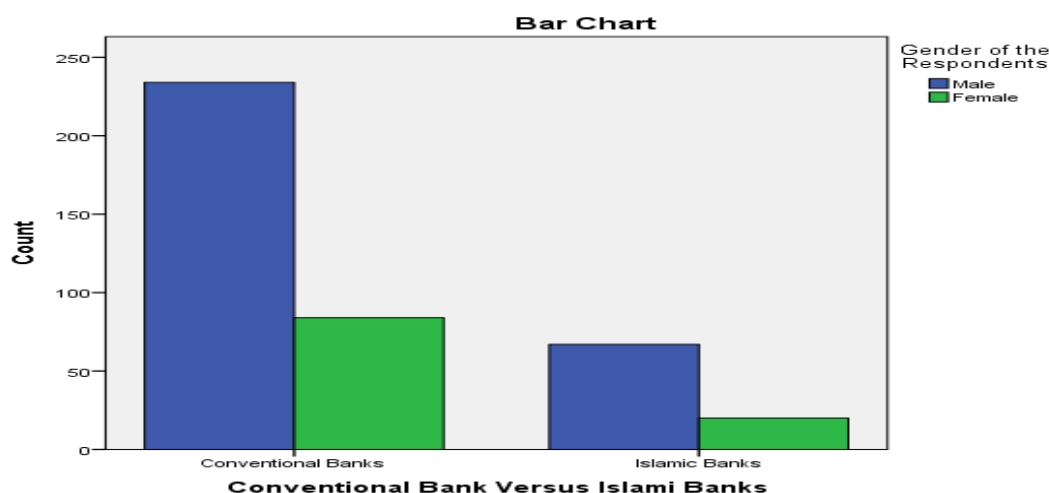
According to the following frequency table (Table - 6.21), a total of 318 respondents from conventional PCBs and 87 respondents from Shariah-based Islamic PCBs have been interviewed. In case of conventional PCBs, 73% respondents are male and 26.4% respondents are female. On the other hand, 77.0% respondents are male and 23.0 % respondents are female in Shariah-based Islamic PCBs.

Name of Banks	Particulars	Gender of The Respondents		
		Male (301)	Female (104)	Total
Conventional Banks	Frequency	234	84	318
	Percentage (%)	73.6%	26.4%	100.0%
Islamic Banks	Frequency	67	20	87
	Percentage (%)	77.0%	23.0%	100.0%

Source: Data Collected from the Survey

The following bar diagram shows the gender of the respondents surveyed from Conventional PCBs and Shariah-based Islamic PCBs during the study.

Bar Chart 6.21: Gender of the Respondents: Conventional versus Islamic PCBs



Source: Table 6.21 (Gender of the Respondents: Conventional versus Islamic PCBs)

6.22 Age of the Respondents: Conventional PCBs versus Islamic PCBs

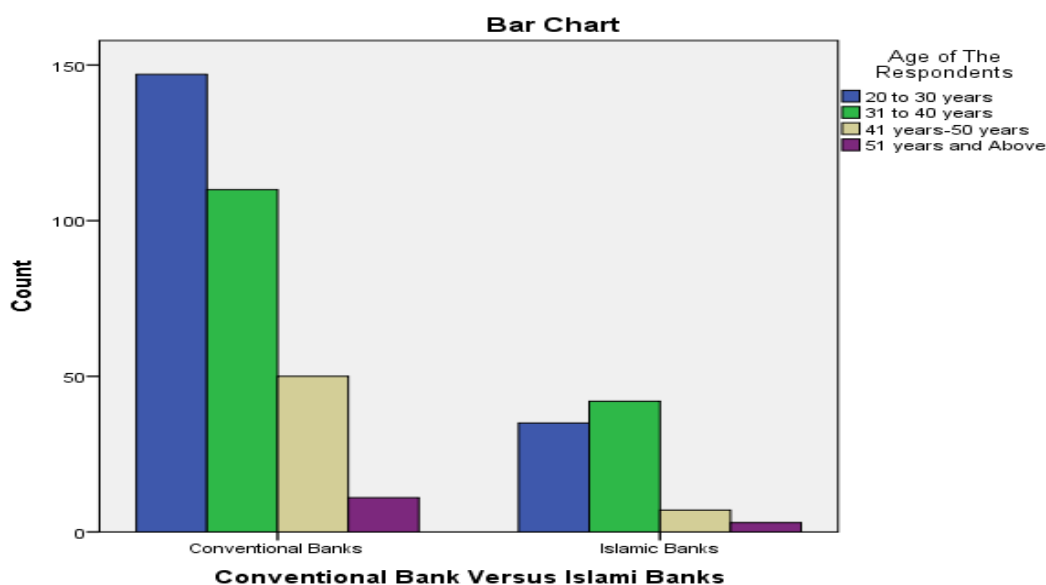
The Table - 6.22 shows that in case of conventional banks, 46.2% respondents (N=147) lie in the age group of 20 to 30 years whereas only 3.5% of the respondents (N=11) fall into the age group of 51 and above. In case of Islamic banks, 48.3% respondents (N=42) fall into the age group of 31 to 40 years and only 8% of the respondents (N=7) lie in the age group of 41 to 50.

Name of Banks	Particulars	Age of The Respondents				Total
		20- 30 years	31 - 40 years	41 -50 years	51 and Above	
Conventional Banks	Frequency	147	110	50	11	318
	Percentage (%)	46.2%	34.6%	15.7%	3.5%	100.0%
Islamic Bank	Frequency	35	42	7	3	87
	Percentage (%)	40.2%	48.3%	8.0%	3.4%	100.0%

Source: Data Collected from the Survey

The following bar diagram depicts the age of the respondents surveyed from Conventional PCBs and Shariah-based Islamic PCBs.

Bar Chart 6.22: Age of the Respondents: Conventional PCBs versus Islamic PCBs



Source: Table-6.22 (Age of the Respondents: Conventional versus Islamic PCBs)

6.23 Respondents with Level of Education: Conventional PCBs versus Islamic PCBs

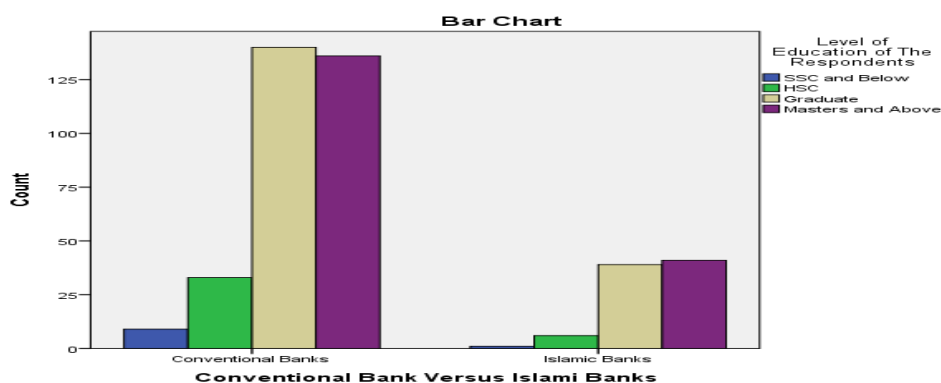
According to the Table- 6.23, 44% respondents are graduates and only 2.8% respondents are from SSC and below the level in case of conventional PCBs. In Islamic PCBs, 47.1% respondents are from masters and above level and only 1.1% of the respondents are from SSC and below level.

Name of Banks	Particulars	Level of Education of The Respondents				Total
		SSC and Below	HSC	Graduate	Masters and Above	
Conventional Banks	Frequency	9	33	140	136	318
	Percentage (%)	2.8%	10.4%	44.0%	42.8%	100.0%
Islamic Banks	Frequency	1	6	39	41	87
	Percentage (%)	1.1%	6.9%	44.8%	47.1%	100.0%

Source: Data Collected from the Survey

The following diagram illustrates the level of education of the respondents between Conventional PCBs and Shariah-based Islamic PCBs.

Bar Chart 6.23: Respondents with Level of Education: Conventional PCBs versus Islamic PCBs



Source: Table 6.23 (Respondents with Level of Education: Conventional versus Islamic PCBs)

6.24 Income of the Respondents: Conventional PCBs versus Islamic PCBs

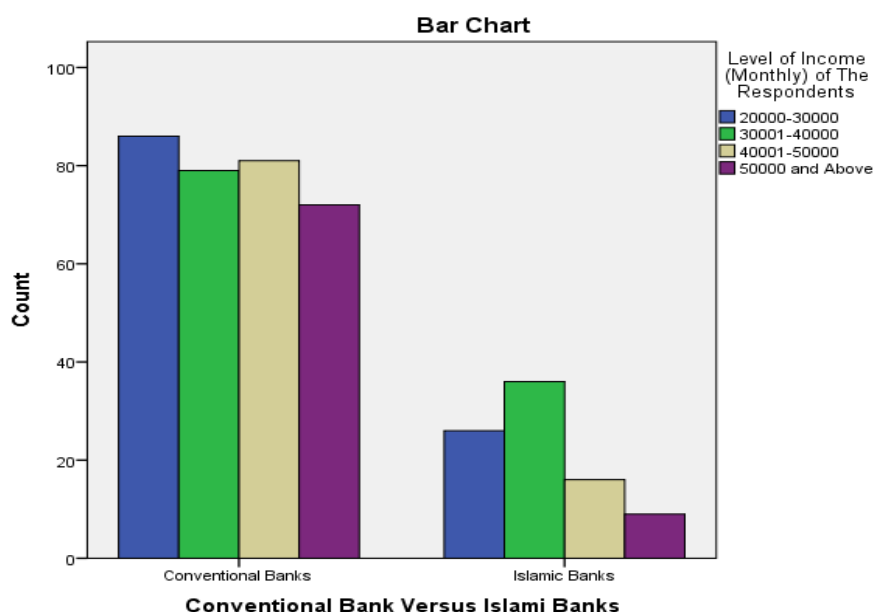
According to the Table 6.24, in conventional PCBs, 27% of the respondents lie in the income level from Tk.20,000 to 30,000 and only 22.6% of the respondents lie in the range from Tk. 50,000 and above. In contrast, in case of Islamic PCBs, 41.4% of the respondents fall in the income level in between Tk. 30,001 - 40000 and only 10.3% respondents lie in Tk. 50,000 and above.

Name of Banks	Particulars	Level of Income (Monthly) of The Respondents				Total
		20000-30000	30001-40000	40001-50000	50000 and Above	
Conventional Banks	Frequency	86	79	81	72	318
	Percentage (%)	27.0%	24.8%	25.5%	22.6%	100.0%
Islamic Bank	Frequency	26	36	16	9	87
	Percentage (%)	29.9%	41.4%	18.4%	10.3%	100.0%

Source: Data Collected from the Survey

The following bar chart shows the level of income of the respondents between Conventional PCBs and Shariah-based Islamic PCBs.

Bar Chart 6.24: Income of the Respondents: Conventional PCBs versus Islamic PCBs



Source: Table-6.24 (Income of the Respondents: Conventional versus Islamic PCBs)

6.25 Marital Status of the Respondents: Conventional PCBs versus Islamic PCBs

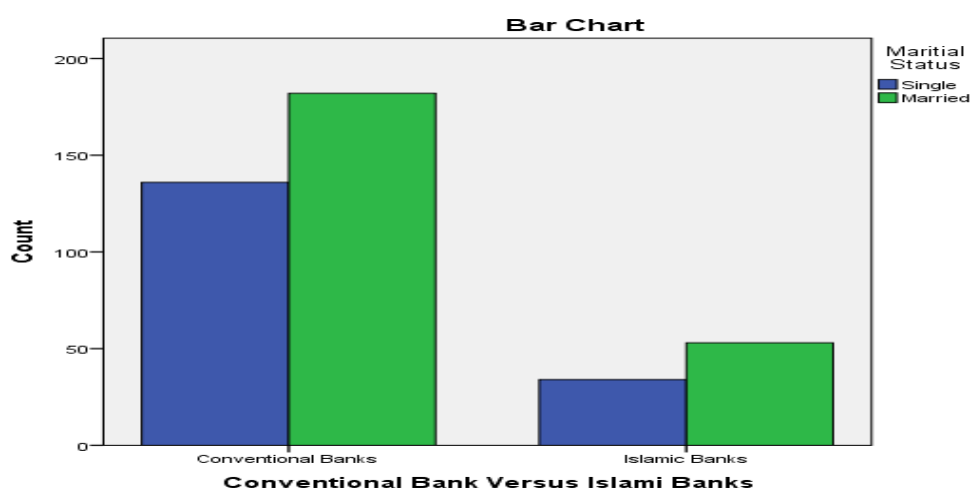
According to the Table-6.25, the majority of the respondents (57.2%) are married and 42.5% of the respondents are single in case of conventional PCBs. On the other hand, 60.9% respondents are married and 39.1% are single in case of Islamic PCBs.

Name of generations	Particulars	Marital status of the Respondents		
		Single	Married	Total
Conventional Banks	Frequency	136	182	318
	Percentage (%)	42.5%	57.2%	100.0%
Islamic Bank	Frequency	34	53	87
	Percentage (%)	39.1%	60.9%	100.0%

Source: Data Collected from the Survey

The following bar chart shows the marital status of the respondents who have been surveyed from Conventional PCBs and Islamic PCBs during this study.

Bar Chart 6.25: Marital Status of the Respondents: Conventional PCBs versus Islamic PCBs



Source: Table-6.25 (Marital Status of the Respondents: Conventional versus Islamic PCBs)

6.26 Gender of the Respondents: Local PCBs versus Foreign PCBs

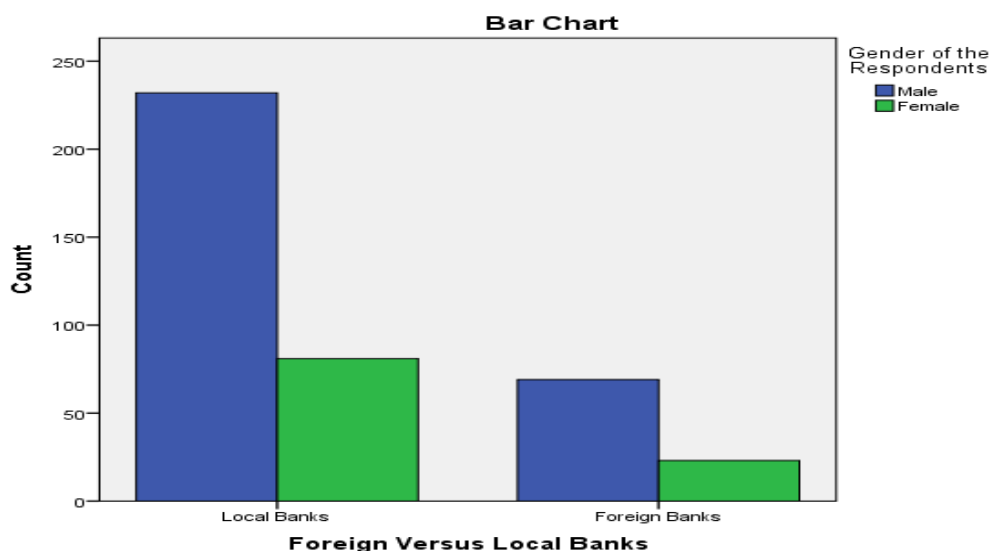
The Table 6.26 shows that 74.1% respondents are male and 25.9% respondents are female in case of local PCBs. On the other hand, 75% respondents are male and 25% respondents are female in case of foreign PCBs.

Name of generations	Particulars	Gender of the Respondents		
		Male	Female	Total
Local banks	Frequency	232	81	313
	Percentage (%)	74.1%	25.9%	100.0%
Foreign Banks	Frequency	69	23	92
	Percentage (%)	75.0%	25.0%	100.0%

Source: Data Collected from the Survey

The following diagram shows the gender of the respondents who have been surveyed from local PCBs and foreign PCBs during this study.

Bar Chart 6.26: Gender of the Respondents: Local PCBs versus Foreign PCBs



Source: Table-6.26 (Gender of the Respondents: Local PCBs versus Foreign PCBs)

6.27 Age of the Respondents: Local PCBs versus Foreign PCBs

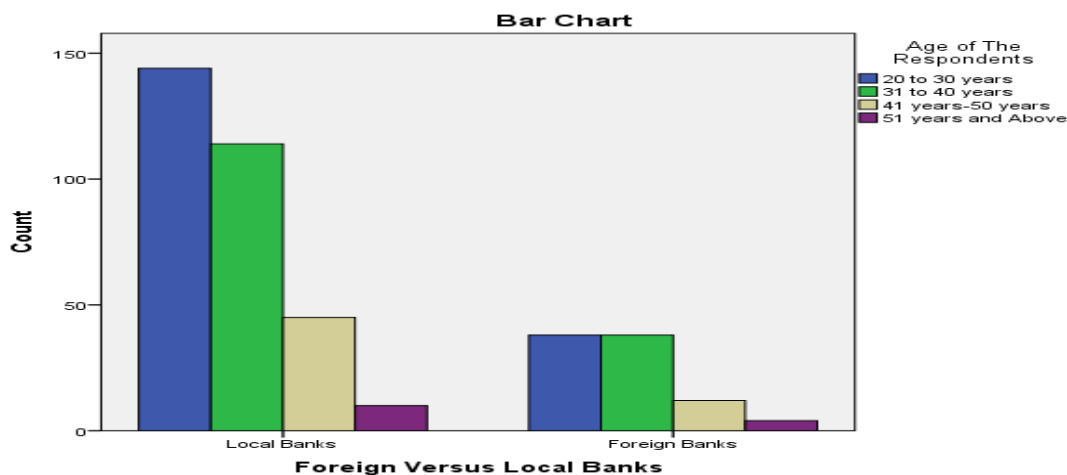
According to the Table-6.27, in case of local PCBs, 46% respondents lie in the age group from 20 to 30 years, 36.4% are from the group 31 to 40 years, and only 3.2% lies in between 51 and above years. On the other hand, 41.3 % respondents are both from the age group of 20 to 30 and the group of 31 to 40 years in case of foreign private commercial banks.

Name of Banks	Particulars	Age of The Respondents				Total
		20 to 30 years	31 to 40 years	41 -50 years	51 and Above	
Local PCBs	Frequency	144	114	45	10	313
	Percentage (%)	46.0%	36.4%	14.4%	3.2%	100.0%
Foreign PCBs	Frequency	38	38	12	4	92
	Percentage (%)	41.3%	41.3%	13.0%	4.3%	100.0%

Source: Data Collected from the Survey

The following bar chart depicts the age of the respondents who have been surveyed from Local PCBs and Foreign PCBs in the study.

Bar Chart 6.27: Age of the Respondents: Local PCBs versus Foreign PCBs.



Source: Table-6.27 (Age of the Respondents: Local PCBs versus Foreign PCBs)

6.28 Respondents with Level of Education: Local PCBs versus Foreign PCBs

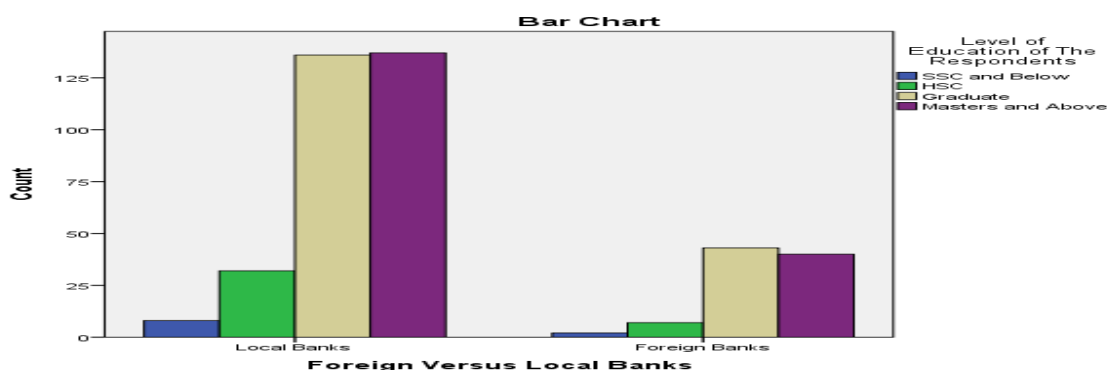
The Table- 6.28 shows that 43.8% of the respondents are from masters and above level and only 2.6% are from SSC and below the level in case Local PCBs. On the contrary, 46.7% of respondents are from graduate level and only 2.2% are from SSC and below the level in case of foreign PCBs.

Name of Banks	Particulars	Level of Education of The Respondents				
		SSC and Below	HSC	Graduate	Masters and Above	Total
Local PCBs	Frequency	8	32	136	137	313
	Percentage (%)	2.6%	10.2%	43.5%	43.8%	100.0%
Foreign PCBs	Frequency	2	7	43	40	92
	Percentage (%)	2.2%	7.6%	46.7%	43.5%	100.0%

Source: Data Collected from the Survey

The following bar chart illustrates the academic level of the respondents who have been surveyed from local PCBs and foreign PCBs during this study.

Bar Chart 6.28: Respondents with Level of Education: Local PCBs versus Foreign PCBs



Source: Table-6.28 (Respondents with Level of Education: Local PCBs versus Foreign PCBs)

6.29 Income Level of the Respondents: Local PCBs versus Foreign PCBs

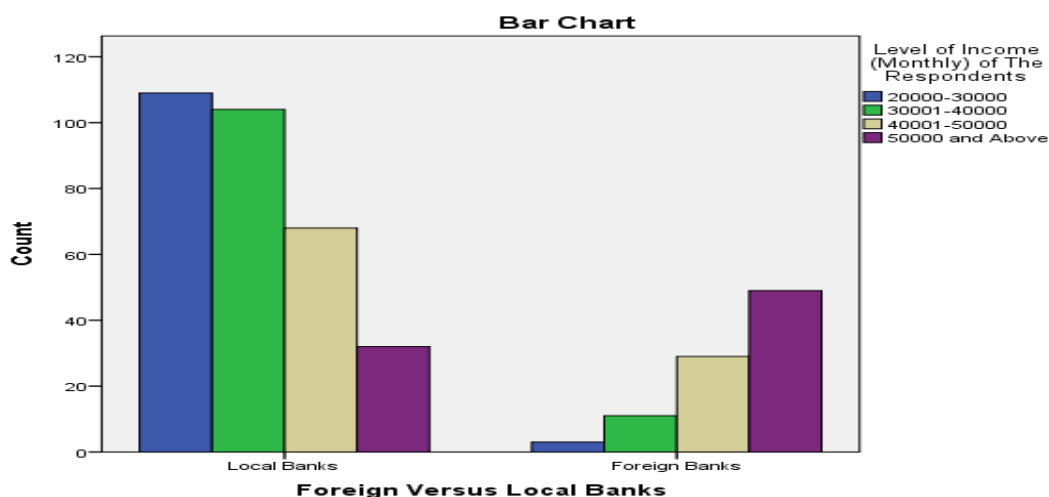
According to the Table-6.29, the monthly income of 34.8% of the respondents is from Tk. 20,000 to 30,000 and 10.2% of the respondents' monthly income are from Tk. 50,000 and above in case of local PCBs. At the same time, 53.3% of the respondents' income lies in the level from Tk. 50,000 and above and 3.3% of the respondents' income lies in the level from Tk. 20,000 to 30,000 in case of foreign PCBs.

Name of Banks	Particulars	Level of Income (Monthly) of The Respondents				
		20000-30000	30001-40000	40001-50000	50000 and Above	Total
Local PCBs	Frequency	109	104	68	32	313
	Percentage (%)	34.8%	33.2%	21.7%	10.2%	100.0%
Foreign PCBs	Frequency	3	11	29	49	92
	Percentage (%)	3.3%	12.0%	31.5%	53.3%	100.0%

Source: Data Collected from the Survey

The following bar chart shows the income level of the respondents who have been surveyed from local PCBs and Foreign PCBs in the study.

Bar Chart 6.29: Income Level of the Respondents: Local PCBs versus Foreign PCBs



Source: Table-6.29 (Income Level of the Respondents: Local PCBs versus Foreign PCBs)

6.30 Marital Status of the Respondents: Local PCBs versus Foreign PCBs

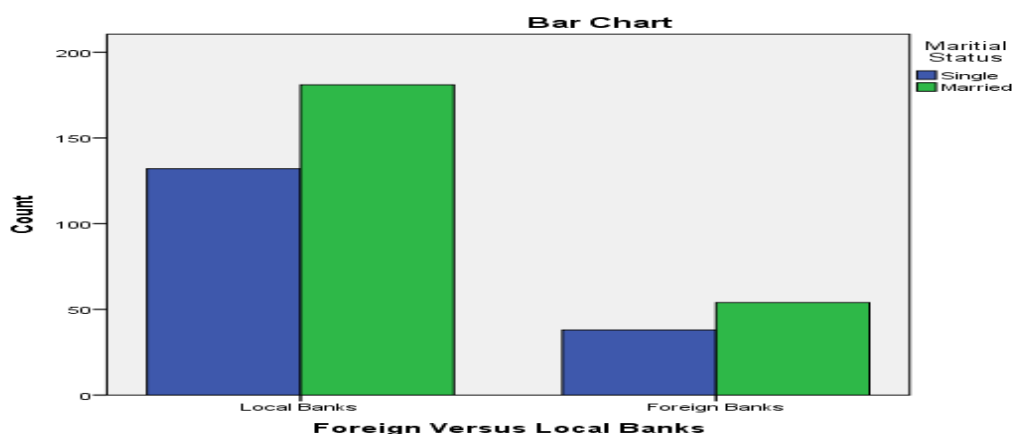
According to the Table-6.30, 42.2% of the respondents are single and 57.8% of the respondents are married in case of local PCBs. On the other hand, 41.3% of the respondents are single and 58.7% of the respondents are married in case of foreign PCBs.

Name of Banks	Particulars	Marital status of the Respondents		
		Single	Married	Total
Local PCBs	Frequency	132	181	313
	Percentage (%)	42.2%	57.8%	100.0%
Foreign PCBs	Frequency	38	54	92
	Percentage (%)	41.3%	58.7%	100.0%

Source: Data Collected from the Survey

The following bar chart depicts the marital status of the respondents who have been surveyed from local PCBs and Foreign PCBs in the study.

Bar Chart 6.30: Marital Status of the Respondents: Local PCBs versus Foreign PCBs



Source: Table-6.30 (Marital Status of the Respondents: Local PCBs versus Foreign PCBs)

6.31 Gender of the Respondents: Old Generation versus New Generation

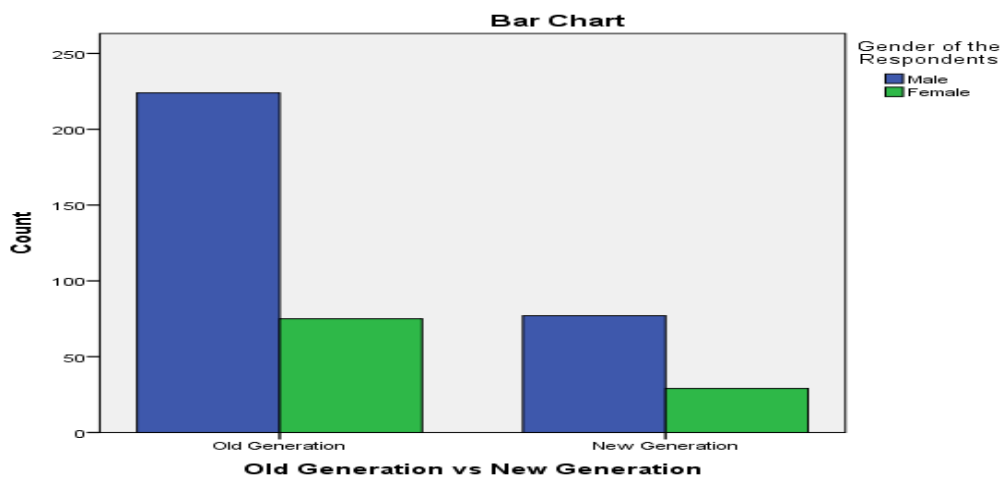
According to the Table 6.31, a total of 299 customers have been surveyed from the banks of old generation whereas 106 respondents are from the banks of a new generation. 74.9% of the respondents are male and 25.1% are female in case of old generation PCBs. On the other hand, 72.6% of the respondents are male and 27.4% are female in new generation PCBs.

Name of generations	Particulars	Gender of the Respondents		
		Male	Female	Total
Old Generation	Frequency	224	75	299
	Percentage (%)	74.9%	25.1%	100.0%
New Generation	Frequency	77	29	106
	Percentage (%)	72.6%	27.4%	100.0%

Source: Data Collected from the Survey

The following bar diagram shows the total respondents including their gender who have been surveyed during this study.

Bar Chart 6.31: Gender of the Respondents: Old Generation versus New Generation



Source: Table-6.31 (Gender of the Respondents: Old Generation versus New Generation)

6.32 Marital Status of the Respondents: Old Generation versus New Generation

The following Table - 6.32 shows that 74.9% respondents are single and 25.1% are married in case of old generation PCBs. On the other hand, 72.6% of the respondents are single and 27.4% are married in new generation PCBs.

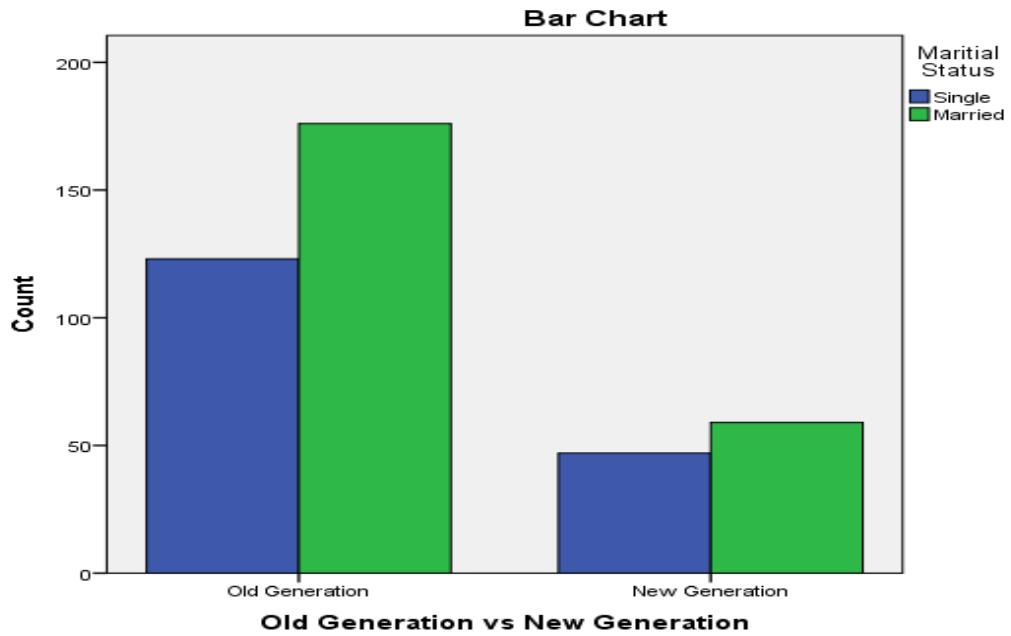
Table-6.32: Marital Status of the Respondents: Old Generation versus New Generation

Name of generations	Particulars	Marital Status		
		Single	Married	Total
Old Generation	Frequency	224	75	299
	Percentage (%)	74.9%	25.1%	100.0%
New Generation	Frequency	77	29	106
	Percentage (%)	72.6%	27.4%	100.0%

Source: Data Collected from the Survey

The following bar diagram shows that the total respondents including their marital status who have been surveyed from old generation and new generation of PCBs.

Bar Chart 6.32: Marital Status of the Respondents: Old Generation versus New Generation



Source: Table-6.32 (Marital Status of the Respondents: Old Generation versus New Generation)

6.33 Level of Income of the Respondents: Old Generation versus New Generation

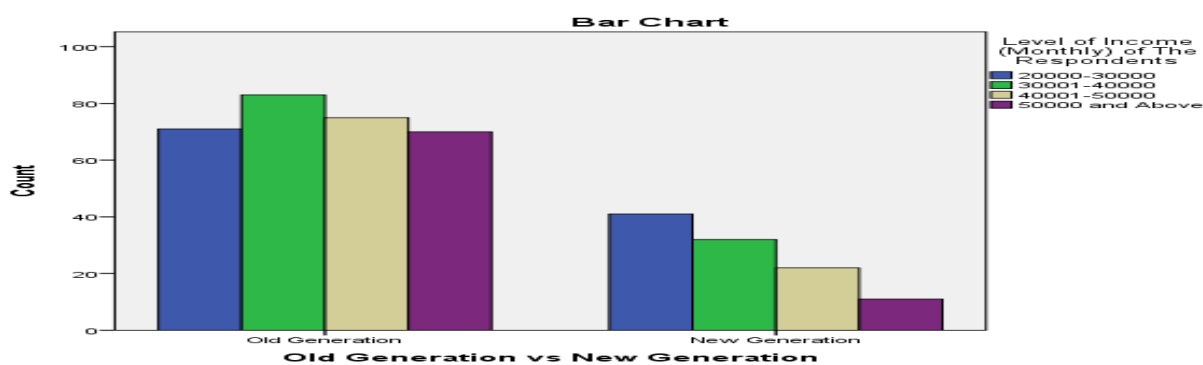
The Table - 6.33 shows the level of income of the respondents who have been surveyed from the PCBs of both old and new generation.

Table-6.33: Respondents with Level of Income: Old Generation versus New Generation						
Name of generations	Particulars	Level of Income (Monthly) of The Respondents				
		20000-30000	30001-40000	40001-50000	50000 and Above	Total
Old Generation	Frequency	71	83	75	70	299
	Percentage (%)	23.7%	27.8%	25.1%	23.4%	100.0%
New Generation	Frequency	41	32	22	11	106
	Percentage (%)	38.7%	30.2%	20.8%	10.4%	100.0%

Source: Data Collected from the Survey

The Bar Chart 6.33 illustrates the level of the income of the respondents who have been selected from old generation and new generation of banks for this study.

Bar Chart 6.33: Respondents with Level of Income: Old Generation versus New Generation Banks



Source: Table-6.33 (Respondents with Level of Income: Old Generation versus New Generation)

6.34 Age of the Respondents: Old Generation versus New Generation

According to the Table-6.34, 41.8% of the respondents belong to the age group 20 to 30 years in case of old generation banks whereas 53.8% respondents belong to the age group within 20 to 30 years in case of new generation banks.

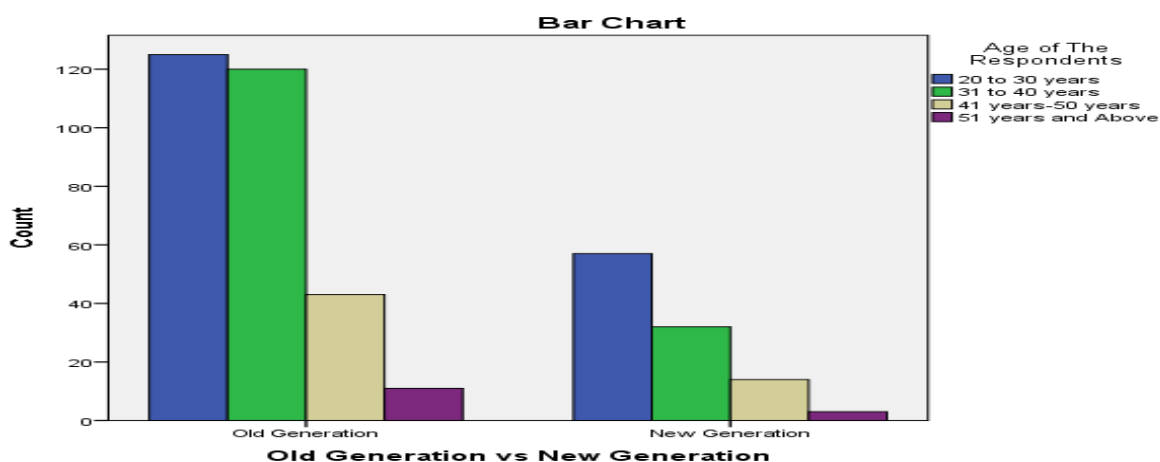
Table-6.34: Age of the Respondents: Old Generation versus New Generation

Name of generations	Particulars	Age of The Respondents				
		20 to 30 years	31 to 40 years	41 -50 years	51 and Above	Total
Old Generation	Frequency	125	120	43	11	299
	Percentage (%)	41.8%	40.1%	14.4%	3.7%	100.0%
New Generation	Frequency	57	32	14	3	106
	Percentage (%)	53.8%	30.2%	13.2%	2.8%	100.0%

Source: Data Collected from the Survey

The following bar chart depicts the age group of respondents who have been surveyed from old generation and new generation of PCBs.

Bar Chart 6.34: Age of the Respondents: Old Generation versus New Generation



Source: Table-6.34 (Age of the Respondents: Old Generation versus New Generation)

6.35 Respondents with Level of Education: Old Generation versus New Generation

According to the Table-6.35, 46.5% of the respondents lie in the graduate level of education in case of old generation PCBs. On the other hand, 46.2% of the respondents lie in the level of masters and above in case of new generation PCBs.

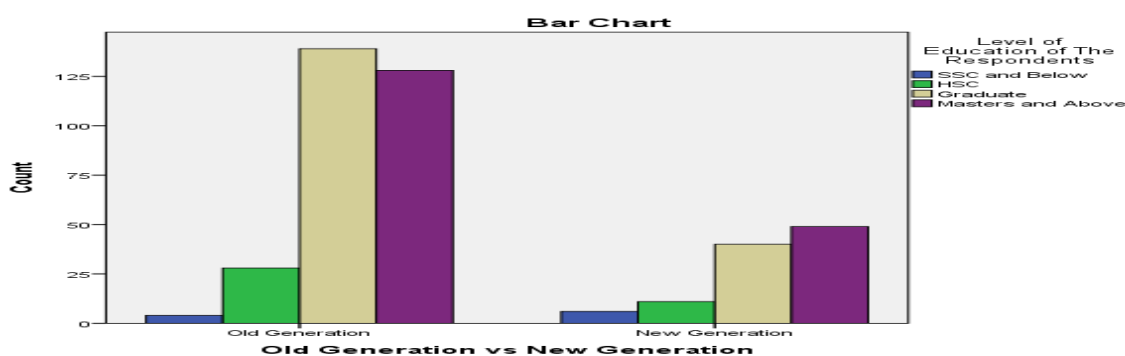
Table 6.35: Respondents with Level of Education: Old Generation vs. New Generation:

Name of generations	Particulars	Level of Education of The Respondents				
		SSC and Below	HSC	Graduate	Masters and Above	Total
Old Generation	Frequency	4	28	139	128	299
	Percentage (%)	1.3%	9.4%	46.5%	42.8%	100.0%
New Generation	Frequency	6	11	40	49	106
	Percentage (%)	5.7%	10.4%	37.7%	46.2%	100.0%

Source: Data Collected from the Survey

The following bar diagram illustrates the educational level of respondents who have been surveyed from old generation and new generation of PCBs during this study.

Bar Chart 6.35: Respondents with Level of Education: Old Generation versus New Generation



Source: Table 6.35 (Respondents with Level of Education: Old Generation versus New Generation)

CHAPTER-7

DATA ANALYSIS & FINDINGS

7.1 Scale Reliability

Reliability is an assessment of the degree of internal consistency between multiple measurements of a variable (Hair, et al., 1998). However, it is a necessity but not adequate condition for validity. A reliability analysis using Cronbach's alpha has been performed in this study to check the internal consistency of each item, dimensions, and constructs. This study consists of seven (7) constructs and 34 items. In the overall scale reliability analysis, the study has found that the value of Alpha is 0.885 which is highly reliable (Nunnally and Bernstein, 1994; Chi, 2005).

Table 7.1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.881	.885	34

Source: Data Collected from the Survey

The alpha value of this study indicates that the constructs and each item of the study are acceptable that is a good indication of reliability.

7.2 Detecting Multicollinearity of the Study

Multicollinearity is a high degree of correlation among several independent variables. Another way, "multicollinearity" refers to predictors that are correlated with other predictors (Martz, 2013). Multicollinearity occurs when a study model includes multiple factors that are correlated, not just to the response variable, but also to each other.

When a study deals with a large number of variables, the multicollinearity effects of the study should be checked out (Vatcheva, et al., 2016; Mason & Perreault, 1991; Farrar and Glauber, 1967). To test the nature of formative constructs, it is essential to examine the degree of multicollinearity among all the formative measureres

(Diamantopoulos and Winklhofer, 2001). For example, it can be done by calculating the Variance Inflation Factor (VIF) or the tolerance values, computing correlation coefficients of independent variables and by calculating Eigenvalue (Henseler, et al., 2009). And, high correlation coefficients do not necessarily imply multicollinearity. This study deals with 34 items which are adopted from relevant literature and a focus group discussion. There is no hard and fast criterion for evaluating multicollinearity of linear regression models. The Variance Inflation Factor (VIF) and the tolerance are both widely used measures of the degree of multicollinearity of the *l* th independent variable with the other independent variables in a regression model (Hossain, 2013; Henseler, et al., 2009).

Before going for further analysis, the researcher of the study has carried out VIF (Variance Inflation Factor) test for checking the multicollinearity effects. The study has used the Variance Inflation Factor (VIF) statistics to determine if the indicators are highly correlated. A traditional rule of thumb posits that multicollinearity is a concern if the VIF is higher than 10; however, for the measures, many scholars suggest that VIF values greater than 3.3 indicate high multicollinearity (Diamantopoulos & Sigauw, 2006). The VIF values for the 34 items of the study are shown in (Table 7.2). The maximum VIF value among the items of this study is 2.093 which is much below the threshold of 3.30. There is no multicollinearity found for the items. Thus, multicollinearity has not posed a threat to the validity of the measures at the indicator level of the study.

Table 7.2: Overall Collinearity Statistics of the Items of the Study

Items in the Conceptual Model	Collinearity Statistics	
	Tolerance	VIF (Variance Inflation Factor)
The bank has the ability to perform the services to the customers accurately and dependably. (SQ 1)	.683	1.464
The bank has the willingness to provide prompt services and help customers. (SQ 2)	.682	1.466
The service providers in the bank have adequate	.636	1.573

knowledge, courtesy and ability to inspire trust and instil confidence in the customers. (SQ 3)		
The bank gives customized attention to every single customer. (SQ 4)	.714	1.401
The appearance of physical settings, equipment, personnel, written and other visual materials of the bank is appealing to the customers. (SQ 5)	.652	1.533
The bank has made its promises. (CT 1)	.526	1.900
The bank has been found honest. (CT 2)	.478	2.093
The bank has been reliable. (CT 3)	.527	1.897
The bank has met my requirements. (CT 4)	.591	1.693
The bank has been able to manage transactions with me online. (CT 5)	.526	1.901
The bank has god concrete knowledge in the banking. (CT 6)	.582	1.717
I have belief in the know-how of the bank. (CT 7)	.678	1.474
The price of the services offered by this bank is fair. (CPV 1)	.610	1.639
In comparison to what I pay, I usually receive more in terms of my money, effort and time and other costs. (CPV 2)	.490	2.041
Considering what I pay and what I gain simultaneously, I think the services of this bank of value. (CPV 3)	.656	1.523
I am satisfied with the services of this bank. (CS 1)	.493	2.028
I always have a pleasant impression while I take services from this bank. (CS 2)	.605	1.654
I am willing to return to this bank in the days to come. (CS 3)	.589	1.697
I will recommend this bank to my friends for their banking services. (CS 4)	.554	1.804
I think switching to a new bank will be a hassle for me. (CSB 1)	.581	1.720
It will cost me a lot of money if I want to move from this	.520	1.924

bank to another bank. (CSB 2)		
It will cost me a lot of time to move from this bank to another bank. (CSB 3)	.509	1.963
The prices of the services charged by other banks are higher than this bank. (CSB 4)	.722	1.385
It will cost me a lot of efforts to move from this bank to a new bank. (CSB 5)	.653	1.530
As an individual, I prioritize personal goals in my life. (CC 1)	.803	1.245
I am not comfortable in unusual circumstances. (CC 2)	.759	1.317
I usually purchase whatever I want without considering what other people think or feel. (CC 3)	.716	1.397
I always purchase what I like and I like to stay a product or brand. (CC 4)	.679	1.473
I visit this bank on regular basis to have services. (CL 1)	.649	1.540
I seldom think of moving from this bank to a new bank. (CL 2)	.772	1.295
I take services from this whenever I require any financial transaction or services. (CL 3)	.682	1.466
This is a bank of my preference or choice. (CL 4)	.592	1.690
I like to have services from this bank. (CL 5)	.559	1.788
Whenever I need to have any financial transaction or services, the bank is always of my first preference (CL 6)	.564	1.774

Source: Data Collected from the Survey

The Table - 7.2 shows that the maximum value of VIF is 2.093 for the item (The bank is honest) where the lowest value is 1.245 for the item (I have top priority towards personal goals). Different scholars and researchers suggest that VIF values greater than 3.3 indicate high multicollinearity (Diamantopoulos and Siguaw, 2006). In this study, there is no item which VIF value is greater than 3.3. Thus, the study is free from the multicollinearity effects.

7.3 Exploratory Factor Analysis (EFA)

In order to identify the factors and attributes of customer relationship management that influence customer loyalty in case of having banking services, the study has conducted an exploratory factor analysis with the help of principal components analysis. Initially, the study has considered 34 items.

Kaiser-Meyer-Olkin (KMO) measure of sample adequacy test has been applied on the items and attributes of the tools of CRM to check whether the sample is adequate for the study and the data are normally distributed or not. The KMO value is 0.864 indicating that the sample size is adequate and the data are normally distributed as the KMO value is above 0.5. Bartlett's Test of Sphericity has been applied in this study to test the null hypotheses and it has been found that the variables of the study are not correlated. The Chi-Square test value is 4212.411, which is significant at 0% level of significance. The test has indicated that variables in the study are correlated and it has rejected the null hypothesis (The correlation matrix of the population is an identity matrix). So, the data have been found suitable for factor analysis in this study.

Table: 7.3: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin (KMO) Measure of Sampling adequacy	.864	
Bartlett's Test of Sphericity	Approx. Chi-Square	4212.411
	Df	561
	Sig.	.000

Source: Data Collected from the Survey

7.4 Constructs Extracted From EFA

The principal component analysis has been performed as the extraction method associated with the rotation method of Varimax with Kaiser Normalization. The study has measured the commonalities of each attribute accounted for the research. Primarily, 34 items have been approached for the test. And, this study has not found absolute communalities scores for all the items shown in the Table - 7.5. Hence, 11 items have been dropped from the study. The items have been dropped because of lower loading (Cut off point 0.50), cross loading, high standard error, being loaded on a separate construct and lack of consistency with the construct (by applying the judgment of the scholar). The dropped items are shown in the Table-7.5, 7.5-I, and 7.5-II. Since data have been collected through a survey in the field, the researcher has considered current score level for 23 items included in 7 factors. Therefore, 7 factors have been extracted on the basis of Eigen values and variance explained by them. The factors have been named based on commonality of all the items that converged on that factor. Finally, this study has identified seven constructs namely Customer Trust (CT), Customer Switching Barrier (CSB), Customer Satisfaction (CS), Customer Loyalty (CL), Services Quality (SQ), Customer Perceived Value (CPV), and Customer Culture (CC). Constructs and loadings of the items are shown in the following Table-7.4.

Table 7.4: Rotated Component Matrix with Factor Loadings

Components/ Factors	Items	Components/ Factors/ Constructs						
		Customer Trust (CT)	Customer Switching Barrier(C SB)	Custome r Satisfacti on (CS)	Custom er Loyalty (CL)	Service Qualit y (SQ)	Custom er Perceiv ed Value (CPV)	Custom er Culture (CC)
CT	CT2	.821						
	CT3	.767						
	CT1	.710						
	CT6	.605						
CSB	CSB3		.824					
	CSB2		.762					
	CSB1		.747					
	CSB5		.641					
CS	CS1			.724				
	CS2			.697				
	CS4			.664				
	CS3			.626				
CL	CL6				.751			
	CL5				.730			
	CL4				.640			
SQ	SQ1					.793		
	SQ2					.705		
	SQ5					.614		
CPV	CPV1						.789	
	CPV2						.752	
	CPV3						.654	
CC	CC3							.860
	CC4							.744
<p>Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization Rotation converged in 7 iterations.</p>								

Source: Data Collected from the Survey

7.4.1 Customer Trust (CT)

The term 'Trust' can be defined as the willingness of one party to remain vulnerable towards the actions and reactions of another party having an expectation that another party will perform a particular action which is important to the trust or, irrespective of the capacity to control or monitor the other party (Mayer, R. C., et al., 1995). According to Chaudhuri and Holbrook (2001), "Customer trust has a strong influence on customer loyalty".

According to Jarvinen (2014), consumer trust in the context of the banking industry is based on consumer experience about the ability of banks to deal with customers in a dependable way, to maintain the rules and regulations, to work well and serve the general interest and requirements of the customers. Schumann, et al. (2010) identified four major determinants of trust in service providers: the ability to serve (competence), benevolence to customers (customer orientation), predictability about the needs of customers, and integrity of the bank.

In exploratory factor analysis, the study has found Customer Trust as a component of CRM. Customer Trust (CT) consists of 4 items CT2, CT3, CT1, and CT6. The factor loadings of the items are 0.821, 0.767, 0.710, and 0.605 respectively. The loadings of the items indicate that the relationship of each item to the underlying factor is good as loading is greater than 0.50, the threshold value. Now, the factor Customer Trust is made of the 4 items which are; The bank has been found honest (CT2), The bank has been reliable (CT3), The bank has made its promises (CT1), The bank has got concrete knowledge in the banking (CT6).

Generated items by this study are supported by the previous studies (Kassim and Abdullah, 2010; Nguyen and Leclerc, 2011; Shainesh, 2012). In the previous studies, it has been shown that Customer Trust has a positive impact on Customer Loyalty. The more the customers have trust in a financial service provider, the more the loyalty they have towards the firm.

7.4.2 Customer Switching Barriers (CSB)

Switching barriers are the barriers a customer feels and faces when moving from one brand to another brand of a market offering. In any competitive banking industry like Bangladesh, customer switching behaviour is injurious to each and every bank.

Various experts have defined switching behaviour in different ways at different times such as Bejou and Palmer (1998) who explained that customer switching behaviour represents a dynamic process that develops over a particular period of time and results in the relationship ending. Again, Oyeniyi and Abiodun (2010) mentioned customer switching incurred by buyers for ending a transaction relationship and initiating a new relationship with some other business. Whereas, Sathish et al. (2011) referred that switching is a negative outcome of the buyer decision-making process and the then implementation of the decision in regard to a specific product or service selection. Based on these definitions we can say that switching is a process or decision of ending a relationship with one service provider, whatever reason may be, by not purchasing products and services and by establishing the same relationship with another provider of the same category.

When considering a switching in service providers, a customer may face a number of barriers that make it difficult to leave one service provider and begin a relationship with another (Zeithaml, et al 2012). In banks, switching barriers are the barriers or factors which make it difficult or costly for customers to move from the service of a bank to another. Based on different studies it can be stated that there is a relationship between customer switching barriers and customer loyalty.

If an organization can create strong switching barriers, the organization has more chances to create their customers much loyal. In this study, Customer Switching Barrier is made of 4 items CSB3, CSB2, CSB1 and CSB5. The loadings of the items are 0.824, 0.762, 0.747 and 0.641 respectively which indicate that the relationship of each item to the underlying factor/component is good as loading is greater than 0.50, the threshold value. The factor CSB consists of the items namely: It will cost me a lot of time to move from this bank to another bank (CSB 3); It will cost me a lot of money if I want to move from this bank to another bank (CSB 2); I think switching to a new bank will be a hassle for me (CSB 1); and It will cost me a lot of efforts to move from this bank to a new bank (CSB 5).

7.4.3 Customer Satisfaction (CS)

According to Kotler, P. (2010) “customer satisfaction is the extent to which a product’s perceived performance matches a buyer’s expectations.”

Earlier, customer satisfaction was defined by Woodruff et al. (1991) as a collection of feeling or emotion that results from the cognitive evaluation of the service received from a provider against the costs incurred to get the service from the provider. Again, Tam (2004) explained customer’s satisfaction is a psychological procedure determined by the evaluation of what a customer gives up or sacrifices to obtain a service i.e. cost of service and what he or she receives in return i.e. benefits from that service. Thus, customer’s satisfaction is an emotional or feeling state of a customer that comes through this evaluation process.

Customer satisfaction is strongly influenced by perceptions of the quality of service, quality of the product, the price charged by the firm, the personal factors and situational factors. And, the level of customer satisfaction can be of three types which are dissatisfaction, satisfaction, and delight. When the performance of a product matches the expectations of the customer, the customer is satisfied. If the performance of the product does not match the expectations of the customers or lacks the expectation of the customers, the customer is not satisfied.

The factor customer satisfaction is strongly associated with customer loyalty that is drawn by many researchers and scholars (Kassim and Abdullah, 2010; Nguyen and Leclerc, 2011; Shainesh, 2012; Zeithaml, et al., 2012).

In this study, customer satisfaction is made of 4 items such as CS 1, CS 2, CS 4 and CS 3. The statements of the items are: I am satisfied with the services of this bank (CS 1); I always have a pleasant impression while I take services from this bank (CS 2); I will recommend this bank to my friends for their banking services (CS 4); and I am willing to return to this bank in the days to come (CS 3). The loadings of the items are 0.724, 0.697, 0.664 and 0.626 respectively. The components indicate that the relationship of each item to the underlying factor/component is good as loading is greater than 0.50, the threshold value.

7.4.4 Customer Loyalty (CL)

In financial services industry, developing customers' loyalty together with relationship management has been getting much attention from the academics and practitioners. The loyal customers of an organization are the lifeblood of that organization since loyal customers decrease the cost of operating a business and maximize the returns (Ailawadi and Keller, 2004).

Siddiqi (2011) found that there is a relationship among service quality, customer satisfaction, and customer loyalty and these relationships provide creative ideas for the banks to improve services so as to attain a competitive advantage in the banking sector especially in retail banking. Narang et al. (2011) agreed that CRM not only builds a better relationship with customers but also helps to build the loyalty of the customers which is very crucial and important for a competitive advantage over the competitors. So, if a financial institution such as bank wants to maintain a sustainable competitive advantage over the competitors, the bank has to make its customers loyal. The loyalty of customers is defined as a profoundly rooted commitment of a customer to repurchase or re-patronize a particular preferred product or brand persistently in the days to come. This repetitive purchasing takes place in spite of any situational influences and marketing measures that may cause switching to other available products or brands (Walsh, *et al.*, 2008). Baumann (2011) showed customer loyalty as attitude and behaviour of the customers, on the other hand, Ladhari (2011) expressed customer loyalty as a customer's continued patronage of a particular bank. Again, Li and Zheng (2013) defined loyalty as a customer's likelihood of generating positive word-of-mouth and repurchasing intentions to buy a particular product or service. Hussein et al. (2014) in a study mentioned that customer's loyalty is the attitudinal and behavioural tendency of a customer to prefer a particular brand to others due to better services, expected performance, positive word of mouth and so on.

The Exploratory Factor Analysis of the study has identified 3 items that constitute the factor 'Customer Loyalty'. The items are: CL 6 – Whenever I need to have any financial transaction or services, the bank is always of my first preference, CL 5 – I like to have services from this bank, and CL 4 - This is a bank of my preference or choice. The loadings of the items are 0.751, 0.730 and 0.640 respectively. The

loadings of these elements demonstrate that relationship of each item to the underlying factor is good as loading is greater than 0.50, the threshold value.

7.4.5 Services Quality (SQ)

Service quality is one of the major factors which can make a bank sustainable and competitive in the industry. Malik et al. (2011) mentioned that many researchers and practitioners are compelled to take the service quality into their consideration because of its influence on customer's perceived value and customer's satisfaction. Again, Kaura (2013) expressed that banks require giving emphasis on service quality to improve their customers' satisfaction which is important to make customers loyal to the bank. Kaura and Datta, (2012) found that improved service quality increased customer satisfaction in the banking industry of India. According to Mualla (2011) "Commercial banks must undertake a large amount of effort toward the quality of services and put more emphasis on building and maintaining long-term relationships with their customers. Again, Ladhari et al. (2011) mentioned that high quality of a service has a positive impact on customer's satisfaction which is directly related to the profitability of a bank. It has been observed that a high-quality service provides a good number of benefits which include: good corporate image, higher customer satisfaction, opportunities for cross-selling, reduced loss of customers, increased chances of positive word-of-mouth, and finally, the maintenance of long-term relationships with customers (Ilyas, et al., 2013).

Services have some distinctive characteristics such as intangibility, heterogeneity, perishability and inseparability of production and consumption. Therefore, it is somewhat difficult to conceptualize and measure the quality of services. And, quality is a relative and subjective matter which depends on the perception and expectations of the customers with respect to the service offering. Customers perceive service quality as a comparison of what they think the service should be (expectation, E) with the customers' assessment of the services they have received (perceptions, P) from the service provider (Parasuraman, et al., 1985). The quality of a service has been described as a form of attitude which is not equivalent to customer satisfaction that results from the comparison of customer's expectations with the performance of the service provider (Parasuraman, et al., 1985; Bolton and Drew, 1991). The well-

accepted understanding of service quality is defined as the extent to which a specific service matches the needs and expectations of the customers. It can also be mentioned that service quality is the difference between the expectations of customers from a service and the perception of the customers after receiving the service. If expectations of the customer are greater than the performance of the provider, then perceived the quality of service is less than satisfactory level and hence customer dissatisfaction takes place (Parasuraman, et al., 1985). Parasuraman et al., (1988) developed a measurement scale called SERVQUAL, which has 22- items to measure service quality comprising five dimensions which are reliability, responsiveness, assurance, empathy and tangibility. The four dimensions such as reliability, responsiveness, assurance, empathy are related to people aspect of service quality and another dimension i.e. tangibles aspect is related to a physical setting where the service is delivered.

In this study, the items for services quality are adopted from literature. Three items have been extracted from the factor 'Services Quality'. And, the items are: The bank has the ability to perform the services to the customers accurately and dependably (SQ 1); The bank has the willingness to provide prompt services and help customers (SQ 2); and The appearance of physical settings, equipment, personnel, written and other visual materials of the bank is appealing to the customers (SQ 5) respectively. The loadings of the items are 0.793, 0.705 and 0.614. The component 'Services Quality' indicates that the relationship of each item to the underlying factor is good as the loading is greater than 0.50, the threshold value.

7.4.6 Customer Perceived Value (CPV)

Customer perceived value is gaining more and more interest and attention from the firms day by day. Generally, Customers are making their purchase decisions on the basis of customer perceived value. Customer Perceived Value is the difference between all the benefits and all the costs of a marketing offer relative to those of competing offers (Kotler, P. et al 2010). And, customers will purchase the market offering that offers them the highest customer value from available competitive ones. Customer perceived value is the perception of customers about quality, social benefits and psychological benefits, and money paid to the firm for their services. So, if the

customer's perceived value is positive then it will generate the customer's loyalty to the service provider.

How do customers of any organization perceive the benefits of the services of the organization? If the customer perceives that they are getting more value, then customers tend to become more satisfied ultimately which leads to customer loyalty. Customers perceived value can be measured by different scales or items. This study has explored 3 items that constitute the factor 'Customer Perceived Value'. The items are: The price of the services offered by this bank is fair (CPV 1); In comparison to what I pay, I usually receive more in terms of my money, effort and time and other costs (CPV 2); Considering what I pay and what I gain simultaneously, I think the services of this bank are of value (CPV 3). The loadings of the 3 items are 0.789, 0.752, and 0.654 respectively. The relationships of each item to the underlying component are good as threshold values are greater than 0.5.

7.4.7 Customer Culture (CC)

Culture is the set of basic values, beliefs, traditions and customs that are shared by the people of a society and transmitted from one generation to another. Services quality, customer trust, customer satisfaction, customers' attitudes, behaviour, customers' buying decision process and customer loyalty are affected by the culture of the society. Culture, a comprehensive concept that includes almost everything in a society, influences an individual's thought process and behaviour.

It is an established fact that culture has a strong influence on customer's attitudes and customer's behaviours (Hofstede, 1984) because each and every consumer was born and brought up in a particular culture. Therefore, customers, who are biased in favour of any bank, may become loyal customers. It is evident that the decision-making pattern of a customer represents a persistent style of cognitive and affective responses to the stimulus. And, national culture has been proved to have a significant impact on a customer's values, attitudes and preferences (Hofstede, 1984), and to have a strong influence on the decision-making process of the consumer (Leo, C., et al., 2005).

Generally, consumers of a country develop their certain values such as liking, disliking, preferences, morals, rituals, customs and behaviour based on their culture.

Similarly, how customers are responding to the firms is strongly influenced by their culture. So, if a bank can understand the values and elements of the culture of their customers, it will be useful for the bank to develop better strategies to make its customers loyal and, in turn, Customer Relationship Management.

In this study, the researcher has found the component ‘Customer Culture’ as an element of CRM. The component is made of two items which are: I usually purchase whatever I want without considering what other people think or feel (CC 3), and I always purchase what I like and I like to stay with a product or brand (CC 4). The loadings of the items are 0.860 and 0.744 which indicate a good relationship between the items within the factor.

7.5 Dropped Items with Lower Communalities and Loadings

This study has eliminated 11 items following the systematic process and procedure. The items have been eliminated from the study on the basis of commonalities, factor loading, eigenvalues, cross loading and final judgment of the researcher. The researcher has not eliminated all eleven items at a time. Several rounds of rotations have been performed one by one to keep the items.

Table 7.5: Items with Lower Communalities (Less than 0.50)

Items	Commonalities	
	Initial	Extraction
The service providers in the bank have adequate knowledge, courtesy and ability to inspire trust and instil confidence in the customers. (SQ 3)	1.000	.459
The bank has met my requirements. (CT 4)	1.000	.470
As an individual, I prioritize personal goals in my life. (CC 1)	1.000	.443

Source: Data Collected from the Survey

Due to lower communalities, the items SQ3, CT4, CC1 have been eliminated.

Table 7.5.I: Items with Lower Loadings (Less than 0.50)

The bank has met my requirements. (CT 4)	.436
The service providers in the bank have adequate knowledge, courtesy and ability to inspire trust and instil confidence in the customers. (SQ 3)	.433
The bank gives customized attention to every single customer. (SQ 4)	.361
I have belief in the know-how of the bank. (CT 7)	.451
I visit this bank on regular basis to have services. (CL 1)	.382
As an individual, I prioritize personal goals in my life. (CC 1)	.330

Source: Data Collected from the Survey

Due to lower loadings and communalities, the items SQ3, SQ4, CT4, CT7, CL1, and CC1 have been dropped from the study.

Items with cross-loadings: When an item that loads on different components/constructs, it is known as cross loading. Cross-loaded items should be excluded from the study.

Table 7.5-II: Items with Cross Loadings

Items	Loaded with Different Components
The prices of the services charged by other banks are higher than this bank. (CSB 4)	(.363); (-.642)
The service providers in the bank have adequate knowledge, courtesy and ability to inspire trust and instil confidence in the customers. (SQ 3)	(.433); (.322); (.363)
I am not comfortable in unusual circumstances. (CC 2)	(.538); (.322)
The bank gives customized attention to every single customer. (SQ 4)	(.361), (.409), (.300)
The bank has been able to manage transactions with me online. (CT 5)	(.549); (.358)

The bank has met my requirements. (CT 4)	(.436); (.318)
I have belief in the know-how of the bank. (CT 7)	(.451); (.336)
I visit this bank on regular basis to have services. (CL 1)	(.307); (.382), (.324)
I take services from this whenever I require any financial transaction or services. (CL 3)	(.591); (.313)

Source: Data Collected from the Survey

By considering lower loadings, low communalities, and cross-loadings, the items SQ3, SQ4, CT4, CT5, CT7, CL1, CL3, CSB4, CC1, and CC2 have been eliminated. The item- I seldom think of changing this bank to another one (CL2), makes a separate construct with one item only. With one item a construct could not be created. This is why the items CL2 has been eliminated although it has significant loadings (.813).

So, the total 11 items (SQ3, SQ4, CT4, CT5, CT7, CL1, CL3, CSB4, CC1, CC2 and CL2) have been excluded from the study.

7.6 Reliability Statistics of the Constructs

Reliability is an assessment of the degree of internal consistency between multiple measurements of a variable (Hair et al., 1998). However, it is essential but not an adequate condition for the validity. A reliability analysis using Cronbach’s alpha has been performed in this study to check the internal consistency of each of the item, dimensions, and constructs. This study consists of seven (7) constructs and 34 items. In the overall scale reliability analysis, the study has found that the value of Alpha is 0.885 which is highly reliable (Nunnally and Bernstein, 1994; Chi, 2005).

After performing EFA (Exploratory Factor Analysis), this study has found seven factors in the proposed model. The study has also checked out the reliability of all the constructs separately and it has been found that all the constructs have a higher degree of reliability. The reliability statistics of the constructs are shown in the following Table -7.6.

Table 7.6: Reliability Statistics of the Constructs

Constructs/ Factors	Alpha Value
CT (Customer Trust)	0.772
CSB (Customer Switching Behavior)	0.762
CS (Customer Satisfaction)	0.756
CL (Customer Loyalty)	0.700
SQ (Services Quality)	0.650
CPV (Customer Perceived Value)	0.700
CC (Customer Culture)	0.600

Source: Data Collected from the Survey

The table for reliability statistics shows that the constructs ‘Customer Trust (CT)’, ‘Customer Switching Barrier (CSB)’, ‘Customer Satisfaction (CS)’, ‘Customer Loyalty (CL)’, and ‘Customer Perceived Value (CPV)’ have the Alpha Value 0.70 and above. These values indicate that these constructs are highly reliable as per threshold value. And, the rest two constructs ‘Services Quality (SQ)’ and ‘Customer Culture (CC)’ are moderately reliable as their Alpha values are 0.650 and 0.60 respectively.

7.7 Descriptive Statistics of the Components

The descriptive information about the components is summarized in the Table-7.7.

Table 7.7: Descriptive Statistics of the Components

COMPONENTS/ FACTORS	ITEMS	Components/ Factors/ Constructs						
		MEAN	STANDARD DEVIATIONS	FACTOR MEAN	RELIABILITY	EIGEN VALUE	VARIANCE EXPLAINED	KMO
CT	CT2	4.0617	.78893	4.007	.772	2.47	10.72%	.650
	CT3	3.9926	.77232					
	CT1	4.0543	.78160					
	CT6	3.9210	.80141					
CSB	CSB3	3.5926	.91708	3.662	.762	2.44	10.60%	.750
	CSB2	3.6346	.96718					
	CSB1	3.7827	.95295					
	CSB5	3.6395	.90839					
CS	CS1	3.9877	.81590	3.70	.756	2.30	9.996%	.770
	CS2	3.6123	.84452					
	CS4	3.5901	.87592					
	CS3	3.6099	.94182					
CL	CL6	3.4296	.96632	3.575	.700	1.98	8.60%	.670
	CL5	3.7012	.80045					
	CL4	3.5951	.81080					
SQ	SQ1	3.7481	.88764	3.721	.650	1.90	8.25%	.650
	SQ2	3.7704	.83495					
	SQ5	3.6444	.76236					
CPV	CPV 1	3.7580	.78710	3.702	.700	1.87	8.11%	.650
	CPV 2	3.6938	.78984					
	CPV 3	3.6543	.81083					
CC	CC3	3.6074	.85390	3.612	.600	1.44	6.25%	.500
	CC4	3.6173	.82004					
<p>Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization Rotation converged in 7 iterations.</p>								

Source: Data Collected from the Survey

Component 1: Customer Trust (CT)

The factor 'Customer Trust' is made of 4 items namely CT 2, CT 3, CT 1, and CT 6. The mean values of the items are 4.06, 3.99, 4.05, and 3.92 respectively. The mean of the factor is 4.007. The reliability value of the component is 0.772. The KMO of the factor is .650. The eigenvalue and variance extracted by the section labelled "Rotation Sums of Squared Loadings are 2.47 and 10.72% respectively. The variability of the first component indicates that it accounts for 10.716% of the variability in all 23 variables.

Component 2: Customer Switching Barrier (CSB)

The factor 'Customer Switching Barrier' consists of 4 items which are CSB 3, CSB 2, CSB 1, and CSB 5. The mean values of the items are 3.59, 3.64, 3.79, and 3.64 respectively. The mean of the factor is 3.66. The reliability value of the component is .762. The KMO of the factor is .750. The eigenvalue and variance extracted by the section labelled "Rotation Sums of Squared Loadings are 2.44 and 10.60% respectively. The variability of the second component indicates that it accounts for 10.60% of the variability in all 23 variables.

Component 3: Customer Satisfaction (CS)

The factor 'Customer Satisfaction' comprises 4 items namely CS 1, CS 2, CS 4, and CS 3. The mean values of the items are 3.99, 3.61, 3.60, and 3.61 respectively. The mean value of the factor is 3.70. The reliability value of the component is 0.756. The KMO of the factor is 0.770. The eigenvalue and variance extracted by the section labelled "Rotation Sums of Squared Loadings are 2.30 and 9.996% respectively. The variability of the third component indicates that it accounts for 9.996% of the variability in all 23 variables.

Component 4: Customer Loyalty (CL)

The factor 'Customer Loyalty' is made of 3 items and the items are CL 6, CL 5, and CL 4. The mean values of the items are 3.43, 3.70, and 3.60 respectively. The mean value of the factor is 3.58 respectively. The reliability value of the component is 0.70. The KMO of the factor is 0.670. The eigenvalue and variance extracted by the section labelled "Rotation Sums of Squared Loadings are 1.98 and 8.60% respectively. So,

the fourth component indicates that it accounts for 8.60% of the variability in all 23 variables.

Component 5: Service Quality (SQ)

The factor 'Service Quality' consists of 3 items which are CL 6, CL 5, and CL 4. The mean values of the items are 3.75, 3.77 and 3.64 respectively. The mean value of the factor is 3.72. The reliability value of the component is 0.650. The KMO of the factor is 0.650. The eigenvalue and variance extracted by the section labelled "Rotation Sums of Squared Loadings are 1.90 and 8.25% respectively. The variability of the fifth component indicates that it accounts for 8.25% of the variability in all 23 variables.

Component 6: Customer Perceived Value (CPV)

The factor 'Customer Perceived Value' is made of 3 items namely CPV 1, CPV 2, and CPV 3. The mean values of the items are 3.76, 3.70 and 3.65 respectively. The mean value of the factor is 3.70. The reliability value of the component is 0.70. The KMO of the factor is 0.650. The eigenvalue and variance extracted by the section labelled "Rotation Sums of Squared Loadings are 1.87 and 8.11% respectively. The variability of the sixth component indicates that it accounts for 8.11% of the variability in all 23 variables.

Component 7: Customer Culture (CC)

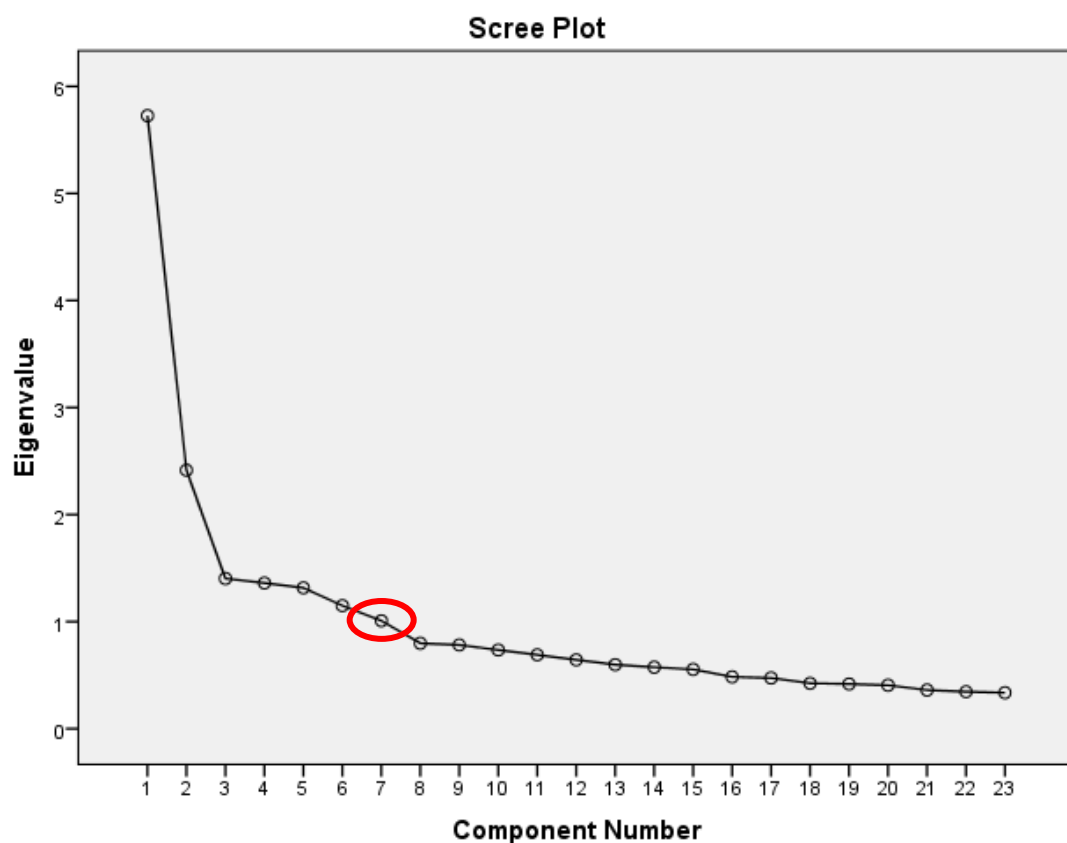
The factor 'Customer Culture' is consists of 2 items which are CC 3, and CC 4. The mean values of the items are 3.61 and 3.62 respectively. The mean value of the factor is 3.70. The reliability value of the component is 0.60. The KMO of the factor is 0.550. The eigenvalue and variance extracted by the section labelled "Rotation Sums of Squared Loadings are 1.44 and 6.25% respectively. The variability of the seventh component indicates that it accounts for 6.25% of the variability in all 23 variables.

7.8 Scree Plot

In Principal Components Analysis, scree plot is used to extract the factors which eigenvalues are greater than 1 (Cattell, 1966). To assess the factors that explain the most of the variability in the data, scree plots have been generated and it shows the number of factors in descending order.

The Figure-7.1 illustrates the eigenvalues on the y-axis and the number of *factors* on the x-axis. Here, the study has explored seven factors which eigenvalues are greater than 1.

Figure 7.1: Scree Plot



Source: Data Collected from the Survey

7.9 Total Variance Explained (TVE)

The Table - 7.8 titled 'Total Variance Explained' shows the factors which have been extracted in this study. The section labelled "Rotation Sums of Squared Loadings" shows only those factors that have met cut-off criterion (extraction method). In this study, there are seven factors having Eigenvalues greater than 1. SPSS always extracts as many factors initially as there are variables in the dataset, but eliminates the rest of these didn't make the grade or satisfactory value. The "% of variance" column shows that how much of the total variability (in all of the variables together) can be accounted for by each of these summary scales or factors. Factor 1 accounts for 10.716% of the variability in all 23 variables. The factors 2, 3, 4, 5, 6 and 7 account for 10.60%, 9.996%, 8.60%, 8.25%, 8.11% and 6.25% respectively. The cumulative variance for the 7th factor is for 62.52% which indicates the variance in the items (specifically the items' variance-covariance matrix) is accounted for by all 7 factors and so on.

Table 7.8: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.726	24.897	24.897	5.726	24.897	24.897	2.465	10.716	10.716
2	2.414	10.497	35.394	2.414	10.497	35.394	2.437	10.596	21.312
3	1.403	6.098	41.493	1.403	6.098	41.493	2.299	9.996	31.308
4	1.361	5.917	47.410	1.361	5.917	47.410	1.977	8.597	39.905
5	1.316	5.720	53.130	1.316	5.720	53.130	1.897	8.248	48.154
6	1.149	4.997	58.127	1.149	4.997	58.127	1.865	8.109	56.262
7	1.008	4.384	62.511	1.008	4.384	62.511	1.437	6.248	62.511
8	.798	3.470	65.981						
9	.782	3.401	69.382						
10	.735	3.197	72.578						
11	.690	3.000	75.578						
12	.643	2.797	78.375						
13	.598	2.601	80.976						
14	.575	2.498	83.474						
15	.554	2.407	85.881						
16	.484	2.106	87.986						
17	.474	2.060	90.046						
18	.424	1.844	91.890						
19	.417	1.815	93.705						
20	.406	1.764	95.469						
21	.361	1.569	97.038						
22	.345	1.500	98.537						
23	.336	1.463	100.000						

Extraction Method: Principal Component Analysis.

Source: Data Collected from the Survey

7.10 Correlation Analysis

Correlation analysis of the constructs based on the data collected through questionnaire is discussed below.

7.10.1 Correlations between Services Quality and Customer Trust

In financial services, it has been observed that in different kinds of literature, Services Quality and Customer Trust are positively related. If services quality increases, customer trust also increases. In this study, the researcher has found the correlation value (0.353) for these two variables i.e. Customer Trust and Services Quality. This correlation value indicates that a moderate positive correlation exists between services quality and customer trust. This result also indicates that services quality has a significant impact on customer trust. The Table-7.9 shows that the relationship between services quality and customer trust is significant as the correlation is significant at the level of 0.01 (2-tailed).

Table 7.9: Correlations between Services Quality and Customer Trust

		Services Quality	Customer Trust
Services Quality	Pearson Correlation	1	.353**
	Sig. (2-tailed)		.000
	N	405	405
Customer Trust	Pearson Correlation	.353**	1
	Sig. (2-tailed)	.000	
	N	405	405

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data Collected from the Survey

7.10.2 Correlations between Customer Trust (CT) and Customer Perceived Value (CPV)

Customer Trust has a significant impact on Customer Perceived Value that has been initiated and tested by different scholars and service marketing researchers. Customer trust helps to increase customer perceived value. The higher the customer's trust in a

firm, the higher the customer perceived value will be to that customer. In this study, the researcher has found the correlation value for these two variables i.e. customer trust and customer perceived value is .352. This correlation value indicates that there is a moderate positive correlation between customer trust and customer perceived value. This result also indicates that customer trust has a significant impact on customer perceived value. The Table-7.10 shows that the relationship between customer trust and customer perceived value is significant as the correlation is significant at 0.01 level (2-tailed).

Table: 7.10: Correlations between Customer Trust (CT) and Customer Perceived Value (CPV)

		Customer Trust	Customer Perceived Value
Customer Trust	Pearson Correlation	1	.352**
	Sig. (2-tailed)		.000
	N	405	405
Customer Perceived Value	Pearson Correlation	.352**	1
	Sig. (2-tailed)	.000	
	N	405	405

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data Collected from the Survey

7.10.3 Correlations between Customer Trust (CT) and Customer Satisfaction (CS)

It has been mentioned by different authors and scholars that Customer's trust has a significant influence on Customer's satisfaction. If the customers have trust in a product or service, this trust will help to increase their satisfaction. The more trust the customers have with the service provider, the more they are likely to become satisfied. In this study, it has been found that the correlation value between these two variables i.e. customer's trust and customer's satisfaction is 0.472. This correlation value indicates that there is a moderate positive correlation between customer's trust

and customer's satisfaction. This result also says that customer's trust has a significant impact on customer's satisfaction. The table-7.11 shows that the relationship between customer's trust and customer's satisfaction is significant as the correlation value is significant at 0.01 level (2-tailed).

Table 7.11: Correlations between Customer Trust (CT) and Customer Satisfaction (CS)

		Customer Trust	Customer Satisfaction
Customer Trust	Pearson Correlation	1	.472**
	Sig. (2-tailed)		.000
	N	405	405
Customer Satisfaction	Pearson Correlation	.472**	1
	Sig. (2-tailed)	.000	
	N	405	405

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data Collected from the Survey

7.10.4 Correlations between Customer Trust (CT) and Customer Loyalty (CL)

The company towards which the customers have more trust, the customers of that company have more chances to become loyal towards the company. In this study, the researcher has found that the correlation value for these two variables i.e. customer's trust and customer's loyalty is 0.410. This correlation value indicates that there is a moderate positive correlation between customer's trust and customer's loyalty. The value also shows that customer's trust has a significant impact on customer's loyalty. The Table-7.12 shows that the relationship between customer trust and customer loyalty is significant as the correlation is significant at 0.01 level (2-tailed).

Table 7.12: Correlations between Customer Trust (CT) and Customer Loyalty (CL)

		Customer Trust	Customer Loyalty
Customer Trust	Pearson Correlation	1	.410**
	Sig. (2-tailed)		.000
	N	405	405
Customer Loyalty	Pearson Correlation	.410**	1
	Sig. (2-tailed)	.000	
	N	405	405

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data Collected from the Survey

7.10.5 Correlations between Customer Switching Barrier (CSB) and Customer Loyalty (CL)

It has been stated that there is a positive relationship between customer's switching barriers and customer's loyalty. It may happen that the higher the switching barriers are the higher the loyalty of the customers is to a particular service provider. In this study, the researcher has found that the correlation value for these two variables i.e. customer's switching barriers and customer's loyalty is 0.235. This correlation value indicates that there is a moderate positive correlation between customer's switching barriers and customer's loyalty. This result also indicates that customer's switching barriers have a significant impact on customer's loyalty. The table-7.13 shows that the relationship between customer's switching barriers and customer's loyalty is significant as the correlation is significant at 0.01 level (2-tailed).

Table 7.13: Correlations between Customer Switching Barrier (CSB) and Customer Loyalty (CL)

		Customer Switching Behavior	Customer Loyalty
Customer Switching Behavior	Pearson Correlation	1	.235**
	Sig. (2-tailed)		.000
	N	405	405
Customer Loyalty	Pearson Correlation	.235**	1
	Sig. (2-tailed)	.000	
	N	405	405

** . Correlation is significant at 0.01 level (2-tailed).

Source: Data Collected from the Survey

7.10.6 Correlations between Customer Culture (CC) and Customer Loyalty (CL)

In the Table-7.14, the value of the correlation analysis shows that there is a moderate positive correlation between customer’s culture and customer’s loyalty as the value is 0.176. The value also indicates that customer’s culture has a significant impact on customer’s loyalty. Since significance is less than 0.05, it can be said that there is a significant correlation between customer’s culture and customer’s loyalty.

Table 7.14: Correlations between Customer Culture (CC) and Customer Loyalty (CL)

		Customer Culture	Customer Loyalty
Customer Culture	Pearson Correlation	1	.176**
	Sig. (2-tailed)		.000
	N	405	405
Customer Loyalty	Pearson Correlation	.176**	1
	Sig. (2-tailed)	.000	
	N	405	405

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data Collected from the Survey

7.10.7 Correlations between Services Quality (SQ) and Customer Perceived Value (CPV)

Services quality has a significant impact on customer's perceived value. The customers typically have higher customer perceived value when they find the firms providing quality services. To create more customer's perceived value, there is no alternative of services quality. In this study, the researcher has found that there is a correlation between services quality and customer's perceived value as the value is 0.312. This correlation value indicates that there is a moderate positive correlation between services quality and customer's perceived value. The value also says that services quality has a significant impact on customer's perceived value. The Table - 7.15 shows that the relationship between services quality and customer's perceived value is significant as the correlation is significant at 0.01 level (2-tailed).

Table 7.15: Correlations between Services Quality (SQ) and Customer Perceived Value (CPV)

		Services Quality	Customer Perceived Value
Services Quality	Pearson Correlation	1	.312**
	Sig. (2-tailed)		.000
	N	405	405
Customer Perceived Value	Pearson Correlation	.312**	1
	Sig. (2-tailed)	.000	
	N	405	405

** . Correlation is significant at 0.01 level (2-tailed).

Source: Data Collected from the Survey

7.10.8 Correlations between Services Quality (SQ) and Customer Satisfaction (CS)

Generally, quality of services leads to customer's satisfaction. The company which provides better services to their customers would be able to make their customers satisfied. In this study, the correlation value between services quality and customer's satisfaction is 0.409. This correlation value indicates that there is a moderate positive correlation between services quality and customer's satisfaction. This value also indicates that services quality has a substantial impact on customer's satisfaction. The table - 7.16 shows that the relationship between services quality and customer's satisfaction is significant since the correlation is significant at 0.01 level (2-tailed).

Table 7.16: Correlations between Services Quality (SQ) and Customer Satisfaction (CS)

		Services Quality	Customer Satisfaction
Services Quality	Pearson Correlation	1	.409**
	Sig. (2-tailed)		.000
	N	405	405
Customer Satisfaction	Pearson Correlation	.409**	1
	Sig. (2-tailed)	.000	
	N	405	405

** . Correlation is significant at 0.01 level (2-tailed).

Source: Data Collected from the Survey

7.10.9 Correlations between Customer Perceived Value (CPV) and Customer Satisfaction (CS)

The customers who perceive that they are getting more value from a firm are more likely to become satisfied indicating that more customer's perceived value leads to more customer's satisfaction. It has been observed that the correlation value between customer's perceived value and customer's satisfaction is 0.383. This correlation value indicates that there is a moderate positive correlation between customer's perceived value and customer's satisfaction. This value also shows that customer's perceived value has a significant impact on customer's satisfaction. The table - 7.17 shows that the relationship between customer's perceived value and customer's satisfaction is significant since the correlation is significant at the 0.01 level (2-tailed).

Table 7.17: Correlations between Customer Perceived Value (CPV) and Customer Satisfaction (CS)

		Customer Perceived Value	Customer Satisfaction
Customer Perceived Value	Pearson Correlation	1	.383**
	Sig. (2-tailed)		.000
	N	405	405
Customer Satisfaction	Pearson Correlation	.383**	1
	Sig. (2-tailed)	.000	
	N	405	405

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data Collected from the Survey

7.10.10 Correlations between Services Quality (SQ) and Customer Loyalty (CL)

By providing a higher quality of services to the customers, a firm can make their customers satisfied which ultimately leads to the loyalty of the customers. It can be stated that the higher the quality of the services is, the higher the loyalty of the customers to the company will be. It has been found that the correlation value is 0.329 between services quality and customer's loyalty. This correlation value indicates that

there is a moderate positive correlation between services quality and customer's loyalty. This result also shows that services quality has a significant impact on customer loyalty. The table - 7.18 shows that the relationship between services quality and customer's loyalty is significant since the correlation is significant at the 0.01 level (2-tailed).

Table 7.18: Correlations between Services Quality (SQ) and Customer Loyalty (CL)

		Services Quality	Customer Loyalty
Services Quality	Pearson Correlation	1	.329**
	Sig. (2-tailed)		.000
	N	405	405
Customer Loyalty	Pearson Correlation	.329**	1
	Sig. (2-tailed)	.000	
	N	405	405

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data Collected from the Survey

7.10.11 Correlations between Customer Satisfaction (CS) and Customer Loyalty (CL)

The literature related to financial services reveal that customer's satisfaction and customer's loyalty are positively correlated. This means that any change in one variable is strongly correlated to the change in the second variable. In this study, the correlation value of the variables customer's satisfaction and customer's loyalty is 0.497. This value is very close to 0.5. For this reason, the researcher can conclude that there is a moderate relationship between customer's satisfaction and customer's loyalty. Here, the value also indicates that customer's satisfaction has a significant impact on customer's loyalty. The Table - 7.19 shows that the relationship between customer's satisfaction and customer's loyalty is significant as the correlation is significant at the 0.01 level (2-tailed).

Table 7.19: Correlations between Customer Satisfaction (CS) and Customer Loyalty (CL)

		Customer Satisfaction	Customer Loyalty
Customer Satisfaction	Pearson Correlation	1	.497**
	Sig. (2-tailed)		.000
	N	405	405
Customer Loyalty	Pearson Correlation	.497**	1
	Sig. (2-tailed)	.000	
	N	405	405

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data Collected from the Survey

7.10.12 Correlations between Customer Perceived Value (CPV) and Customer Loyalty (CL)

In this study, Pearson's r for the relationship between the variables customer's perceived value and customer's loyalty is 0.310. Based on this value, it can be said that there is a strong relationship between customer's perceived value and customer's loyalty. This value also shows that customer's perceived value has a significant impact on customer's loyalty. Thus, the relationship between customer's perceived value and customer's loyalty is significant as the correlation is significant at the level 0.01 (2-tailed) which is shown in the Table - 7.20.

Table 7.20: Correlations between Customer Perceived Value (CPV) and Customer Loyalty (CL)

		Customer Perceived Value	Customer Loyalty
Customer Perceived Value	Pearson Correlation	1	.310**
	Sig. (2-tailed)		.000
	N	405	405
Customer Loyalty	Pearson Correlation	.310**	1
	Sig. (2-tailed)	.000	
	N	405	405

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data Collected from the Survey

7.10.13 Correlations among the Seven Constructs

Table 7.21: Correlations among all the Constructs with Significance Level (SQ, CT, CPV, CS, CL, CSB, CC)

	Services Quality	Customer Trust	Customer Perceived Value	Customer Satisfaction	Customer Loyalty	Customer Switching Barriers	Customer Culture
Pearson Correlation	1	.353**	.312**	.409**	.329**	.118*	.199**
Sig. (2-tailed)		.000	.000	.000	.000	.017	.000
N	405	405	405	405	405	405	405

	Pearson	.353**	1	.352**	.472**	.410**	.158**	.137**
	Correlati							
Custom	on							
r Trust	Sig. (2-	.000		.000	.000	.000	.001	.006
	tailed)							
	N	405	405	405	405	405	405	405
	Pearson	.312**	.352**	1	.383**	.310**	.292**	.174**
Custom	Correlati							
r	on							
Perceive	Sig. (2-	.000	.000		.000	.000	.000	.000
d Value	tailed)							
	N	405	405	405	405	405	405	405
	Pearson	.409**	.472**	.383**	1	.497**	.132**	.165**
Custom	Correlati							
r	on							
Satisfacti	Sig. (2-	.000	.000	.000		.000	.008	.001
on	tailed)							
	N	405	405	405	405	405	405	405
	Pearson	.329**	.410**	.310**	.497**	1	.235**	.176**
Custom	Correlati							
r Loyalty	Sig. (2-	.000	.000	.000	.000		.000	.000
	tailed)							
	N	405	405	405	405	405	405	405
	Pearson	.118*	.158**	.292**	.132**	.235**	1	.337**
Custom	Correlati							
r	on							
Switchin	Sig. (2-	.017	.001	.000	.008	.000		.000
g	tailed)							
Barriers	N	405	405	405	405	405	405	405
	Pearson	.199**	.137**	.174**	.165**	.176**	.337**	1
Custom	Correlati							
r Culture	on							

Sig. (2-tailed)	.000	.006	.000	.001	.000	.000	
N	405	405	405	405	405	405	405

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Data Collected from the Survey

Table 7.22: Correlations among the Seven Constructs

Constructs	Services Quality	Customer Trust	Customer Perceived Value	Customer Satisfaction	Customer Loyalty	Customer Switching Behavior	Customer Culture
Services Quality	1						
Customer Trust	.353**	1					
Customer Perceived Value	.312**	.352**	1				
Customer Satisfaction	.409**	.472**	.383**	1			
Customer Loyalty	.329**	.416**	.310**	.497**	1		

Customer Switching Behavior	.118*	.158**	.292**	.132**	.235**	1	
Customer Culture	.199**	.137**	.174**	.165**	.176**	.337**	1
<p>** . Correlation is significant at the 0.01 level (2-tailed).</p> <p>* . Correlation is significant at the 0.05 level (2-tailed).</p>							

Source: Data Collected from the Survey

The Table - 7.21 and the Table - 7.22 show that the correlation values yielded from data analysis of 405 customers selected from 10 different banks as a sample. It has been found that there is a positive significant relationship between all variables studied here. The correlation between customer's switching barrier and services quality is significant at 0.05 level (2-tailed). Other than that; all the correlations are significant at 0.01 level (2-tailed). The Table - 7.22 shows the details of correlation analysis of all the studied variables and they have been found significant at 0.01 level (2-tailed) and 0.05 level (2-tailed). Thus, the correlations among all studied factors are significant.

7.11 Regression Analysis

The study has taken measures to check the relationships and significance of the relationships among the constructs considered in this study. To make the study fruitful, the researcher has divided the study framework (conceptual framework) into three separate models (Model A, B and C) and then checked the relationships between independent variables and dependent variables.

7.11.1 Regression for Model-A (Predictors: Customer Trust, Services Quality; Dependent Variable: Customer Perceived Value)

The first part (Model-A) of the conceptual framework is made of three (3) variables namely Customer Trust, Services Quality, and Customer Perceived Value. Here, Customer Perceived Value is the dependent variable; on the other hand, Customer Trust and Services Quality are independent variables. To check the relationships, significance and model summary, linear regression analysis with the forward method has been performed.

Table 7.23: Model Summary of the Model: A

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.352 ^a	.124	.122	.58661
2	.405 ^b	.164	.160	.57363

a. Predictors: (Constant), Customer Trust

b. Predictors: (Constant), Customer Trust, Services Quality

Source: Data Collected from the Survey

The model has been developed to examine the relationships among the variables of CRM (Customer Trust, Services Quality, and Customer Perceived Value). In this model, the dependent variable is the Customer Perceived Value and independent variables are 'Customer Trust' and 'Services Quality'.

The variance explained by the model 1 is 12% that indicates that the predictor 'Customer Trust' has an impact on Customer Perceived Value as R Square is 0.12.

The model indicates that the variables are correlated as the multiple coefficients of correlation is $R=0.35$. The adjusted R Square value is 0.122.

The variance explained by the model 2 is 16% which indicates that the predictor ‘Services Quality’ has an impact on Customer Perceived Quality as R square is (0.16).

The model indicates that the variables are correlated as the multiple coefficients of correlation is ($R=0.405$). The adjusted R Square value is (0.160).

ANOVA Table:

ANOVA table represents that the Regression Model 01 is significant. It indicates that customer’s trust has a substantial influence on customer’s perceived value as F value is 56.945. The value indicates the influence of the factor in the study with a significance of 0.000. The details are shown in the table - 7.24.

The regression model 2 is also significant. It indicates that services quality has a significant impact on customer’s perceived value as F value is 39.497. The value indicates the influence of the factor in the study with a significance of 0.000. The details are also shown in the Table-7.24.

Table 7.24: ANOVA for the Model: A

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19.595	1	19.595	56.945	.000 ^b
	Residual	138.675	403	.344		
	Total	158.271	404			
2	Regression	25.993	2	12.996	39.497	.000 ^c
	Residual	132.278	402	.329		
	Total	158.271	404			

a. Dependent Variable: Customer Perceived Value

b. Predictors: (Constant), Customer Trust

c. Predictors: (Constant), Customer Trust, Services Quality

Coefficients:

In the first regression model, the independent variable is customer’s trust and the dependent variable is customer’s perceived value.

The independent variable customer’s trust and constant are significant, the coefficient of customer’s trust (CT) is 0.364, and t value is 7.546 which is significant at 0.00 level which is shown in the below Table - 7.25. The results show that customer’s trust has a substantial influence on customer’s perceived value.

Table 7.25: Coefficients of Model: A

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	2.245	.195		11.497	.000	1.861	2.629
Customer Trust	.364	.048	.352	7.546	.000	.269	.458
2 (Constant)	1.770	.219		8.076	.000	1.339	2.201
Customer Trust	.285	.050	.276	5.662	.000	.186	.384
Services Quality	.212	.048	.215	4.409	.000	.118	.307

a. Dependent Variable: Customer Perceived Value

Source: Data Collected from the Survey

In the second regression model, two independent variables are customer’s trust and services quality in which the dependent variable is customer’s perceived value. In this regression model, the variables- customer’s trust, and services quality and constant are significant. The coefficient of customer’s trust (CT) is 0.285, t value is 5.662 which is significant at 0.00 level which is shown in the table - 7.25. The coefficient of services quality is .212, t value is 4.409 which is also significant at

0.000 level. The results show that customer’s trust and services quality have a significant impact on customer’s perceived value.

7.11.2 Regression for Model-B (Predictors: Customer Trust, Services Quality and Customer Perceived Value; Dependent Variable: Customer Satisfaction)

The second part (Model-B) of the conceptual framework is made of 4 variables which are customer’s trust, services quality, customer’s perceived value, and customer’s satisfaction. Here, customer’s satisfaction is the dependent variable whereas customer’s trust, services quality, and customer’s perceived value are independent variables. To check the relationships, significance, and model summary, linear regression analysis has been performed.

Table 7.26: Model Summary of the Model-B

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.472 ^a	.222	.220	.58409
2	.538 ^b	.290	.286	.55898
3	.568 ^c	.322	.317	.54672

- a. Predictors: (Constant), Customer Trust
- b. Predictors: (Constant), Customer Trust, Services Quality
- c. Predictors: (Constant), Customer Trust, Services Quality, Customer Perceived Value

The model has been developed to assess the relationships among the variables of Customer Relationship Management (Customer Trust, Services Quality, Customer Perceived Value, and Customer Satisfaction). In the model, the dependent variable is customer’s satisfaction and independent variables are customer’s trust, services quality, and customer’s perceived value.

The variance explained by the model 1 is 22% that indicates that the predictor ‘Customer Trust’ has an impact on Customer Satisfaction as R Square is (.22). The model shows that the variables of the model are correlated as the multiple coefficients of the correlation is (R = 0.47). And, the adjusted R Square value is (0.22).

The variance explained by the model 2 is 29% that indicates that the predictors, customer’s trust and services quality, jointly have an impact on customer’s

satisfaction as R square is (0.29). The model shows that the studied variables are correlated as the multiple coefficients of the correlation is ($R = 0.538$). And, the adjusted R Square value is (0.286).

The variance explained by the model 3 is 32% indicating that the predictors, customer's trust, services quality, and customer's perceived value, have combined influences on customer's satisfaction as R square is (0.322). The model shows that the variables are correlated since the multiple coefficients of correlation is ($R=0.568$). And, the adjusted R Square value is (0.317).

Based on the ANOVA table - 7.27, it has been observed that the Regression Model 01 is significant. It indicates that customer's trust has a significant influence on customer's satisfaction since F value is 115.237 with a significance of 0.000. The details are shown in the table-7.27.

Table: 7.27 ANOVA for the Model: B

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	39.314	1	39.314	115.237	.000 ^b
	Residual	137.486	403	.341		
	Total	176.800	404			
2	Regression	51.190	2	25.595	81.914	.000 ^c
	Residual	125.610	402	.312		
	Total	176.800	404			
3	Regression	56.940	3	18.980	63.498	.000 ^d
	Residual	119.860	401	.299		
	Total	176.800	404			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Customer Trust

c. Predictors: (Constant), Customer Trust, Services Quality

d. Predictors: (Constant), Customer Trust, Services Quality, Customer Perceived Value

The regression model 02 has also been found significant. It indicates that customer's trust and services quality jointly have a substantial influence on customer's satisfaction since F value is 81.914 with a significance of 0.000.

The regression model 03 has been found significant as well. It indicates that customer's trust, services quality, and customer's perceived value have combined influences on customer's satisfaction since F value is 63.498 with a significance of 0.000.

Coefficients:

In the first regression model, the independent variable is customer's trust and the dependent variable is customer' satisfaction. In this regression model, both the variable 'Customer Trust' and constant are significant. According to the table -7.28, the coefficient of Customer Trust (CT) is 0.515; t value is 10.735 which is significant at 0.00 level. The results show that the variable 'customer's trust' has a substantial impact on customer's satisfaction.

Table 7.28: Coefficients of the Model: B

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		
	B	Std. Error	Beta			Lower Bound	Upper Bound	
1	(Constant)	1.636	.194	8.415	.000	1.254	2.018	
	Customer Trust	.515	.048	.472	10.735	.000	.421	.609
2	(Constant)	.989	.214	4.632	.000	.570	1.409	
	Customer Trust	.408	.049	.374	8.316	.000	.312	.505
	Services Quality	.289	.047	.277	6.165	.000	.197	.381
3	(Constant)	.620	.225	2.755	.006	.178	1.063	
	Customer Trust	.349	.050	.319	6.991	.000	.251	.447
	Services Quality	.245	.047	.235	5.214	.000	.152	.337

Customer Perceived Value	.208	.048	.197	4.386	.000	.115	.302
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a. Dependent Variable: Customer Satisfaction

Source: Data Collected from the Survey

In the second regression model, the independent variables are customer's trust and services quality while customer's satisfaction is the dependent variable. In this regression model, the variables- Customer Trust, Services Quality, and constant are significant. According to the Table- 7.28, the coefficient of customer's trust (CT) is 0.408, t value is 8.316 which is significant at 0.00 level. The coefficient of services quality is .289, t value is 6.165 which is significant at 0.000 level. The results show that customer's trust and services quality together have a significant impact on customer's satisfaction.

In the third regression model, independent variables are customer's trust, services quality, and customer's perceived value while customer's satisfaction is the dependent variable. In this regression model, the variables – customer's trust, services quality, customer's perceived value and constant are significant. The coefficient of customer's trust (CT) is 0.349, t value is 6.991 which is significant at 0.00 level as per table-7.28. The coefficient of services quality is 0.245, t value is 5.214 which is significant at 0.000 level. Based on the results shown in the table, it has been found that customer's trust, services quality, and customer's perceived value together have a significant impact on customer' satisfaction.

7.11.3 Regression for Model-C (Predictors: Customer Trust, Services Quality, Customer Perceived Value, Customer Satisfaction, Customer Culture and Customer Switching Barrier; Dependent Variable: Customer Loyalty)

The third part (Model-C) of the conceptual framework is made of Seven (7) variables and the variables are Customer Trust, Services Quality, Customer Perceived Value, Customer Satisfaction, Customer Culture, Customer Switching Barrier, and Customer Loyalty. Here, Customer Loyalty is the dependent variable while Customer Trust, Services Quality, Customer Perceived Value, Customer Satisfaction, Customer Culture, and Customer Switching Barrier are independent variables. To check the relationships, significance, and model summary, linear regression analysis (Forward Method) has been performed in the study.

The model has been developed to observe the relationships among the variables of CRM where the variables are Customer Trust, Services Quality, Customer Perceived Value, Customer Satisfaction, Customer Culture, Customer Switching Barriers, and Customer Loyalty. Among the variables, the dependent variable is customer's loyalty while the independent variables are customer's trust, services quality, customer's perceived value, customer's satisfaction, customer's culture and customers switching barriers.

In the model summary shown in the Table - 7.29, the study has found four (4) predictors namely Customer Satisfaction, Customer Trust, Customer Switching Barriers, and Services Quality which have a significant impact on Customer Loyalty. And, two variables - Customer Perceived Value and Customer Culture - do not have a direct impact on customer loyalty significantly.

The researcher has performed forward method for linear regression and criterion for entering variables (Criterion: Probability-of-F-to-enter \leq .050). The two variables- Customer Perceived Value and Customer Culture- have been excluded from the model. The significance level of these two variables is 0.316 and 0.547, which are greater than 0.05 (the criterion). The variables entered criteria are shown in the Table- 7.29. And, the excluded variables are shown in the Table-7.30.

Table 7.29: Variables Entered

Model	Variables Entered	Variables Removed	Method
1	Customer Satisfaction		Forward (Criterion: Probability-of-F-to-enter <= .050)
2	Customer Trust		Forward (Criterion: Probability-of-F-to-enter <= .050)
3	Customer Switching Barriers		Forward (Criterion: Probability-of-F-to-enter <= .050)
4	Services Quality		Forward (Criterion: Probability-of-F-to-enter <= .050)

Source: Data Collected from the Survey

**Table 7.30: Variables Excluded
Excluded Variables**

Model		Beta In	T	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	Customer Trust	.225 ^b	4.719	.000	.229	.778
	Services Quality	.151 ^b	3.235	.001	.159	.833
	Customer Perceived Value	.140 ^b	3.024	.003	.149	.853
	Customer Switching Barrier	.172 ^b	4.017	.000	.196	.983
	Customer Culture	.097 ^b	2.222	.027	.110	.973
2	Services Quality	.113 ^c	2.402	.017	.119	.800
	Customer Perceived Value	.099 ^c	2.136	.033	.106	.816

3	Customer	.152 ^c	3.603	.000	.177	.971
	Switching Barrier					
	Customer Culture	.083 ^c	1.956	.051	.097	.968
	Services Quality	.104 ^d	2.256	.025	.112	.798
4	Customer	.062 ^d	1.308	.192	.065	.766
	Perceived Value					
	Customer Culture	.039 ^d	.877	.381	.044	.870
	Customer	.048 ^e	1.005	.316	.050	.750
	Perceived Value					
	Customer Culture	.027 ^e	.602	.547	.030	.857

a. Dependent Variable: Customer Loyalty

b. Predictors in the Model: (Constant), Customer Satisfaction

c. Predictors in the Model: (Constant), Customer Satisfaction, Customer Trust

d. Predictors in the Model: (Constant), Customer Satisfaction, Customer Trust, Customer Switching Barrier

e. Predictors in the Model: (Constant), Customer Satisfaction, Customer Trust, Customer Switching Barrier, Services Quality

According to the Table - 7.30, it has been observed that two independent variables - Customer Perceived Value and Customer Culture don't have a significant impact on the dependent variable 'Customer Loyalty' directly. In the table, it has been found that the significance level for the two variables- Customer Perceived Value and Customer Culture- are 0.316 and 0.547 respectively which indicate that they do not have a significant impact on Customer Loyalty directly. So, these two variables are excluded from the Model C.

Now, the Model C has been reconfigured into five variables where Customer Trust, Services Quality, Customer Satisfaction, Customer Switching Barrier are independent variables and Customer Loyalty is the dependent variable. The model summary for the model C is shown in the Table - 7.31.

Table 7.31: Model Summary for Model: C

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.497 ^a	.247	.245	.59244
2	.535 ^b	.287	.283	.57740
3	.556 ^c	.309	.304	.56899
4	.564 ^d	.318	.311	.56611

a. Predictors: (Constant), Customer Satisfaction

b. Predictors: (Constant), Customer Satisfaction, Customer Trust

c. Predictors: (Constant), Customer Satisfaction, Customer Trust, Customer Switching Barrier

d. Predictors: (Constant), Customer Satisfaction, Customer Trust, Customer Switching Barrier, Services Quality

In this model, the dependent variable is customer' loyalty while independent variables are customer's satisfaction, customer's trust, customer's switching barrier, and services quality.

The variance explained by the model 1 is 25% indicating that the predictor 'Customer Satisfaction' has an impact on 'Customer Loyalty' as R Square is 0.247. The model shows that the variables are correlated since the multiple coefficients of correlation is 'R=0.497' and the adjusted R Square value is 0.247.

The variance explained by the model 2 is 29% indicating that the predictors 'Customer Satisfaction' and 'Customer Trust' jointly have an impact on 'Customer Loyalty' as R square is 0.29. The model shows that the variables are correlated since the multiple coefficients of correlation is 'R = 0.535' and the adjusted R Square value is 0.283.

The variance explained by the model 3 is 31% indicating that the predictors 'Customer Satisfaction', 'Customer Trust', and 'Customer Switching Barrier' altogether have a substantial impact on 'Customer Loyalty' as R square value is

0.309. The variables in the model have been found correlated since the multiple coefficients of correlation is 'R = 0.556' while the adjusted R Square value is 0.304.

The variance explained by the model 4 is 32% indicating that the predictors - Customer Satisfaction, Customer Trust, Customer Switching Barrier, and Services Quality altogether have a significant influence on Customer Loyalty as R square value is 0.318. The variables in the model have been found correlated since the multiple coefficients of correlation is R = 0.564 while the adjusted R Square value is 0.311.

ANOVA Table:

The ANOVA table (Table-7.32) shows that the Regression Model 1 is significant. It shows that customer's satisfaction has a substantial impact on customer's loyalty as F value is 132.178 with a significance of 0.000.

The regression model 2 is also significant. It indicates that customer's satisfaction and customer's trust have combined impact on customer's loyalty as F value is 80.711 with a significance of 0.000.

The regression model 3 is also found significant. It means that Customer Satisfaction, Customer Trust, and Customer Switching Barrier have a mutual impact on Customer Loyalty as F value is 59.739 in the study with a significance of 0.000.

The Table-7.32 shows that the regression model 4 is also significant. It shows that customer's satisfaction, customer's trust, customer's switching barrier and services quality have a mutual impact on customer's loyalty as F value is 46.534 with a significance of 0.000.

Table 7.32: ANOVA for Model C

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	46.393	1	46.393	132.178	.000
	Residual	141.449	403	.351		
	Total	187.842	404			
2	Regression	53.817	2	26.909	80.711	.000
	Residual	134.025	402	.333		
	Total	187.842	404			
3	Regression	58.020	3	19.340	59.739	.000
	Residual	129.822	401	.324		
	Total	187.842	404			
4	Regression	59.652	4	14.913	46.534	.000
	Residual	128.190	400	.320		
	Total	187.842	404			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Customer Satisfaction

c. Predictors: (Constant), Customer Satisfaction, Customer Trust

d. Predictors: (Constant), Customer Satisfaction, Customer Trust, Customer Switching Barrier

e. Predictors: (Constant), Customer Satisfaction, Customer Trust, Customer Switching Barrier, Services Quality

Coefficients:

In the first regression model, the independent variable is customer’s satisfaction while customer’s loyalty is a dependent variable. In the model, the variable customer’s satisfaction and constant are significant. The coefficient of customer’s satisfaction (CS) is 0.512, t value is 11.497 which is significant at 0.00 level as per the Table - 7.33. The results show that customer’s satisfaction has a substantial influence on customer’s loyalty.

Table 7.33: Coefficients for Model: C

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		
	B	Std. Error	Beta			Lower Bound	Upper Bound	
1	(Constant)	1.680	.167		10.032	.000	1.351	2.009
	Customer Satisfaction	.512	.045	.497	11.497	.000	.425	.600
2	(Constant)	1.068	.208		5.126	.000	.659	1.478
	Customer Satisfaction	.403	.049	.391	8.177	.000	.306	.499
	Customer Trust	.254	.054	.225	4.719	.000	.148	.360
3	(Constant)	.666	.234		2.847	.005	.206	1.125
	Customer Satisfaction	.391	.049	.379	8.041	.000	.295	.487
	Customer Trust	.233	.053	.207	4.365	.000	.128	.338
	Customer Switching Barrier	.145	.040	.152	3.603	.000	.066	.224
4	(Constant)	.482	.246		1.957	.051	-.002	.967
	Customer Satisfaction	.358	.051	.347	7.077	.000	.258	.457
	Customer Trust	.209	.054	.186	3.868	.000	.103	.315
	Customer Switching Barrier	.140	.040	.147	3.503	.001	.062	.219
	Services Quality	.112	.050	.104	2.256	.025	.014	.210

a. Dependent Variable: Customer Loyalty

In the second regression model, the independent variables are customer's satisfaction and customer's trust while customer's loyalty is a dependent variable. In the regression model, the variables customer's satisfaction, customer's trust and constant are significant. The coefficient of customer's satisfaction (CS) is 0.403, t value is 8.177 which is significant at 0.00 level as per Table-7.33. The coefficient of customer's trust (CT) is 0.254, t value is 4.719 which is significant at 0.00 level. The results show that customer's satisfaction and customer's trust have a significant impact on customer's loyalty.

In the third regression model, the independent variables are customer's satisfaction, customer's trust and customer's switching barrier while customer's loyalty is the dependent variable. In this regression model, the Table-7.33 depicts that customer's satisfaction, customer's trust, customer's switching barriers and constant are significant. The coefficient of customer's satisfaction (CS) is 0.391, t value is 8.04 which is significant at 0.00 shown in the Table-7.33. The coefficient of customer's trust (CT) is 0.233, t value is 4.37 which is found significant at 0.00 level. The coefficient of customer's switching barriers (CSB) is 0.145, t value is 3.60 which is also significant at 0.00 level. The results show that customer's satisfaction, customer's trust and customer's switching barrier together have a substantial influence on customer's loyalty.

In the fourth regression model, the independent variables are customer's satisfaction, customer's trust, customer's switching barrier, and services quality while customer's loyalty is the dependent variable. In this regression model, the variables – customer's satisfaction, customer's trust, customer's switching barrier, service quality, and constant are significant. The Table-7.33 depicts that the coefficient of customer's satisfaction (CS) is 0.358, t value is 7.08 which is significant at 0.00 level. The coefficient of customer's trust (CT) is 0.209, t value is 3.87 which is significant at 0.00 level. The coefficient of customer's switching barrier (CSB) is 0.140, t value is 3.50 which is significant at 0.01 level. The coefficient of services quality is 0.112, t value is 2.26 which is significant at 0.025 level. The results show that customer's satisfaction, customer's trust, customer's switching barrier and services quality altogether have significant influences on customer's loyalty.

7.12 Confirmatory Factor Analysis (CFA)

Confirmatory Factor Analysis (CFA) is a tool of statistics used to check and verify the structure of factors or variables being observed in a study. CFA helps the researchers to check the hypothesis that there are relationships between the variables being observed and their underlying latent constructs in a study. In this study, the researcher has conducted CFA to test whether the indicators actually measure the constructs or not.

A measurement model analyzes how the latent constructs are measured based on the variables being observed in the study and the properties of measurement. It has been suggested that the properties of measurement model need to be satisfied first before going for a structural model (Barclay et al., 1995; Fornell & Larcker 1981). The following segments focus on the assessment of measurement model by measuring the specific item's reliability, internal consistency and discriminant validity (Barclay et al., 1995; Hulland, 1999).

Measurement part of a structural model is tested in Confirmatory Factor Analysis (CFA). There are some measures of the testing measurement model. Before testing the measurement model, unidimensionality of each measurement model has been tested based on the constructs.

In this study, Confirmatory Factor Analysis (CFA) has been performed using AMOS-21 on the variables of customer relationship management with the factors generated by EFA about the items that converged on the proposed seven factors. The initial model has been developed based on the factors identified through EFA. Then, the model has been evaluated using the goodness of fit results and using modification indices to confirm that the final model has a good fit to the data. Through conducting CFA, the factor 'Customer Culture' has been eliminated because of high standard error (in unidimensionality checking, the measurement model for Customer Culture has become unidentified). An unidentified model should not be retained with the final Structural Model.

Through conducting CFA, the factor 'Customer Culture' has been eliminated. After that, the study has found the results that fit well. The fit measures indicate that the model is acceptable (Chi-square = 286.326; df = 172; Probability level 0.00; RMSEA= 0.041; NFI= 0.889; CFI= 0.952; AGFI= 0.92; GFI= 0.94; RMR=0.03).

Table 7.34: Table for GFI and RMR

Model	RMR	GFI	AGFI	PGFI
Default model	.031	.937	.916	.698
Saturated model	.000	1.000		
Independence model	.170	.443	.388	.403

Source: Data Collected from the Survey

The Table-7.34 indicates the GFI (Goodness of Fit Index), AGFI (Adjusted Goodness of Fit Index) and PGFI (Parsimonious Goodness of Fit Index) values are 0.937, 0.916 and 0.698 which are acceptable. The threshold value for GFI, AGFI and PGFI are ($0.90 \leq \text{GFI} \leq 0.95$; $0.90 \leq \text{AGFI} \leq 0.95$ and $\text{PGFI} > 0.5$) (Kline, 2005; Byrne, 2001; Kelloway, 1998). The RMR (Root Mean Squared Residual) is 0.031 which is also moderately acceptable.

Table 7.35: The CMIN Table

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	59	286.326	172	.000	1.665
Saturated model	231	.000	0		
Independence model	21	2575.405	210	.000	12.264

Source: Data Collected from the Survey

The Cmin/df value ought to be lower than 2 to consider the model to be a good fit, for the present study the Cmin/df value is 1.665 as per Table - 7.35.

Both the values of Goodness of Fit Index (GFI) and Adjusted Goodness of Fit Index (AGFI) are 0.94 and 0.92 respectively indicating good Fit of the model. During the model improvement process, the value of RMR has continuously been monitored and current model has minimum RMR (0.03).

Table 7.36: Parsimony - Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.819	.728	.779
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

Source: Data Collected from the Survey

Table 7.37: RMSEA (Root Mean Square Error of Approximation)

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.041	.032	.049	.972
Independence model	.167	.161	.173	.000

Source: Data Collected from the Survey

Table-7.36 and Table-7.37 show that all the Parsimonious Goodness of Fit Indexes need to have values which are greater than 0.5. Here the values of PNFI and PCFI are 0.73 and 0.78 respectively which indicate a good fit of the model to the data. It is to note that the factor ‘Customer Culture’ has been excluded with the help of CFA due to high standard error and under-identification in unidimensionality checking. The RMSEA value is 0.41 where the threshold value is $(0.05 \leq \text{RMSEA} \leq .08)$.

7.12.1 Confirmatory Factor Analysis (CFA) Diagram

The CFA diagram obtained from AMOS is presented below:

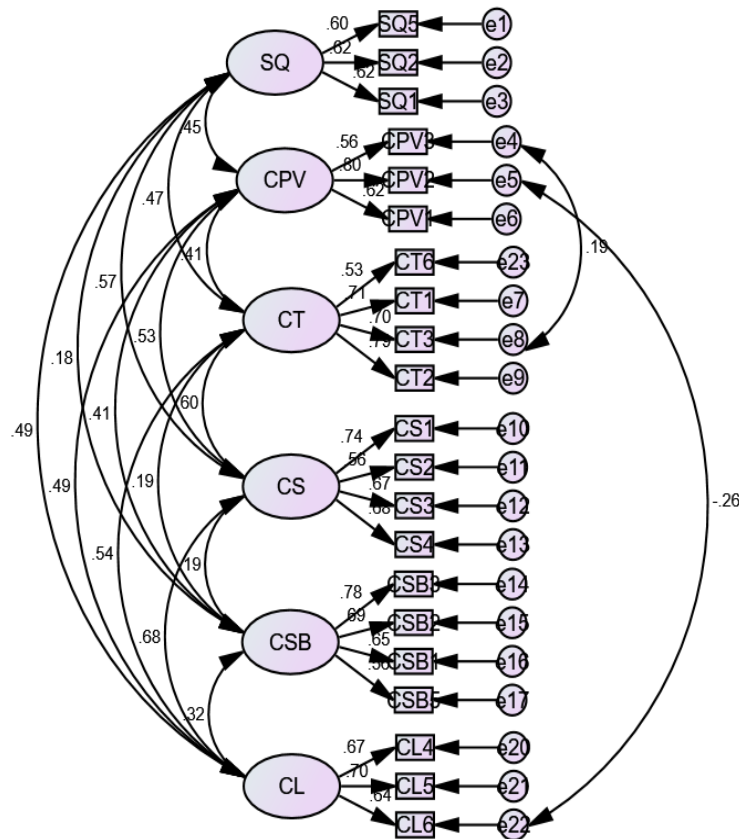


Figure: 7.2: CFA- Diagram for CRM Tools

In the study, it has been observed that the model fits the data rationally well since the fit measures are (Chi-square= 286.326; df = 172; Probability level 0.00; RMSEA= 0.041; NFI= 0.889; CFI= 0.952; AGFI= 0.92; GFI= 0.94; RMR=0.03). The Parsimonious Goodness of Fit Indexes need to have values that are greater than 0.5; here the values of PNFI and PCFI are 0.73 and 0.78.

In Confirmatory Factor Analysis (CFA), this study has tested the following:

- a. Convergent Validity (Actually Internal validity)
- b. Discriminant Validity

a. Convergent Validity (Actually Internal Validity)

Convergent Validity denotes the degree to which two measures of constructs, which are supposed to be related, are truly related to each other. It also examines whether the items of the constructs are loaded up very well or not. Primarily, Convergent Validity examines the internal validity of a measurement model. Convergent Validity also measures the reliability, factor loadings and variance of the items in the study.

It has been observed that there are different opinions available in the literature about the reliability of an item. Barclay et al. (1995) mentioned that the items having less than 0.707 loadings should be excluded. Again, Hulland's (1999) suggested that the items having less than 0.50 factor loadings should not be retained for structural modelling. On the other hand, some other authors also mentioned that an individual loading minimum of 0.40 is acceptable (Igbaria, et al. 1997; Hair, et al. 1998).

In this study, the internal validity of the measurement model has been examined by calculating the following;

- i. Internal Consistency (Alpha),
- ii. Average Variance Extracted (AVE) and
- iii. Composite Reliability (Fornell and Larker, 1981).

i. Internal Consistency

Table- 7.38 Internal Consistency

Constructs/ Factors	Alpha Value
CT	.772
CSB	.762
CS	.756
CL	.700
SQ	.650
CPV	.700

Source: Data Collected from the Survey

The Table - 7.38 in the study indicates that all the items except Services Quality (SQ) have the alpha value greater than 0.70. The construct Services Quality (SQ) also has the value 0.650 which is close to 0.70. So, the researcher can conclude that all the constructs have met the threshold value of internal consistency in the study.

ii. Average Variance Extracted (AVE)

The Average Variance Extracted (AVE) is a method to perform and ensure the convergent analysis of the measurement. And, the AVE depicts the amount of variance found by the construct’s measures in relation to the measurement error and the correlations among the latent variables in the study. The AVE also shows the average variance extracted of an individual construct on the basis of its corresponding items. Again, Fornell and Larcker (1981) suggested that the Average Variance Extracted (AVE) can be used as a criterion of convergent validity in a study. An AVE value of 0.5 or above indicates substantial convergent validity which means that a latent variable is capable of explaining more than half of the variance of its indicators on an average (Hensler, et al., 2009).

Table 7.39: Table for AVE (Average Variance Extracted)

Constructs / Factors	Alpha Value	AVE
CT	0.772	0.533
CSB	0.762	0.557
CS	0.756	0.461
CL	0.700	0.502
SQ	0.650	0.501
CPV	0.700	0.539

Source: Data Collected from the Survey

The Table- 7.39 shows that the AVE of each measure extracted in the study is more than or equal to 50% of the variance except CS (Customer Satisfaction). The factor ‘Customer Satisfaction (CS)’ has 46% variability, which is close to 50%. So, the researcher can conclude that the internal validity of the measurement model in the study is adequate (Bagozzi and Yi, 1988).

iii. Composite Reliability

Convergent Validity shows a set of indicators which represent a single and the same underlying construct to be exhibited through their unidimensionality. And, this measure is being regarded as superior one to the traditional measure of consistency (Cronbach's alpha) since this measure is not influenced by the number of indicators (Hanlon, 2001). At times, it is considered the same as Cronbach alpha as a measure, but it is preferred in this study context since it estimates internal consistency on the basis of actual construct loading (White, et al., 2003). On the other hand, Bagozzi, et al., (1998) pointed out that the cut-off point value for the internal consistency is 0.60. Again, the internal consistency of 0.70 or more is regarded as adequate to establish the Convergent Validity of a measurement model (Barclay, et al., 1995).

Table 7.40: Table for Composite Reliability (CR)

Constructs / Factors	Alpha Value	CR
CT	.772	0.819
CSB	.762	0.833
CS	.756	0.773
CL	.700	0.751
SQ	.650	0.749
CPV	.700	0.777

Source: Data Collected from the Survey

It has been found that all the composite reliabilities shown in the Table-7.40 are above the recommended value 0.7 (Nunnally and Bernstein, 1994). Thus, all the constructs of the study have satisfactory composite reliability.

7.12.2 Whether Convergent Validity established or Not?

In this study, the convergent validity for all the constructs has been established. For the construct 'Customer Trust (CT)', the Alpha value is 0.772 (threshold 0.70), AVE is 0.53 (threshold 0.50) and CR (Composite Reliability) is 0.819 (threshold 0.70). The

construct CT meets the three criteria. So, the researcher has come to a conclusion that the convergent validity of the construct ‘Customer Trust (CT)’ has been established.

Table 7.41: Convergent Validity

Constructs/ Factors	Alpha Value	AVE	CR	Convergent Validity
CT	.772	0.533	0.819	Established
CSB	.762	0.557	0.833	Established
CS	.756	0.461	0.773	Established
CL	.700	0.502	0.751	Established
SQ	.650	0.501	0.749	Established
PCV	.700	0.539	0.777	Established

Source: Data Collected from the Survey

The convergent validity for the construct ‘Customer Switching Barrier (CSB)’, the Alpha value is 0.762 (threshold 0.70), AVE is 0.557 (threshold 0.50) and CR (Composite Reliability) is 0.833 (threshold 0.70). The construct CSB meets all required criteria. Thus, the researcher has come to a conclusion that the convergent validity of the construct ‘Customer Switching Barrier (CSB)’ has been established.

The convergent validity for the construct ‘Customer Satisfaction (CS)’, the Alpha value is 0.756 (threshold 0.70), AVE is 0.461 (threshold 0.50) and CR (Composite Reliability) is 0.733 (threshold 0.70). The construct CS meets almost three criteria. In fine, the researcher has come to a conclusion that the convergent validity for the construct ‘Customer Satisfaction (CS)’ has been established.

The convergent validity for the construct ‘Customer Loyalty (CL)’, the Alpha value is 0.70 (threshold 0.70), AVE is 0.501 (threshold 0.50) and CR (Composite Reliability) is 0.751 (threshold 0.70). The construct ‘Customer Loyalty’ meets the three criteria. Thus, the researcher has come to a conclusion that the convergent validity of the construct ‘Customer Loyalty (CL)’ has been established.

The convergent validity for the construct ‘Service Quality (SQ)’, the Alpha value is 0.650 (threshold 0.70), AVE is 0.502 (threshold 0.50) and CR (Composite Reliability) is 0.749 (threshold 0.70). The construct ‘Service Quality (SQ)’ meets the three

criteria. So, the researcher has come to the conclusion that the convergent validity of the construct ‘Service Quality (SQ)’ has been established.

The convergent validity for the construct ‘Customer Perceived Value (CPV)’, the Alpha value is 0.70 (threshold 0.70), AVE is 0.539 (threshold 0.50) and CR (Composite Reliability) is 0.777 (threshold 0.70). The construct ‘CPV’ meets all the three criteria. So, the researcher has come to a conclusion that the convergent validity of the construct ‘Customer Perceived Value (CPV)’ has been established.

b. Discriminant Validity

The discriminant validity of the variables in a study shows to what extent the constructs are different from one another. The discriminant validity of the measures can be examined in two different ways which are as follows.

- i. The AVE has been compared with the square of the parameter estimated among the latent variables (Fornell and Larcker, 1981). Here, the researcher has compared the squared correlations and AVE scores with each of the pairwise constructs.
- ii. The discriminant validity of each construct has been proved by each indicator loading.

Table 7.42: Discriminant Validity

Discriminant Validity	Factor Correlation	Correlation Squared	AVE1	AVE2	Validity AVES should be > r square
SQ<-->CPV	.449	0.201601	0.501	0.539	Established
SQ<-->CT	.471	0.221841	0.501	0.533	Established
SQ<-->CS	.566	0.320356	0.501	0.461	Established
SQ<-->CL	.485	0.235225	0.501	0.502	Established
SQ<-->CSB	.181	0.032761	0.501	0.557	Established
CPV<-->CT	.406	0.164836	0.539	0.533	Established
CPV<-->CS	.534	0.285156	0.539	0.461	Established
CPV<-->CL	.490	0.2401	0.539	0.502	Established
CPV<-->CSB	.408	0.166464	0.539	0.557	Established
CT<-->CS	.595	0.354025	0.533	0.461	Established
CT<-->CL	.538	0.289444	0.533	0.502	Established
CT<-->CSB	.190	0.0361	0.533	0.557	Established
CS<-->CL	.681	0.463761	0.461	0.502	Established
CS<-->CSB	.187	0.034969	0.461	0.557	Established
CSB<-->CL	.319	0.101761	0.557	0.502	Established

Source: Data Collected from the Survey

In the present study, discriminant validity has been tested by calculating the correlation of the pairwise paths. At first, correlations of the pairwise paths have been calculated. Finally, the squared correlation has compared with the values of the AVE (Average Variance Extracted). In all cases, it has been found that the squared correlation value is less than the AVE (S). So, the researcher has come to a conclusion that the discriminant validity of the study for all constructs has been established.

The Table - 7.42 shows the information for discriminant validity. In the first path SQ<-->CPV, the study has found correlation value 0.449. The squared value of the path is 0.202 which is less than AVE for Services Quality (SQ) and AVE for Customer Perceived Value (CPV). The AVE (S) for SQ and CPV are 0.501 and 0.539 respectively. So, the validity of the path SQ<-->CPV has been established.

In the path SQ \leftrightarrow CT, the study has found correlation value 0.471. The squared value of the path is 0.222 which is less than AVE for Services Quality (SQ) and AVE for Customer Trust (CT). The AVE (S) for SQ and CT are 0.501 and 0.533 respectively. So, the validity of the path SQ \leftrightarrow CT has been established.

Similarly, the validity of all possible paths has been established.

7.13 Structural Equation Modeling (SEM)

Structural Equation Modeling (SEM) is a method which assimilates different elements of a research model in a holistic way that includes the following steps (Chin, 1998).

- i) To develop a theoretical framework where each element depicts its meaning partly through a homological network
- ii) To specify the auxiliary theories which are related to empirical measures and process for the measurement of theoretical concepts
- iii) To develop relationships between theory and data in the study based on interpretation of data following objectives, data properties, and theoretical knowledge and measurement relating to the study

According to Chin (1998), SEM consists of three primary components which are mentioned below;

- i) Indicators which are often called manifest variables or observed measures or variables
- ii) Latent variables such as constructs, concepts, factors
- iii) Path relationships such as correlation, one-way path, or two-way paths and so on

According to Byrne (1998), the Structural Equation Modeling (SEM) is a statistical methodology that takes a confirmatory i.e. hypothesis-testing approach to the multivariate analysis of a structural theory bearing on some phenomenon. A structural theory is applied to clarify and interpret relationships among multiple variables. Finally, the procedures in Structural Equation Modeling (SEM) are represented by a series of structural equations and relationships which can be presented pictorially through a model to give a clear understanding of the theory in a particular study (Yoon, 2002).

7.13.1 Use of Structural Equation Modeling (SEM)

As a statistical tool, Structural Equation Modeling (SEM) is being applied to test the hypotheses relating to a comprehensive model in the study. SEM helps the researcher to assess the relationships among the antecedents' constructs of the developed destination of a model. It has been found that SEM offers a good number of advantages over other multivariate techniques, and the advantages are mentioned below.

- i. The SEM is highly flexible in reciprocal relationships where errors can be correlated or uncorrelated and it depicts different types of interactions and relationships.
- ii. It represents, estimates, and tests a theoretical network of linear relations between variables where the variables may be either observable or unobservable directly.
- iii. It helps the researchers to overtly recognize the imperfect nature of the measures by interjecting a flexible factor between the measures and the traits being measured.
- iv. The method is a robust statistical tool for dealing with the difficult problems of multicollinearity effectively.
- v. It gives a meaningful graphical language that provides with a convenient and holistic way to depict intricate relationships with others.
- vi. It has been accepted as a standard tool in many scientific disciplines for examining the theoretical models which can explain the relationships among a set of variables (Chi, 2005).

Thus, Structural Equation Modeling (SEM) reflects a series of different and independent multiple regression equations simultaneously by identifying the structural model used by the statistical programs. In addition, it incorporates latent variables into an analysis which has both applied and academic explanation by improving statistical estimation, representing theoretical concepts, and accounting for measurement error (Hair et al., 1998). In fine, it is a generalization of both factor analysis and regression that incorporates most linear modelling methods as special cases (Chi, 2005).

7.14 Hypotheses Testing

SEM has been performed in this study to examine the hypotheses developed in the beginning of the study as well as to check the goodness of fit of the hypothesized model. The results of the hypotheses tested in the study are shown in the following Table - 7.43.

Table 7.43: Results of the Research Hypotheses

Hypotheses	Dependent Variable	Independent Variable	Estimate	Standardized Estimate	SE	C.R.	P	Supported
H1	CPV	SQ	.347	.313	.097	3.568	***	Supported
H2	CS	SQ	.331	.284	.096	3.463	***	Supported
H3	CL	SQ	.106	.097	.096	1.107	.268	Rejected
H4	CPV	CT	.272	.280	.075	3.629	***	Supported
H5	CS	CT	.351	.345	.073	4.790	***	Supported
H6	CL	CT	.172	.179	.077	2.224	.026	Supported
H7	CS	CPV	.278	.265	.076	3.650	***	Supported
H8	CL	CS	.485	.515	.096	5.073	***	Supported
H9	CL	CSB	.150	.179	.048	3.103	.002	Supported
H10	CL	CC	Please see the table no. 7.44					

Source: Data Collected from the Survey

The hypothesized relationships among the antecedents of Customer Satisfaction and Customer Loyalty have been checked. The factor Customer Culture (CC) has been eliminated from the conceptual framework due to under-identification and high standard error in confirmatory factor analysis. After that, the model has been reconfigured with 6 constructs of the CRM model and relationships have been checked.

The study has found that the construct ‘Services Quality (SQ)’ has significant influences on Customer Perceived Value (CPV) as H 01 is supported. This study also has found that Services Quality (SQ) has significant influences on Customer Satisfaction (CS) since H 02 is supported. Services Quality (SQ) does not have a direct influence on Customer Loyalty (CL) as H 03 is rejected. On the other hand, it has been observed that Services Quality (SQ) indirectly affects Customer Loyalty (CL) because Services Quality (SQ) leads to Customer Satisfaction (CS) and Customer Satisfaction (CS) has substantial influences on Customer Loyalty (CL) as H 08 is supported.

It has been found that Customer Trust (CT) has significant impacts on Customer Perceived Value (CPV), Customer Satisfaction (CS) and Customer Loyalty (CL) as H 04, H 05, and H 06 are supported.

It has also been found that Customer Perceived Value (CPV) has a direct impact on Customer Satisfaction (CS) as H 07 is supported.

It has also been observed that Customer Switching Barrier (CSB) has a direct impact on Customer Loyalty (CL) as H 09 is accepted.

For the hypothesis H 10, the researcher has performed regression analysis and the regression Table-7.44 (variables excluded) shows that the factor ‘Customer Culture (CC)’ does not have a substantial influence on Customer Loyalty (CL).

In multiple regression analysis with the forward method, the study has found that the factor ‘Customer Culture (CC)’ does not have a substantial influence on Customer Loyalty (CL). In the Table - 7.44, model 4 indicates that Customer Culture (CC) does not have significant influences on Customer Loyalty as significance level or p-value is 0.547.

Table 7.44: Excluded Variable (Customer Culture)

Model	Beta In	T	Sig.
1	.225 ^b	4.719	.000
	.151 ^b	3.235	.001
	.140 ^b	3.024	.003

	Customer Switching Behavior	.172 ^b	4.017	.000
	Customer Culture	.097 ^b	2.222	.027
	Services Quality	.113 ^c	2.402	.017
	Customer Perceived Value	.099 ^c	2.136	.033
2	Customer Switching Behavior	.152 ^c	3.603	.000
	Customer Culture	.083 ^c	1.956	.051
	Services Quality	.104 ^d	2.256	.025
	Customer Perceived Value	.062 ^d	1.308	.192
3	Customer Culture	.039 ^d	.877	.381
	Customer Perceived Value	.048 ^e	1.005	.316
4	Customer Culture	.027 ^e	.602	.547

a. Dependent Variable: Customer Loyalty

b. Predictors in the Model: (Constant), Customer Satisfaction

c. Predictors in the Model: (Constant), Customer Satisfaction, Customer Trust

d. Predictors in the Model: (Constant), Customer Satisfaction, Customer Trust, Customer Switching Barrier

e. Predictors in the Model: (Constant), Customer Satisfaction, Customer Trust, Customer Switching Barrier, Services Quality

Again, a regression model has been performed by considering Customer Loyalty as Dependent Variable where Services Quality, Customer Trust, Customer Satisfaction, Customer Perceived Value, Customer Switching Barrier, and Customer Culture have been the independent variables. In that regression model, the coefficients statistics of the construct 'Customer Culture' are shown in Table-7.45.

Table 7.45: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.387	.262		1.480	.140
Services Quality	.101	.051	.094	2.003	.046
Customer Trust	.200	.055	.178	3.648	.000
Customer Switching Barrier	.122	.043	.128	2.826	.005
Customer Satisfaction	.345	.052	.335	6.665	.000
Customer Perceived Value	.052	.052	.047	.994	.321
Customer Culture	.025	.043	.026	.586	.558

a. Dependent Variable: Customer Loyalty

The Table - 7.45 indicates that the predictor 'Customer Culture (CC)' does not have significant influences on Customer Loyalty as p-value is 0.558. So, the hypothesis (H10) is rejected.

7.15 The Model of Customer Relationship Management (CRM)

The researcher has reached the final model of Customer Relationship Management (CRM) that shows the factors which have significant influences on Customer Loyalty, the main focus of CRM in financial services industry. The final model of Customer Relationship Management is shown in the following Figure -7.3.

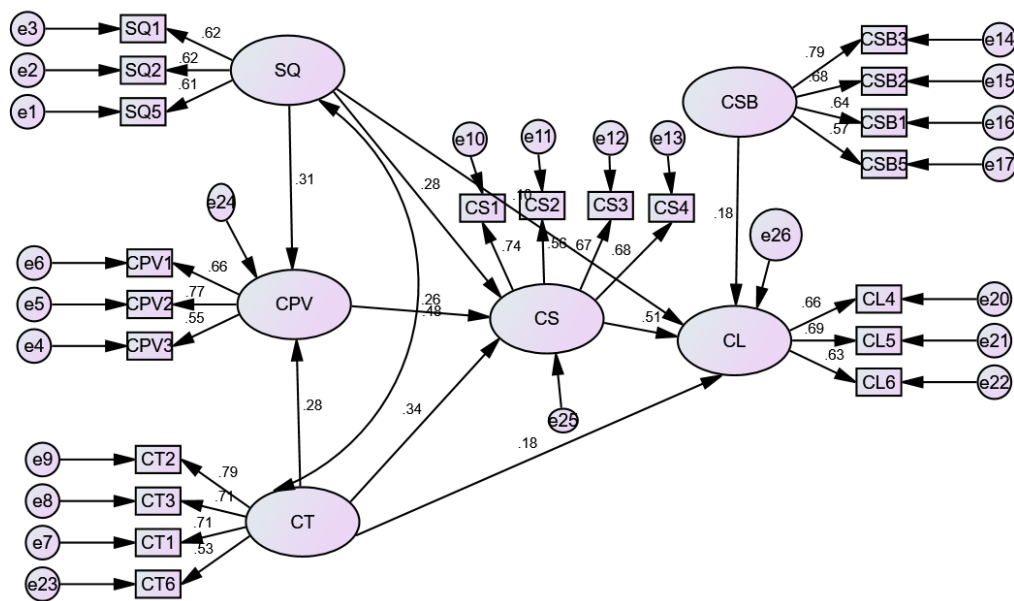


Figure 7.3: The Model of Customer Relationship Management

The overall fit of the final hypothesized model has been tested by using the maximum likelihood, goodness of fit indices and modification indices to ensure that the final model has a good fit to the data. The Chi-Square statistics provided in the AMOS (a software package for SEM, Version-21) output and their fit indices such as the ratio of Chi-Square to Degrees of Freedom (df), Goodness-of-Fit Index (GFI), The Root Mean Square Error of Approximation (RMSEA), Comparative Fit Index (CFI), Normed Fit Index (NFI). Chi-Square and Degree of freedom were 351.013 and 179. The Cmin/df value should be smaller than 02 to consider a model with a good fit, the Cmin/df value is 1.961 in the existing study. The goodness of fit indices of the final hypothesized model of CRM tools and Customer Loyalty are shown in subsequent

Table - 7.46, Table - 7.47 Table - 7.48, Table - 7.49, Table - 7.50, Table - 7.51 respectively.

Table 7.46: Table for GFI and RMR

Model	<u>RMR</u>	GFI	AGFI	PGFI
Default model	.054	.924	.902	.716
Saturated model	.000	1.000		
Independence model	.170	.443	.388	.403

Source: Data Collected from the Survey

The Table - 7.46 indicates the GFI (Goodness of Fit Index), AGFI (Adjusted Goodness of Fit Index) and PGFI (Parsimonious Goodness of Fit Index) values are 0.924, 0.902 and 0.716 respectively and all these values are acceptable. The threshold value for GFI, AGFI and PGFI are ($0.90 \leq GFI \leq 0.95$; $0.90 \leq AGFI \leq 0.95$ and $PGFI > 0.5$) (Kline, 2005; Byrne, 2001; Kelloway, 1998). The RMR (Root Mean Squared Residual) is 0.054 which is also highly acceptable where the threshold value is $0.05 \leq RMR \leq 0.10$.

Table 7.47: The CMIN Table

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	52	351.013	179	.000	1.961
Saturated model	231	.000	0		
Independence model	21	2575.405	210	.000	12.264

Source: Data Collected from the Survey

The Cmin/df value should be lower than 02 to consider a model with a good fit, the Cmin/df value is 1.961 in this current study which is shown in the Table - 7.47.

Both the values of Goodness of Fit Index (GFI) and Adjusted Goodness of Fit Index (AGFI) are 0.924 and 0.902 respectively which indicate a good fit of the proposed

model. During the model improvement process, the value of RMR has continuously been monitored and the current model has minimum RMR (0.054).

Table-7.48: Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.852	.736	.790
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

Source: Data Collected from the Survey

Table-7.49: RMSEA (Root Mean Square Error of Approximation)

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.049	.041	.056	.595
Independence model	.167	.161	.173	.000

Source: Data Collected from the Survey

The Table - 7.48 and Table - 7.49 show that all the Parsimonious Goodness of Fit Indexes need to have values which are greater than 0.5 and here the values of PNFI and PCFI are 0.74 and 0.79 respectively that indicate a good fit of the model to the data. The RMSEA value is 0.49 / 0.50 where threshold value is ($0.05 \leq \text{RMSEA} \leq .08$).

Key Goodness of Fit Indices of the final hypothesized model of CRM in the financial services industry is summarized in the following Table - 7.50.

Table 7.50: Key Goodness – of – Fit Indices

Type of Fit	Key Index	Acceptable Level	In Proposed Model
Absolute Fit	Chi-Square (χ^2)	$2df \leq \chi^2 \leq 3df$	351.013
	Root Mean Square Error of Approximation (RMSEA)	$0.05 \leq RMSEA \leq .08$	0.049
	Goodness of Fit Index (GFI)	$0.90 \leq GFI \leq 0.95$	0.93
	Root Mean Squared Residual (RMR)	$0.05 \leq RMR \leq .10$	0.054
Comparative Fit	Normed Fit Index (NFI)	$0.90 \leq NFI \leq 0.95$	0.868
	Relative Fit Index (RFI)	$0.90 \leq RFI \leq 0.95$	0.84
	Incremental Fit Index (IFI)	$0.90 \leq IFI \leq 0.95$	0.93
	Comparative Fit Index (CFI)	$0.90 \leq CFI \leq 0.95$	0.93
Parsimonious Fit	Parsimonious Normed Fit Index (PNFI)	$PNFI > 0.5$	0.74
	Parsimonious Goodness-of-Fit Index (PGFI)	$PGFI > 0.5$	0.72
	Parsimonious Fit Index (PCFI)	$PCFI > 0.5$	0.79

Source: Adapted from Kline, 2005; Engel & Moosbrugger, 2003; Byrne, 2001; Kelloway, 1998.

The final model of CRM in the financial services industry of Bangladesh indicates that the constructs - Customer Trust (CT), Customer Satisfaction (CS), Customer Perceived Value (CPV), and Customer Switching Barrier (CSB) have direct and significant influences on Customer Loyalty (CL). The construct ‘Service Quality (SQ)’ does not have direct influences on Customer Loyalty (CL). The construct ‘Service Quality (SQ)’ has direct influence on Customer Satisfaction (CS) and

Customer Satisfaction influences Customer Loyalty. So, the construct ‘Services Quality (SQ)’ has indirect impacts on Customer Loyalty (CL). Services Quality (SQ) has a direct influence on Customer Perceived Value (CPV) and Customer Satisfaction (CS). Customer Perceived Value (CPV) has significant influences on Customer Satisfaction (CS). The construct ‘Customer Trust (CT)’ has direct influences on Customer Perceived Value (CPV), Customer Satisfaction (CS), and Customer Loyalty (CL). It has also been observed that the construct ‘Customer Switching Barrier (CSB)’ has a direct influence on the construct ‘Customer Loyalty (CL)’.

7.16 Multi-Group Analysis with Model Comparison (Moderating Variables)

One of the major objectives of the study is to check the effects of moderating variables (Generations of the Banks, Mode of Operations, and Ownership Structure) on the model of CRM. Do the models differ when the mode of operations (Conventional versus Islamic) are different? Do the models differ when Generation of the banks are different? Do the models differ when ownership of the banks are different? To check the roles of moderating variables (Generations of the Banks, Mode of Operations, and Ownership Structure) on the model of CRM, multi-group analysis has been performed in AMOS (Version 21). The effects of the moderating variables on different path relationships have been checked. This analysis of the study has been extended by using multi-group analysis to check the moderating effect of these three constructs on different path relationships of the structural model. The detailed information about the moderating variables is given in the following Table - 7.51.

Table 7.51: Information on Moderating Variables

Moderating Variables		Frequency	Percentages
Generations of the Banks	Old Generation Banks	299	73.8
	New Generation Banks	106	26.2
	Total	405	100
Conventional versus	Conventional Banks	318	78.5
	Islamic Banks	87	21.5

Islamic	Total	405	100
Local versus Foreign Banks	Local Banks	313	77.3
	Foreign Banks	92	22.7
	Total	405	100

Source: Data Collected from the Survey

From the multi-group analysis, the results of the hypotheses (H11, H12 and H13) have been estimated.

7.16.1 Level Converting for Moderating Variables

To check the role of moderating variables in the model of CRM, moderation analysis has been performed by using multi-group analysis in AMOS (Version 21). To determine the effects of the moderators on the model of CRM before analysis, the levels of some moderators have been converted.

To identify a moderation level for Generations of the Banks in this study, the variable level has been divided into two sets which are Old Generation and New Generation. The first and second generation banks are included in Old Generation and third generation banks are included in New Generation. An analysis of the variable Generations of the Banks demonstrates that two major generations emerged such as Old Generation and New Generation. It has been assumed that banks may be fundamentally different in terms of mode of operations, capital, image, service quality and so on.

To identify a moderation level for the mode of operations of the banks, the variable level has been divided into two sets such as Conventional PCBs and Islamic PCBs.

For the moderation level of the ownership structure of the banks, the variable level has been divided into two sets which are Local Banks and Foreign Banks. The domestic banks fall within the category of local banks and the banks which come from abroad and conducting their operations in Bangladesh fall within the category of foreign banks.

The banks selected from these groups may be fundamentally different in terms of various characteristics, perceptions, service quality, customer trust, image, and behaviours.

Regarding the effect of three moderating variables - Generations of the Banks (Old versus New), Ownership Structure (Foreign versus Local), and Mode of Operations (Islamic versus Conventional) on the model of CRM, AMOS based multi group analysis has been performed for each moderator individually. The analysis has been performed to determine the statistical significance of the difference between the strength of the relationship among variables taken from two data sets on the paths of the original structural model. The analysis of the multi-group analysis is discussed in the following section.

7.16.2 Assessment Process of Calculating Moderating Effects

A Chi-Square difference method for investigating the moderating effects in multi-group analysis is very popular and accepted. In this study, Chi-Square difference method has been used to check the moderating effects in multi-group analysis by considering each moderator individually. Does the model of CRM differ on the basis of generation or other moderating variables?

Chi-Square differences have been calculated with the following procedure:

- Step 1: Two separate models have been built for two groups in AMOS.
- Step 2: Model (one) has been found with the fewest insignificant path (S) in between two models.
- Step 3: The insignificant path of the model has been compared with another model.
- Step 4: The study has got the Chi-Square value and degree of freedom (df) of the unconstraint model.
- Step 5: The unconstraint model has been constrained and the Chi-Square value and degree of freedom (df) have been calculated for the constraint model.

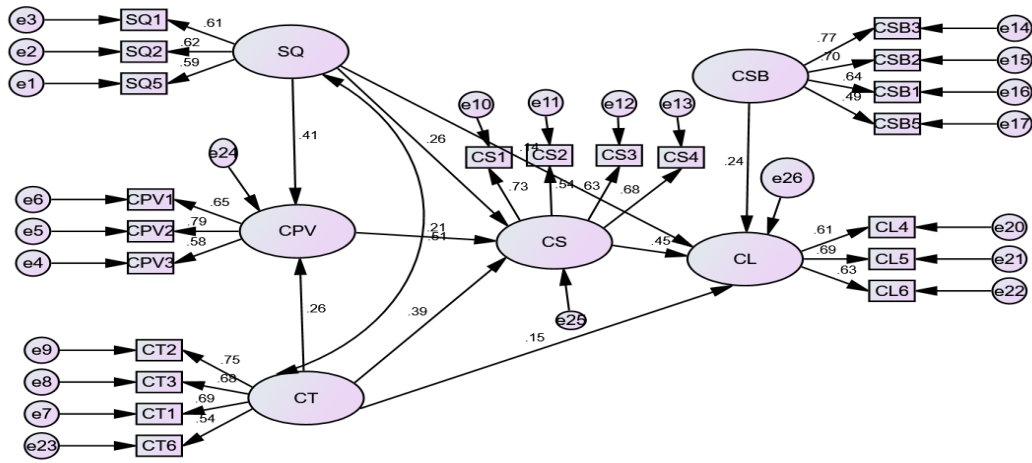
- Step 6: The Chi-Square value and degree of freedom (df) of the unconstrained model have been compared with and constrained model (Awang, Z., 2014; Floh and Treiblmaier, 2006).

In case of comparing the Chi-Square values of the models, the “Statistical Packages Tools” prepared by James Gaskin has been used. The moderation will be significant if the difference in Chi-Square value between the constrained and unconstrained model is more than 3.84 (Awang, Z., 2014). If the models varied on the basis of moderating variable in Chi-Square differences, then the path to path relationship (s) has been checked to find out the effects of the moderating variable. Firstly, in the path to path analysis, putting a parameter constraint on the selected path to be equal to “1”, the model has been renamed as the constrained model. Secondly, the Chi-Square value for the constraint model has been compared with the threshold Chi-Square value at different confidence levels (90%, 95% and 99%). Threshold Chi-Square values have been calculated with the help of “Statistical Packages Tools” prepared by James Gaskin. The same procedure has been followed for calculating the moderating effects of all the moderators in this study.

7.16.3 Moderating Effects of “Generation of the PCBs”

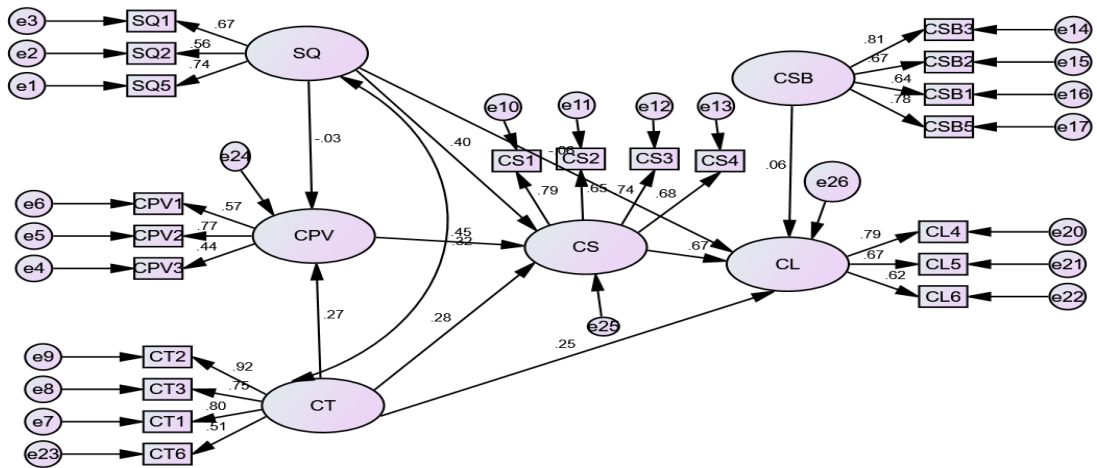
The structural models based on generations of the banks have been built in AMOS shown in Figure - 7.4, and Figure - 7.5 following the procedures mentioned in the section Assessment Process of Calculating Effects of Moderating Variables, the Chi-Square difference has been calculated. The two models and the table for Chi-Square difference are shown below:

Figure 7.4: Model for Old Generation PCBs



Source: Data Collected from the Survey

Figure 7.5: Model for New Generation PCBs



Source: Data Collected from the Survey

7.16.4 Chi-Square Differences of the Models: Generation of PCBs (Old and New) as Moderator

It has been observed that the structural models based on generations of PCBs are different. At the model level, groups (Old and New generation PCBs) are different. H11 is supported in this study.

Table 7.52: Chi-Square Difference Table

Model	Chi-Square	Df	p-value	Invariant?
Unconstraint	654.65	360	0.027	No
Fully Constraint	671.932	368		
Number of groups	2			
Difference	17.282	8		

Source: Data Collected from the Survey

The Chi-Square difference shown in Table-7.52 indicates that groups are different at the model level. The model is different in case of generations of the banks. Here, the Chi-Square difference is 17.282 and df is 8 which is significant at p-value 0.027. So, the researcher can conclude that the model varies at the levels of the Generation of PCBs.

As the models are variant on the basis of generation of the banks, it requires checking the path to path differences. To check the path to path difference, the study requires threshold chi-square value for the model. With the help of “Statistical Packages Tools” prepared by James Gaskin, the researcher has calculated the threshold chi-square values which are shown in the following Table - 7.53.

Table 7.53: Chi-Square Thresholds for the Model: Generation of PCBs (Old and New) as Moderator

Confidence level	Difference	Chi-Square	Df	p-value
At 90% Confidence		657.36	361	0.100
	Difference	2.71	1	
At 95% Confidence		658.49	361	0.050
	Difference	3.84	1	
At 99% Confidence		661.28	361	0.010
	Difference	6.63	1	

Source: Data Collected from the Survey

Any Chi-Square value more than the thresholds value will be a variant for a path by path analysis. This is only applicable to the models where the researcher is changing one path at a time (i.e., have a difference of one degree of freedom).

The path by path analysis where generations of the banks are moderating is shown in the Table - 7.54:

Table 7.54: Results of the Multi-Group Analysis: Generation of PCBs (Old and New) as a Moderator

Path to Path	Old Generation (1 st and 2 nd Generation)				New Generation (3 rd Generation)				Chi-Square for the path by path	Variant or Not?
	Estimate	SE	CR	P	Estimate	SE	CR	P		
SQ to CPV	.478	.126	3.804	***	-.029	.149	-.196	.844	660.737 > minimum threshold 656.36	Yes at 95% Confidence
CT to CPV	.292	.103	2.846	.004	.200	.100	1.989	.047	655.018 < minimum threshold 656.36	No
SQ to CS	.302	.126	2.397	.017	.437	.143	3.051	.002	654.892 < minimum threshold 656.36	No
CPV to CS	.217	.094	2.311	.021	.494	.154	3.208	.001	657.575 > minimum threshold 656.36	Yes at 95% confidence
CT to CS	.432	.102	4.220	***	.231	.090	2.557	.011	656.404 > minimum threshold 656.36	Yes at 90% confidence
CS to CL	.433	.118	3.674	***	.590	.155	3.802	***	654.785 < min. Thres.	No
CSB to CL	.218	.065	3.352	***	.045	.065	.697	.486	658.126 > minimum threshold 656.36	Yes at 90% confidence
CT to CL	.160	.112	1.429	.153	.182	.085	2.136	.033	654.669 < minimum threshold 656.36	No
SQ to CL	.164	.123	1.331	.183	-.060	.123	-.486	.627	654.291 < minimum threshold 656.36	No

Source: Data Collected from the Survey

It has been found that the structural models based on the generation of banks are different as chi-square values for the respondents of Old Generation banks and for the respondents of New Generation banks are different. In the path to path relationships, it has been found that generations of the banks moderate four relationships among the nine relationships. In case of Services Quality (SQ) → Customer Perceived Value (CPV), Customer Perceived Value (CPV) → Customer Satisfaction (CS), Customer Trust (CT) → to Customer Satisfaction (CS) and Customer Switching Barrier (CSB) → to Customer Loyalty (CL) the path relationships vary.

In the path relationship of Services Quality (SQ) → Customer Perceived Value (CPV), the models (one for old generation and another one is for a new generation) vary at 95% confidence as Chi Square value for the constrained model (SQ to CPV path was constrained) is 660.737. The Table-7.54 indicates that the regression weight for the path relationship of Services Quality (SQ) → Customer Perceived Value (CPV) for the Old Generation banks is .478 and for the New Generation banks is -0.29. The regression weight indicates that the services quality of Old Generation banks is better than the New Generation banks. The customers of Old Generation banks perceived that they are getting more value or benefits whereas customers of New Generation banks perceived that they are getting a lower value.

In the path relationship of Customer Perceived Value (CPV) → Customer Satisfaction (CS), the models (one is for old generation and another is for new generation) vary at 95% confidence as Chi Square value for the constrained model (CPV to CS path was constrained) is 657.575. It indicates that there is a slight variation in the path the models have existed.

In the path relationship of Customer Trust (CT) → Customer Satisfaction (CS), the models (one is for Old Generation and another is for New Generation) vary at 90% confidence as Chi Square value for the constrained model (CT to CS path was constrained) is 656.404. It indicates that there is a slight variation in the path relationships in two models. The Table 7.54 indicates that the regression weight for the path relationship of Customer Trust (CT) → Customer Satisfaction (CS) for the Old Generation banks is .432 and for the New Generation banks is 0.231. The regression weight also indicates that Customer Trust within the customers of the Old

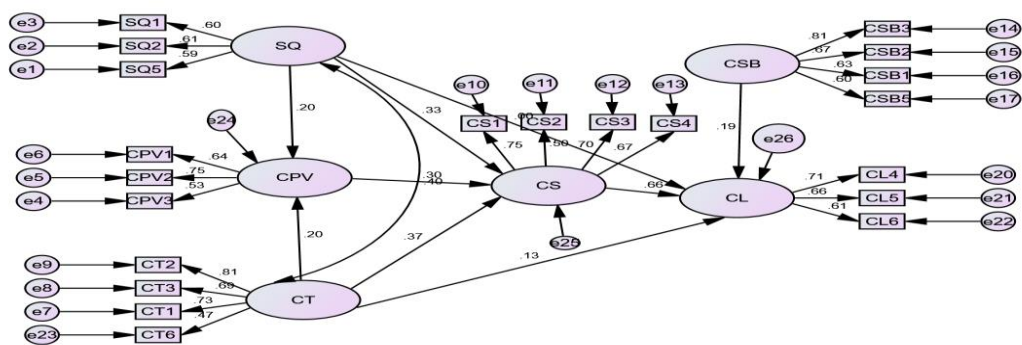
Generation banks is higher than that of New Generation banks. The Old Generation banks have built the Customer Trust as they have been doing business for a long time. In the path relationship of Customer Switching Barrier (CSB) → Customer Loyalty (CL), the models (one is for Old Generation and another is for New Generation) vary at 90% confidence as Chi Square value for the constrained model (CSB to CL path was constrained) is 658.126. It indicates that there is a slight variation in the path relationships of the two models. The Table-7.54 indicates that the regression weight for the path relationship of Customer Switching Barrier (CSB) → Customer Loyalty (CL) for the Old Generation banks is 0.218 and for the New Generation banks is 0.045. The regression weight also indicates that Customer Switching Barriers within the customers of the Old Generation banks are higher. The customers of Old Generation banks hesitate to switch the banks or think it as a hassle. The Old Generation banks have established the strong customer switching barriers. The banks of the New Generations have lower customer switching barriers. In case of Old Generation banks, the Customer Switching Barriers have an impact on Customer Loyalty significantly.

The models are invariant in the rest of the path relationships such as Customer Trust (CT) to Customer Perceived Value (CPV), Services Quality (SQ) to Customer Satisfaction (CS), Customer Satisfaction (CS) to Customer Loyalty (CL), Customer Trust (CT) to Customer Loyalty (CL), and Services Quality (SQ) to Customer Loyalty (CL).

7.16.5 Moderating Effects of “Mode of Operations”

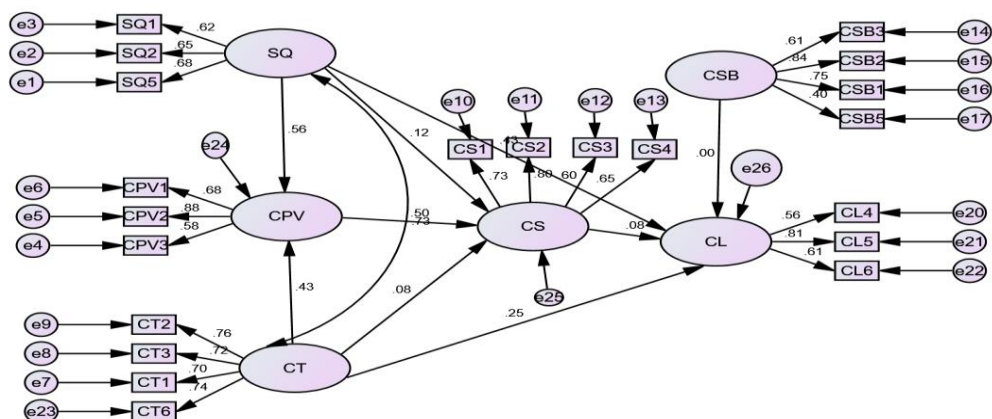
The structural models based on the mode of operations of the banks (Conventional versus Islamic PCBs) have been developed in AMOS by following the procedures mentioned in the section Assessment Process of Calculating Effects of Moderating variables, and the Chi-Square difference has also been calculated. The two models and the Chi-Square Difference are shown in Figure-7.6, Figure-7.7, and the following Table- 7.55.

Figure 7.6: Model for Conventional PCBs



Source: Data Collected from the Survey

Figure 7.7: Model for Shariah Based Islamic PCBs



Source: Data Collected from the Survey

7.16.6 Chi-Square Differences of the Models: Mode of Operations (Conventional versus Islamic PCBs) as a Moderator.

It has been found that the structural models based on operational modes of the banks i.e. Conventional PCBs and Islamic PCBs are different. At the model level, groups of (Conventional versus Islamic) PCBs are different.

Table 7.55: Chi-Square Difference Table

Model	Chi-Square	Df	p-value	Invariant?
Unconstraint	657.159	362	0.000	No
Fully Constraint	696.42	369		
Number of groups	2			
Difference	39.26	7		

Source: Data Collected from the Survey

The Chi-Square difference indicates that groups are different at the model level. The models are different in case of the mode of operations (Conventional versus Islamic) of the banks. Here, Chi-Square difference is 39.26 and df is 7 which is significant at p-value 0.00. So, the researcher can conclude that the model varies at two group levels (Conventional versus Islamic). The study finding supports the H 12.

As the model is a variant on the basis of mode of operations (Conventional PCBs versus Islamic PCBs) of the banks, it requires checking the path to path differences. To check the path to path difference, the study requires threshold Chi-Square value for the model. With the help of “Statistical Packages Tools” prepared by James Gaskin, the researcher has calculated the threshold Chi-Square value which is shown in following Table - 7.56.

Table 7.56: Chi-Square Thresholds for the Model: Mode of Operations (Conventional versus Islamic) as a Moderator

Confidence level	Difference	Chi-Square	Df	p-value
At 90% Confidence		659.86	363	0.100
	Difference	2.71	1	
At 95% Confidence		661.00	363	0.050
	Difference	3.84	1	
At 99% Confidence		663.79	363	0.010
	Difference	6.63	1	

Source: Data Collected from the Survey

Any Chi-Square value more than the thresholds (shown in the Table-7.56) will be variant for a path by path analysis. This is only applicable to models where the researcher is changing one path at a time (i.e., have a difference of one degree of freedom).

The path by path analysis where the mode of operations (Conventional versus Islamic) of the banks is moderating is illustrated in the following Table - 7.57.

Table 7.57: Results of the Multi-Group Analysis: Mode of Operations (Conventional versus Islamic PCBs) as a Moderator

Path to Path	Conventional Banks				Islamic Banks				Chi-Square for the path by path	Variant or Not?
	Estimate	SE	CR	P	Estimate	SE	CR	P		
SQ to CPV	.211	.101	2.082	.037	.865	.303	2.851	.004	661.829 > minimum Chi-square threshold 659.86	Yes at 95% Confidence
CT to CPV	.178	.074	2.385	.017	.602	.246	2.451	.014	658.502 < minimum Chi-square threshold 659.86	Not
SQ to CS	.399	.106	3.767	***	.129	.411	.313	.754	657.361 < minimum Chi-square threshold 659.86	Not

CPV to CS	.352	.087	4.054	***	.343	.343	1.000	.317	657.159 < minimum Chi-square threshold 659.86	Not
CT to CS	.374	.076	4.930	***	.079	.266	.295	.768	658.194 < minimum Chi-square threshold 659.86	Not
CS to CL	.590	.111	5.313	***	.084	.189	.444	.657	657.318 < minimum Chi-square threshold 659.86	Not
CSB to CL	.148	.050	2.990	.003	.005	.127	.038	.969	657.371 < minimum Chi-square threshold 659.86	Not
CT to CL	.113	.078	1.452	.147	.269	.240	1.122	.262	644.483 < minimum Chi-square threshold 659.86	Not
SQ to CL	-.001	.104	-.009	.993	.505	.303	1.666	.096	646.304 < minimum Chi-square threshold 659.86	Not

Source: Data Collected from the Survey

The structural models based on the mode of operations (Conventional versus Islamic) of the banks in the model of CRM have been found different as Chi-Squares values for two models are different. In the path to path relationships, it has been found that mode of operations (Conventional versus Islamic) of the banks moderates one relationship among the nine relationships. In case of the path ‘Services Quality (SQ) → Customer Perceived Value (CPV)’ relationship varies at the 95% confidence level.

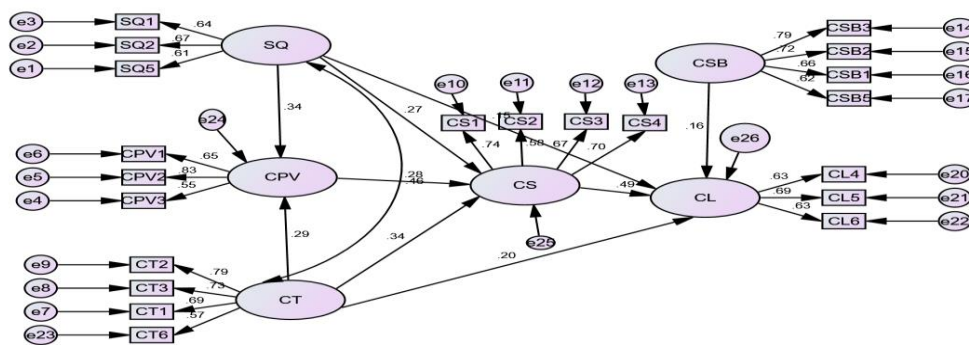
The models are different in the remaining path relationships like Customer Trust (CT) to Customer Perceived Value (CPV), Services Quality (SQ) to Customer Satisfaction (CS), Customer Satisfaction (CS) to Customer Loyalty (CL), Customer Trust (CT) to Customer Loyalty (CL), Services Quality (SQ) to Customer Loyalty (CL), Customer Perceived Value (CPV) to Customer Satisfaction (CS), Customer Trust (CT) to Customer Satisfaction (CS) and Customer Switching Barrier (CSB) to Customer Loyalty (CL).

In the path relationship of Services Quality (SQ) → Customer Perceived Value (CPV), the models vary at 95% confidence as Chi-Square value for the constrained model (SQ to CPV path was constrained) is 661.829. The Table-7.57 indicates that the regression weight for the path relationship of Services Quality (SQ) → Customer Perceived Value (CPV) for the Conventional PCBs is 0.211 and for the Islamic PCBs is 0.865. The regression weight indicates that the service quality of Islamic PCBs is better than that of Conventional PCBs. The customers of Islamic PCBs perceive that they are getting more or adequate value or benefits whereas the customers of Conventional PCBs perceive that they are getting a lower value.

7.16.7 Moderating Effects of Ownership Structure (Local versus Foreign PCBs)

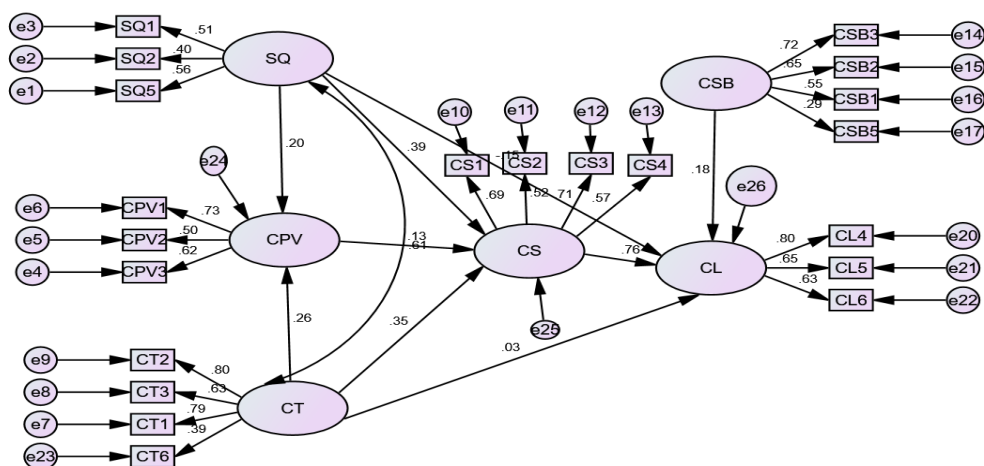
The structural models based on Ownership Structure (Local versus Foreign PCBs) have been developed in AMOS following the procedures mentioned in the section Assessment Process of Calculating Effects of Moderating variables, and also the Chi Square difference has been calculated. The two models and the Chi-Square difference are shown in the following Figure -7.8, Figure -7.9 and Table -7.58 respectively.

Figure 7.8: The Model for Local PCBs



Source: Data Collected from the Survey

Figure 7.9: The Model for Foreign PCBs



Source: Data Collected from the Survey

7.16.8 Chi-square Differences of the Models: Ownership Structure (Local versus Foreign PCBs) as a Moderator

Based on Ownership Structure (Local versus Foreign PCBs) in the model of CRM, it has been found that the structural models are not different. At the model level, groups (Local versus Foreign PCBs) are not different.

Table 7.58: Chi-square Difference Table

Model	Chi-Square	Df	p-value	Invariant?
Unconstraint	584.715	360	0.526	Yes
Fully Constraint	591.814	368		
Number of groups	2			
Difference	7.099	8		

Source: Data Collected from the Survey

The Chi-Square difference indicates that groups are not different at model level i.e. models are invariant. The models of CRM are not different in case of ownership structure (Local versus Foreign PCBs) of the banks. Here, Chi-Square difference is 7.099 and df is 8 where p-value 0.526. So, the researcher can conclude that the model of CRM does not vary at two group levels i.e. in case of Local PCBs and Foreign PCBs. This study rejects the H13. Groups are not different at the model level; however, they may be different at the path level. In most of the cases, when groups are invariant at model levels, the path levels also become invariant.

As the model is invariant on the basis of ownership structure (Local versus Foreign PCBs) of the banks, it does not require checking the path to path differences. Although the Chi-Square difference is not significant, the researcher has attempted to check the path to path difference. As per path to path analysis, the study requires threshold chi-square value for the model and the researcher has calculated the threshold chi-square value with the help of “Statistical Packages Tools” prepared by James Gaskin.

Table 7.59: Chi-Square Thresholds for the Model: Ownership Structure (Local versus Foreign PCBs) as Moderator

Confidence level	Difference	Chi-Square	df	p-value
At 90% Confidence		587.42	363	0.100
	Difference	2.71	1	
At 95% Confidence		588.56	363	0.050
	Difference	3.84	1	
At 99% Confidence		591.33	363	0.010
	Difference	6.63	1	

Source: Data Collected from the Survey

Any Chi-Square value more than the thresholds will be a variant for a path by path analysis. This is only applicable to models where the researcher is changing one path at a time (i.e., have a difference of one degree of freedom).

The path by path analysis where ownership structure (Local versus Foreign) of the bank is moderating illustrated in the Table - 7.60:

Table 7.60: Results of the Multi-Group Analysis: Ownership Structure (Local PCBs versus Foreign PCBs) as a Moderator

Path to Path	Local Banks				Foreign Banks				Chi-Square for the path by path	Variant or Not?
	Estimate	SE	CR	P	Estimate	SE	CR	P		
SQ to CPV	.390	.106	3.679	***	.184	.244	.751	.452	585.136 < the minimum Chi-square threshold 587.42	No
CT to CPV	.316	.090	3.516	***	.136	.117	1.162	.245	585.896 < the minimum Chi-square threshold 587.42	No
SQ to CS	.304	.099	3.058	.002	.578	.386	1.500	.134	585.066 < the minimum Chi-square threshold 587.42	No

CPV to CS	.275	.079	3.486	***	.212	.230	.920	.357	584.759 < the minimum Chi-square threshold 587.42	No
CT to CS	.362	.084	4.309	***	.289	.168	1.721	.085	584.785 < the minimum Chi-square threshold 587.42	No
CS to CL	.456	.103	4.418	***	.805	.313	2.576	.010	585.245 < the minimum Chi-square threshold 587.42	No
CSB to CL	.131	.052	2.529	.011	.199	.137	1.451	.147	584.900 < the minimum Chi-square threshold 587.42	No
CT to CL	.205	.090	2.285	.022	.029	.172	.169	.866	586.392 < the minimum Chi-square threshold 587.42	No
SQ to CL	.155	.100	1.553	.120	-.227	.429	-.530	.596	582.856 < the minimum Chi-square threshold 587.42	No

Source: Data Collected from the Survey

The Table-7.60 depicts that the structural models based on ownership structure (Local versus Foreign PCBs) of the banks do not vary significantly. It has been found that the models are invariant as Chi-Square value for two models is not significantly different. In the path to path relationships, it has been found that Ownership Structure (Local versus Foreign PCBs) of the bank does not moderate any of the nine relationships.

In case of Services Quality (SQ) → Customer Perceived Value (CPV), the path relationship does not vary as the Chi-Square value for the model (when SQ to CPV was constrained) is 585.136 which is less than the minimum Chi-square threshold 587.42. So, the path (SQ to CPV) relationship does not vary in Ownership Structure (Local versus Foreign PCBs) of the banks.

Similarly, for the path relationships like Customer Trust (CT) to Customer Perceived Value (CPV), Services Quality (SQ) to Customer Satisfaction (CS), Customer Satisfaction (CS) to Customer Loyalty (CL), Customer Trust (CT) to Customer Loyalty (CL), Services Quality (SQ) to Customer Loyalty (CL), Customer Perceived

Value (CPV) to Customer Satisfaction (CS), Customer Trust (CT) to Customer Satisfaction (CS) and Customer Switching Barriers (CSB) to Customer Loyalty (CL), the model of CRM is invariant in case of the ownership structure of the banks (Local versus Foreign PCBs).

Therefore, the researcher can conclude that the Local PCBs and Foreign PCBs are providing their services for the customers almost in the similar way in Bangladesh.

CHAPTER 08

DISCUSSION ON FINDINGS

The study has aimed at developing a model of Customer Relationship Management (CRM) in the financial service industry of Bangladesh identifying the antecedents of Customer Loyalty, the main focus of CRM. The researcher was confronting with some questions such as how do the banks maintain CRM and what makes the customers loyal to the banks in Bangladesh? To find the answers, the researcher has conducted an extensive literature review and done a qualitative study with an open-ended questionnaire. In the qualitative study, the researcher has met or interviewed with the industry experts, managers, and customers. Afterwards, the researcher has found about 50 items which are directly or indirectly related to the CRM and Customer Loyalty. After three rounds of pretesting, the researcher finally selected 34 items for the study.

What makes the customers loyal to a bank? In literature, it has been found that Services Quality, Customer Perceived Value, and Customer Trust lead to Customer Satisfaction. That means Services Quality, Customer Perceived Value and Customer Trust are the antecedents of Customer Satisfaction. Again, Services Quality, Customer Perceived Value and Customer Trust, Customer Satisfaction, Customer Switching Barriers, and Customer Culture are the antecedents of Customer Loyalty, the main focus of CRM, in the financial services industry of Bangladesh, especially in private commercial banks.

Based on the literature review, the researcher has developed 13 hypotheses for the study. The findings of the hypotheses are discussed in this section. The first 10 hypotheses i.e. H1 to H10 are common for financial services industry in Bangladesh. And, the hypotheses H11, H12, and H13 have been developed by the researcher to observe the differences in maintaining CRM practices by different types of banks. For example, how are OLD and NEW generation PCBs, Conventional and Islamic PCBs, and Local and Foreign PCBs operating their business in Bangladesh? Are all types of the banks satisfying their customers in the same way? How does Customer Perceived Value differ from Old generation PCBs to New generation PCBs, Islamic PCBs to Conventional PCBs and Local PCBs to Foreign PCBs? Similarly, how do the banks

differ in terms of Services Quality, Customer Trust, Customer Perceived Value, Customer Culture, Customer Satisfaction, Customer Switching Barriers, and Customer Loyalty? To find the answers to these questions, the researcher has developed a comprehensive questionnaire based on the literature, qualitative study, experts' opinion along with the judgment of the researcher. Prior to administering the final survey, a pilot survey has been administered where the study has received high reliability of the questionnaire. For the overall questionnaire, the reliability value has been greater than .80 which is highly acceptable. Afterwards, in the final survey, 450 account holders have been approached as respondents for their valuable responses but the study has received 405 usable questionnaires. Then, the analysis of data has been started with a set of 405 questionnaires. In the first step, the scale reliability and KMO have been checked. The Alpha and KMO values are 0.881 and 0.864 which are highly acceptable. Then, multicollinearity of the items considered for this study has been checked and the study has not found any item which exceeds the threshold value of VIF (Variance Inflation Factor) 3.30. The maximum VIF is 2.093. So, it can be concluded that the study is free from the effects of multicollinearity.

In the second step, Exploratory Factor Analysis (EFA) has been checked. The principal component analysis has been used as the extraction method associated with the rotation method of Varimax with Kaiser Normalization. This study has also examined communalities of each attribute accounted for the research. Primarily, 34 items have been approached for this test. This study has not found absolute communalities score for all items as shown in the findings and analysis part. Hence, 11 items have been dropped from the study. These items have been dropped due to lower loading (Cut off point 0.50), cross loading, high standard error, loaded on a separate construct and not consistent with the construct. The study has extracted 23 items which constructed 7 factors. The study has found seven factors which have been named as Customer Trust (CT), Customer Switching Barrier (CSB), Customer Satisfaction (CS), Customer Loyalty (CL), Services Quality (SQ), Customer Perceived Value (CPV) and Customer Culture (CC). Primarily, the seven factors have been considered develop the model of CRM.

In the third step, correlations within the factors have been performed and the study has found significant results which are consistent with the existing literature of financial services industry.

In the fourth step, the study has taken initiatives to check the relationships and significance of the relationships among the seven constructs by performing regression analysis. To check the relationships, significance, and model summary, linear regression analysis with the forward method has been performed. For making the study fruitful, the researcher has divided the study framework (conceptual framework) into three separate models (Model A, B, and C) and then checked the relationships between independent variables and dependent variables. In regression analysis of Model A, it has been found that Customer Trust and Services Quality have a significant influence on Customer Perceived Value. In the model B, it has been found that Customer Trust, Services quality, and Customer Perceived Value together have a significant influence on Customer Satisfaction. In the Model C, it has been found that Customer Satisfaction, Customer Trust, Customer Switching Barrier, and Services Quality together have significant influences on Customer Loyalty. In the model C, it has been observed that Customer Perceived Value (CPV) does not affect Customer Loyalty directly. CPV influences Customer Satisfaction which has a direct influence on Customer Loyalty. Here, it has been proved that Customer Satisfaction is a mediating variable in the model of CRM in this study. The regression model C denotes that Customer Culture does not have a significant influence on Customer Loyalty in case of financial services industry in Bangladesh. So, the financial services institutions like banks in Bangladesh should focus on providing quality services and building customer trust which will lead to creating higher Customer Perceived Value. When customers perceive that they are getting higher value, they tend to be satisfied which will ultimately generate Customer Loyalty. The regression analysis also depicts that Customer Switching Barrier has a significant influence on Customer Loyalty. The financial service providers in Bangladesh can also focus on creating Switching Barrier for their customers to sustain in the competitive industry and make customers loyal. Loyal customers are the most valuable asset of any financial service providers such as banks.

In the sixth stage, Confirmatory Factor Analysis (CFA) has been performed to identify the factors for the conceptual model of CRM. Prior to performing Confirmatory Factor Analysis (CFA), the researcher has checked the unidimensionality of the model. In unidimensionality checking, a model for the factor 'Customer Culture' has become unidentified. With an under-identified model, the

researcher cannot run Structural Equation Modeling (SEM). The factor 'Customer Culture' has been eliminated due to under-identification and high standard error. It may be logical in a way that cultural factors may not strongly influence the customer in case of having financial services in Bangladesh. So, the researcher has eliminated the factor 'Customer Culture' from the model of CRM. In CFA analysis, the researcher has tested the convergent validity and discriminant validity. In convergent validity test, Average Variance Extracted (AVE) and Composite Reliability (CR) have been tested. In AVE test, it has been found that all the constructs have the threshold value 0.50. In CR test, all the constructs have more than 0.70 which are quite convincing. The study factors have been confirmed by the convergent validity. The study has also conducted the discriminant validity test. In discriminant validity test, it has been observed that correlations square of all the constructs is less than the AVEs of the constructs which ensures the discriminant validity. In this study, all the possible reliability and validity measures have been tested and the results permit the study of Structural Equation Modeling (SEM).

Finally, Structural Equation Modeling (SEM) has been conducted to test the hypotheses of the study and to check the goodness of fit indices of the proposed model of CRM. The study has found acceptable results in almost all key goodness of fit indices. The SEM has also been conducted for testing the multi-group analysis. In the multi-group analysis, the moderators are Generations of PCBs (Old versus New), Mode of Operations (Conventional versus Islamic) and, the Ownership structure of the banks (Local versus Foreign). Separate models for each group has been developed and compared with each other. The comparative analyses of the models are discussed in details with the hypotheses H 11, H 12 and H 13.

➤ **H 01: There is a substantial impact of Service Quality on Customer Perceived Value.**

According to the SEM based statistical analysis in AMOS, the Table - 7.43 depicts that Services Quality has a strong influence on Customer Perceived Value i.e. the study supports the hypothesis H 01 strongly (Estimate: 0.347; P: 0.00). This finding indicates that the impact of Services Quality on Customer Perceived Value is

remarkable. If any financial institution provides quality services for its customers, customers think that they are getting more value from the financial service provider.

From this perspective, it can be stated that the financial services providers can focus on different dimensions of services quality. In delivering services, the financial services providers should focus on the ability to perform the service dependably and accurately. The financial service providers should be more willing to help their customers and provide them service more promptly. In addition, the financial firms should ensure the tangible dimensions of the services quality and they should deliver them in a manner that the customers have full confidence in the services provider. The intangibility of financial services is the major concern to the providers. By ensuring the tangible dimensions, such as the appealing appearance of physical facilities, equipment, personnel, and written materials, the financial institutions can facilitate the services quality. Thus, banks should deliver financial services accurately, dependably, and promptly to the customers in an appealing service environment.

➤ **H 02: There is a substantial impact of Service Quality on Customer Satisfaction.**

According to the SEM based statistical analysis in AMOS, the Table - 7.43 depicts that Services Quality has a strong influence on Customer Satisfaction i.e. the study supports the hypothesis H 02 strongly (Estimate: 0.331; P: 0.00). This outcome of the research indicates that the influence of Services Quality on Customer Satisfaction is mentionable. If any financial service provider such as banks provides quality services to its customers, customers tend to be satisfied.

Based on this finding, it can be stated that banks should provide quality services to the customers so that the expectations of the customers are met and, consequently, customers get satisfied. To satisfy the customers, the financial service providers have to design such services that will meet their customers' expectation. The banks should undertake extensive research to understand the expectation of the customers and based on their expectation, the bank should design their service offerings. By analyzing customers' needs and demands, marketers should redesign their marketing mix. Here, the reliability of services, assurance to the customers, empathy to the

customers, and responsiveness to the customers will increase the quality of services which ultimately meets customers' expectation. In addition, tangible dimensions of the services quality such as physical facilities, the appearance of employees, and written materials should be appealing and attractive for ensuring customers' satisfaction.

➤ **H 03: There is a substantial impact of Service Quality on Customer Loyalty.**

Based on a statistical analysis in AMOS shown in the Table -7.43, it has been found that Services Quality does not have a direct influence on Customer Loyalty. The study rejects the hypothesis H 03 (Estimate: 0.106; P: 0.268). The study finding shows that the influence of Services Quality on Customer Loyalty is mediated by Customer Satisfaction. If any financial firm such as bank provides quality services to its customers, customers tend to become more satisfied and that satisfied customers are likely to be loyal to the firm. So, Services Quality has an indirect influence on Customer Loyalty.

From this perspective, it can be said that the financial services providers should focus on different dimensions of services quality as expected by the customers and this quality of service will lead to Customer Satisfaction. At first, the financial service providers should try to satisfy their customers by providing quality services, and then, to convert these satisfied customers into loyal customers. The financial service providers can build a strong relationship with customers gaining the loyalty of the customers by means of club marketing programs, frequency marketing programs, mass customization, providing a letter of appreciation, home delivery, thank you bonus, maintaining structural ties and so on.

➤ **H 04: There is a substantial impact of Customer Trust on Customer Perceived Value.**

The statistical analysis based on SEM in AMOS of this study has been illustrated in the Table- 7.43. The table depicts that Customer Trust has a strong influence on Customer Perceived Value. The study accepts the hypothesis H 04 strongly (Estimate:

0.272; P: 0.000). The finding indicates that if any financial service provider can build customer trust in the services offered, the customers of the service provider perceive that they are getting greater value from the firm.

Thus, the financial service providers such as banks ought to take all necessary measures to design their service as a market offering in such way that the customers have trust in their financial service, and this trust will lead to greater customer perceived value. Typically, customers buy the service which offers him or her the highest customer perceived value from the available alternatives in the market. So, the banks must try to be trustworthy to their target customers in all of their operations.

➤ **H 05: There is a substantial impact of Customer Trust on Customer Satisfaction.**

According to the statistical analysis in AMOS of this study shown in the Table - 7.43, the study accepts the hypothesis H 05 strongly (Estimate: 0.351; P: 0.000) which means Customer Trust has a strong influence on Customer Satisfaction. This finding indicates that the financial service providers such as banks should take all measures to build customer trust in the banks. Once customers have trust in the provider, they are more likely to become satisfied with the banks as well as with the services of the banks.

➤ **H 06. There is a substantial impact of Customer Trust on Customer Loyalty.**

The Table-7.43 shows the statistical analysis of data following SEM in AMOS. Based on the value in the table, the study accepts the hypothesis H6 strongly as Estimate: 0.172; P: 0.026 which means that Customer Trust has a strong influence on Customer Loyalty.

The banks need to take all measures to build trust and to instil confidence in the customers as customer's trust is positively related to customer perceived value and customer loyalty. To build trust and to instil confidence in the customers; the banks should keep their promises and follow through with their actions, maintain security

and credibility in providing services face to face or online, show trustworthy behaviour, and be consistent in delivering services all the time.

Based on the findings of the hypotheses (H 04, H 05, and H 06), it has been observed that Customer Trust has strong influences on Customer Perceived Value, Customer Satisfaction, and Customer Loyalty. The factor 'Customer Trust' is a crucial element for the model of CRM. To make customers satisfied and loyal, the financial service providers such as banks must gain Customer Trust. Different measures can be taken by the financial services providers in Bangladesh to build customers' trust. To satisfy the customers, the financial firms have to design such services that will meet the customers' expectation. In each and every relationship, trust is a pivotal element. To build trust is not an easy task. By following some ways, the financial services institutions can build customer trust. Firstly, the institution should keep its promises and follow through with its action. Secondly, a certain level of security and credibility should be established and strictly maintained in case of online and face to face banking. Thirdly, building trust requires making a commitment to trustworthy behaviour. Finally, consistency in providing quality services should be maintained.

➤ **H 07: There is a substantial impact of Customer Perceived Value on Customer Satisfaction.**

The SEM based statistical analysis in AMOS of this study shown in Table - 7.43 demonstrates that Customer Perceived Value has a strong influence on Customer Satisfaction. The study accepts the hypothesis H 07 (Estimate: 0.278; P: 0.00). This finding indicates that if any financial service provider such as a bank can create higher customer perceived value, the customers of the bank tend to become more satisfied.

When a customer purchases any services, s/he seeks different types of benefits/values from the services providers. The customers generally seek functional benefits, psychological benefits, emotional and social benefits. The firms should design their services in a way which will provide more benefits to their customers. The financial firms such as banks can increase the customer perceived value by ensuring the services with the confidentiality and the privacy of dealings, making the services easy to find and accessible, and making the standard of the service that will be provided by

the personnel of the banks. They can also enhance the customer perceived value by ensuring the justified payment of interest, profit, or commission and charges. By enhancing the brand image of the banks, they can also accelerate the customer perceived value.

➤ **H 08: There is a substantial impact of Customer Satisfaction on Customer Loyalty.**

The SEM based statistical analysis in AMOS of this study shown in Table-7.43 demonstrates that Customer Satisfaction has strong influences on Customer Loyalty. The study accepts the hypothesis H 08 (Estimate: 0.485; P: 0.00). This finding indicates that if a financial service provider such as a bank can make its customer satisfied, the customers of the bank are likely to become loyal to the provider.

As Services Quality, Customer Trust, and Customer Perceived Value are important antecedents of Customer Satisfaction, the financial service providers should focus on providing quality services, building customer trust and enhancing customer perceived value. By delivering customer satisfaction, the financial service providers such as banks can make their customer loyal. And, the higher the customers' satisfaction of the banks is, the higher the customers' loyalty to the banks will be.

➤ **H 09: There is a substantial impact of Customer Switching Barriers on Customer Loyalty.**

The Table – 7.43 depicts the SEM based statistical analysis in AMOS of this study. The value in the table says that Customer Switching Barrier has a substantial influence on Customer Loyalty. The study accepts the hypothesis H 09 (Estimate: 0.150; P: 0.02). This finding says that if a financial service provider can create customer switching barrier, the customers of the provider tend to become more loyal.

Thus, there is a relationship between customer switching barrier and customer loyalty. If a bank can develop high switching barrier, the customers are less likely to switch to other banks. But it is not easy to create strong switching barrier for the customers. Strong customer switching barriers for the financial services can be created by ensuring personalization of the services. For example, banks can use the customer-

specific information to customize the interaction between the bank and the customers that can enhance the buying experience and overall relationship. Banks need to collect and analyze customer's information that includes transactions as well as interactions thoroughly.

By reducing risk and building trust, a bank can increase customer switching barrier. Banks can build loyalty by reducing the customers' perceived risk of the bank's services and generating trust through accumulated service history and support. Brand affinity and other loyalty programs can increase the switching barrier and increase customers' loyalty.

➤ **H 10: There is a substantial impact of Customer Culture on Customer Loyalty.**

For the hypothesis H 10, the researcher has performed regression analysis. In the regression Table - 4.44 (variables excluded), it has been found that the factor 'Customer Culture' does not have a significant influence on Customer Loyalty.

In multiple regression analysis (method forward), the study has found that the factor 'Customer Culture' doesn't have a significant impact on Customer Loyalty. In the Table- 7.44, model 4 indicates that Customer Culture (CC) does not have significant influences on Customer Loyalty as significance level or p-value is 0.547. So, the study rejects the hypothesis H 10.

In the perspective of Bangladesh, it can be said that culture affects in case of purchasing consumer goods, but in case of financial services, the factor culture does not have a substantial influence on customer loyalty.

➤ **H 11: The generation of the banks (Old and New) has significant moderating effects on the model of CRM in Bangladesh.**

The banking industry of Bangladesh is classified into four generations which are First, Second, Third and Fourth respectively. It has been the researcher's question that do they perform their operations in the same way? To find the answer to the question, the researcher has performed multi-group analysis by taking a generation as a moderator.

Then, the moderating variable generation has been categorized in two generations such as Old Generation and New Generation where 1st and 2nd generation banks are taken as Old Generation and 3rd generation banks are taken as New Generation. To check the hypothesis, the Chi-Square difference between the two models (Model for New Generation and Model for Old Generation) have been checked. The structural models of CRM based on generations have been found different. At the model level, groups (Old Generation PCBs and New Generation PCBs) are different. The Table - 7.52 indicates that Chi-Square difference is 17.282 and df is 8 which is significant as p-value is 0.027. So, the researcher can conclude that the model varies by group levels. Thus, H 11 is supported.

Finding differences between Old Generation PCBs and New Generation PCBs in the models, the differences in path by path has been checked. The Table - 7.54 indicates that relationships are different in four paths which are SQ to CPV, CPV to CS, CT to CS and CSB to CL respectively.

In the path SQ to CPV, it has been observed that Services Quality of Old Generation banks has a strong influence on Customer Perceived Value as Estimate: 0.478; P: 0.000 whereas Services Quality does not have an influence on Customer Perceived value in case of New Generation banks as Estimate: 0.029; P: 0.844.

From the results, it can be suggested that New Generations banks should improve the quality of their services to sustain in the competitive market. On the other hand, Old Generation banks may keep up their services quality and go for continuous improvement.

In the path CPV to CS, it has been observed that Customer Perceived Value has a strong influence on Customer Satisfaction both in Old Generation (Estimate: 0.217; P: 0.021) PCBs and New Generations PCBs (Estimate: 0.494; P: 0.01). In the path, they are different marginally. Customer Perceived value in New Generation PCBs is higher than that in Old Generation PCBs. So, to sustain in the competitive marketplace, the Old Generation banks should enhance the benefits and values that will increase the CPV to their customers.

In the path CT to CS, it has been observed that Customer Trust has a strong influence on Customer Satisfaction both in Old Generation PCBs (Estimate: 0.432; P: 0.00) and New Generations PCBs (Estimate: 0.231; P: 0.011). In this path, they are also

different marginally. Customer Trust in Old Generation PCBs is higher than that of New Generation PCBs. So, to sustain in the competitive marketplace, the New Generations banks should take measures to build Customer Trust and Old Generation banks should keep it up.

In the path CSB to CL, it has been observed that Customer Switching Barrier (CSB) has a significant influence on Customer Loyalty (CL) in case of Old Generation PCBs as Estimate: 0.218; P: 0.00. In case of the New Generations PCBs (Estimate: 0.045; P: 0.486), Customer Switching Barrier does not have a significant influence on Customer Loyalty. The finding indicates that the Old Generation PCBs have already established customer switching barriers which have enhanced their Customer Loyalty. On the other hand, the New Generation PCBs could not create CSB till now. By building trust, enhancing the quality of services, and applying for different loyalty programs, the banks of New Generation can create strong CSB which will help them to sustain and grow in the market. And, the remaining paths of the models are almost similar between Old Generation and New Generation PCBs.

➤ **H 12: The mode of operations of the banks (Conventional and Islamic PCBs) has significant moderating effects on the model of CRM in Bangladesh.**

A good number conventional PCBs and Islamic PCBs are operating their business in Bangladesh. The researcher's question is whether they are performing their business in the same way or not. To find the answer, the researcher has performed multi-group analysis by taking the mode of operations of the banks as a moderator such as Conventional PCBs and Islamic PCBs. To check the hypothesis, the Chi-Square difference between the model for Conventional PCBs and the model for Islamic PCBs has been checked. It has been found that the structural models of CRM based on Conventional and Islamic PCBs are different. The Table-7.55 indicates that the Chi-Square difference is 39.26 and df is 7 which is significant at p-value 0.00. So, the researcher can conclude that the model varies in case of Conventional PCBs and Islamic PCBs. H 12 is supported in the study.

At the model level, the conventional PCBs and Islamic PCBs are different. The differences in the path by path in the models have been checked. The Table-7.55

indicates that the models are different in one path relationship which is Service Quality (SQ) to Customer Perceived Value (CPV).

In the path SQ to CPV, it has been observed that Services Quality of Islamic PCBs (Estimate: 0.865; P: 0.04) and Conventional PCBs (Estimate: 0.211; P: 0.037) have a strong influence on Customer Perceived Value. The study also depicts that Service Quality of Islamic PCBs is higher than that of Conventional PCBs.

Thus, it can be suggested that Conventional PCBs should increase their service quality to survive and to grow in this competitive financial industry. On the other hand, Islamic PCBs should maintain their service quality and go for continuous improvement to grow in the competitive industry as well. In rest of the paths in the models, both categories of the banks are operating their business in the same way.

➤ **H 13: The ownership structure of the banks (Local and Foreign) has significant moderating effects on the model of CRM in Bangladesh.**

A good number of foreign PCBs besides local PCBs are operating their business in Bangladesh. The researcher's question is that is the Local PCBs and Foreign PCBs operating their business in the same way? To find the answer, the researcher has performed multi-group analysis by taking ownership structure of the banks i.e. Local PCBs and Foreign PCBs as moderating variable. To check the hypothesis, the Chi-Square difference between the model for Local PCBs and the model for Foreign PCBs has been checked. It has been observed that the structural models of CRM based on Local PCBs and Foreign PCBs are not different. At the model level, the groups i.e. Local PCBs and Foreign PCBs are not different. So, the study has rejected the hypothesis H 13. The Table-7.58 shows the Chi-Square difference indicating that groups are not different at a model level which means models are invariant. The models of CRM are not different in case of Local PCBs and Foreign PCBs. Here, the Chi-Square difference is 7.099 and df is 8 at p-value 0.526. So, the researcher can conclude that the models of CRM do not vary at two group levels i.e. Local PCBs and Foreign PCBs. However, the models may be different at the path level. In most of the cases, if groups are invariant at model levels, the paths may also become invariant. In the Table - 7.60, it has been found that in the path to path relationships, the models are

invariant. In the path to path relationships, it has been observed that ownership structure i.e. Local PCBs and Foreign PCBs do not moderate any of the nine path relationships. In Bangladesh, although both Local PCBs and Foreign PCBs are operating their business in the same way, the local banks can keep eyes on the operations of the foreign PCBs.

CHAPTER-09

CONCLUSIONS, RECOMMENDATIONS, IMPLICATIONS, LIMITATIONS, FUTURE RESEARCH DIRECTIONS

9.1 Conclusions

This study has been conducted on Customer Relationship Management (CRM) of financial services industry in Bangladesh with a special emphasis on Private Commercial Banks (PCBs). The major objectives of the study are to depict how banks are practising CRM in Bangladesh and to develop a model of CRM identifying all antecedents and constructs of Customer Loyalty, the main focus of CRM. The study has also an objective to show the relationships among the constructs of the model and multi-group effects in the model with three moderating variables such as Generation of Banks- Old versus New, Mode of operations- Conventional versus Islamic, and Ownership Structure- Local versus Foreign.

Based on the comprehensive literature review and analysis of models relevant to Customer Relationship Management, the researcher has proposed a model of Customer Relationship Management for financial services industry of Bangladesh. The study has found six factors through Exploratory Factor Analysis (EFA) such as Customer Trust (CT), Customer Switching Barrier (CSB), Customer Satisfaction (CS), Services Quality (SQ), Customer Perceived Value (CPV), and Customer Culture (CC) which are influencing Customer Loyalty (CL), the main focus of Customer Relationship Management (CRM). Primarily, seven factors have been considered for the Model. Then, correlations within the factors have been checked and significant results have been found which are consistent with the existing literature of financial services industry. The study has taken measures to check the relationships and significance of the relationships among the seven constructs by performing regression analysis. To check the relationships, significance, and model summary; linear regression analysis with the forward method has been performed.

Confirmatory Factor Analysis (CFA) has been performed to confirm the factors for the conceptual model of Customer Relationship Management (CRM). Prior to Confirmatory Factor Analysis (CFA), the unidimensionality of the model has been checked. In this stage, the factor 'Customer Culture' has been unidentified. With an

under-identified factor, the researcher cannot run Structural Equation Modeling (SEM). The factor 'Customer Culture' has been eliminated due to under-identification and high standard error. It may be logical in a way that cultural factors may not influence the customers in making decisions for having financial services from different service providers in Bangladesh. So, the factor 'Customer Culture' has been eliminated from the model of CRM. In CFA analysis, the convergent validity and discriminant validity have been tested. In convergent validity test, Average Variance Extracted (AVE) and Composite Reliability (CR) have been tested. In AVE test, it has been found that all the constructs have obtained the threshold value 0.50. In CR test, all the constructs have got more than 0.70 which seems quite good. The study factors have been confirmed by the convergent validity. The study has also conducted discriminant validity test. In discriminant validity test, it has been found that correlations square of all the constructs is less than the AVEs of the constructs which ensures the discriminant validity.

Finally, Structural Equation Modeling (SEM) has been performed to test the hypotheses of the study and to check the goodness of fit indexes of the proposed model of CRM. The study has found acceptable results in almost all key goodness of fit indices. The Structural Equation Modeling (SEM) has also been conducted for checking the multi-group analysis. In the multi-group analysis, the moderators are Generation of PCBs i. e, Old versus New Generation; Mode of Operations i.e. Conventional PCBs versus Islamic PCBs; and Ownership Structure i.e. Local PCBs versus Foreign PCBs. Different models of CRM for each group has been constructed and then compared with each other.

As a factor 'Customer Culture' has been eliminated from the model of CRM and the researcher has reconfigured the model of CRM by considering the six factors which are Customer Trust (CT), Services Quality (SQ), Customer Perceived Value (CPV), Customer Switching Barrier (CSB), Customer Satisfaction (CS), and Customer Loyalty (CL).

In the model of CRM, the first order represents that Customer Perceived Value (CPV) is influenced by the two factors such as Customer Trust (CT) and Services Quality (SQ). In the second order, three factors namely Services Quality (SQ), Customer Perceived Value (CPV) and Customer Trust (CT) work as the antecedents of Customer Satisfaction (CS). In the third order, Customer Satisfaction (CS), Customer

Trust (CT), Services Quality (SQ), and Customer Switching Barrier (CSB) work as the antecedents of the Customer Loyalty (CL), the main determinant of CRM. The factors 'Customer Satisfaction (CS)' and 'Customer Perceived Value (CPV)' act as mediators in this study.

In the study, it has been found that Customer Perceived Value (CPV) is influenced by Services Quality (SQ) and Customer Trust (CT) as hypotheses H 01 and H 04 are accepted. This study has also found that Customer Satisfaction is influenced by three antecedents namely Services Quality (SQ), Customer Perceived Value (CPV), and Customer Trust (CT) as hypotheses H 02, H 05, H 07 are accepted. It has also been observed that Customer Loyalty is influenced by Customer Trust (CT), Customer Switching Barrier (CSB), and Customer Satisfaction (CS) since hypotheses H 06, H 08 and H 09 are accepted. The study shows that Services Quality (SQ) does not have a direct impact on Customer Loyalty (CL) as hypothesis H3 is rejected. On the other hand, it has been found that Services Quality (SQ) influences Customer Satisfaction (CS) and Customer Satisfaction (CS) impacts Customer Loyalty (CL). In the study, the hypothesis H 10 is rejected which indicates that the factor 'Customer Culture (CC)' does not have a significant impact on Customer Loyalty. In the multi-group analysis, the effects of moderating variables have been tested. The structural models of CRM based on the generation of banks i.e. Old Generation and New Generation of PCBs have been found different as the hypothesis H 11 is supported. Since the hypothesis H 12 is supported, the structural models of CRM based on Mode of Operations i.e. Conventional PCBs and Islamic PCBs are different. On the contrary, the hypothesis H 13 is rejected which indicates that the structural models of CRM based on ownership structure i.e. Local PCBs and Foreign PCBs are not different. The proposed model has been evaluated through maximum likelihood, the goodness of fit indices and medication indices to ensure whether the final model has a good fit to the data or not. It has been found that the proposed model has acceptable fit to data which will be useful for financial services providers such as banks to design and to deliver their services in a better manner than the way their competitors do. Consequently, the banks will be able to make their customers loyal which is the key to survival and growth of a financial service provider.

9.2 Recommendations

1. As service quality of the financial services is positively related to customer's loyalty, the banks should focus on delivering high-quality services to the customers. Banks need to develop the ability to perform the services dependably and accurately, to have the willingness to deliver services promptly, to focus on individualized attention to customers, to take measures to instil confidence, and to create a conducive physical setting in which high-quality services will be provided for the customers.
2. Customer satisfaction is the function of customer expectation. To satisfy the customers, the financial service providers in Bangladesh such as banks should undertake extensive research to understand the expectations of the customers and design such services that will meet their expectation. Once a customer is satisfied, he or she is more likely to become loyal to the bank.
3. The financial service providers should undertake different measures such as club marketing programs, frequency marketing programs, mass customization, letter of appreciation, home delivery, 'Thank you' bonus, and also maintain structural ties besides their core services to make their customers loyal which is the main focus of CRM.
4. Generally, customers take financial services from the provider which offer them highest customer perceived value from the alternatives available in the market. Thus, financial service providers should design their services in a way that their target market feels that they are getting highest perceived value from their services.
5. The banks need to take all measures to build trust and confidence in the customers as customer's trust is positively related to customer perceived value and customer loyalty. To build trust and confidence in the customers; the banks should keep their promises and follow through with their actions, maintain

security and credibility in providing services face to face and online, show trustworthy behaviour, and be consistent in delivering services all the time.

6. A bank can increase switching barrier by reducing perceived risk and by building trust. The banks can build loyalty by reducing the perceived risk of their services and by generating trust through accumulated service history and support. The banks in Bangladesh should focus on brand affinity and loyalty programs by which they can raise switching barrier and enhance customers' loyalty.
7. It has been found that the service quality of OLD generation banks is better than that of NEW generation banks. So, it can be suggested that New Generations Banks should improve the quality of their services to sustain in the competitive market. And, Old Generation Banks may keep up their existing service quality and go for continuous improvement for their betterment.
8. The Old Generation Banks in Bangladesh have already created customer switching barriers which have enhanced Customer Loyalty. The New Generation Banks need to take measures to create customer switching barriers by building trust, enhancing services and applying different loyalty programs.
9. As service quality of Islamic PCBs is better than that of Conventional PCBs, the Conventional PCBs should give more emphasis on increasing their service quality to survive and grow in this competitive market. Islamic PCBs should maintain their service quality and work for further improvement to grow in the competitive market as well.
10. It is observed that Services Quality, Customer Trust, and Customer Perceived Value are the important antecedents of Customer Satisfaction. And, Customer Satisfaction has a strong influence on Customer Loyalty. So, the financial services providers such as banks should take required measures to provide superior quality of services, to build customer's trust and enhance customer's perceived value, and to increase customer's satisfaction for making their customers loyal.

11. Private commercial banks in Bangladesh should be more vigilant in segmenting, targeting, and positioning their services in order to deliver right services to the targeted customers.

12. The study has identified some factors namely service quality, customer's trust, customer's perceived value, customer's satisfaction, and customer's switching barriers which affect customer's loyalty in the banking sector of Bangladesh. So, the financial service providers can identify their strengths and weaknesses in these areas and can take necessary measures to make their customers loyal.

9.3 Implications

9.3.1 Theoretical Implications

This study has proposed a model of Customer Relationship Management (CRM) in the context of financial services industry especially banking service offered by PCBs in Bangladesh. The research findings reveal that Customer Loyalty, the main focus of CRM, depends on Customer Satisfaction where Customers Satisfaction is influenced by some antecedents such as Services Quality, Customer Perceived Value, and Customer Trust. The Customer Loyalty is also influenced by Customer Switching Barrier. In this study, the model has been designed on the basis of available literature and other models relevant to Customer Relationship Management. Then, the proposed model has been checked and validated by an extensive customer survey. In addition, it has been the researcher's objective to check the effects of moderators in the proposed model. Previously, some studies in different countries have been conducted relating to Customer Loyalty and Customer Relationship Management, but these studies have given little attention to the comparison in models in terms of generations of banks, mode of operations, and ownership structure. These three moderating variables are new in the model of Customer Relationship Management. The effects of these moderating variables have been checked and validated in this study. After comparative analysis, some strategies have been provided which will enhance the literature of Customer Relationship Management. The multi-group analysis with the help of the moderators clearly provides insights of segmentation, targeting and positioning strategies of financial services of the banks. So, this proposed model of Customer Relationship Management (CRM) will act as a new model in CRM and accelerate the existing literature.

9.3.2 Practical Implications

Nowadays financial services industry including banks and other NBFIs across the world has become highly competitive and Bangladesh is not an exception. Financial service providers undertake different marketing strategies to survive and grow in this competitive business environment. Banks are giving more focus on achieving

lifetime value from the customers through Customer Relationship Management. Building customer loyalty is the key to Customer Relationship Management (CRM). Understanding the factors which influence customers to choose financial services providers is important for the firms to plan, develop and maintain customer loyalty as a part of CRM. This study reveals what attributes and features are preferred by the customers in the context of banking services offered by banks especially Private Commercial Banks (PCBs) in Bangladesh. The findings of the study will guide the banks directly to design and to develop their market offerings by which they can build and maintain a strong relationship with their customers. In case of financial services offered by banks in Bangladesh, Services Quality (the capacity of the bank to perform the services dependably and accurately, the willingness and readiness of the service providers to help customers and to deliver services promptly, ensure the tangible dimensions of the services quality like the appealing look of physical environment, equipment, personnel and their get up, and other visible materials), and Customer Perceived Value (functional, performance, social, psychological and emotional benefits), Customer Trust (credibility and transparency) should be offered in a way that will meet the customers' expectations and, consequently, customers will become satisfied. And, the level of satisfaction in customers will lead to customer loyalty can be reinforced by customer switching barriers, club marketing programs, and frequency marketing programs.

This study has identified factors that make customers loyal to the banks. And, the study findings will help the services providers to segment the market and to choose right target market coverage strategies. Especially, the multi-group analysis will help the banks to develop positioning strategies. The outcome of the study will also help the banks to achieve customer lifetime value and customer equity through Customer Loyalty as a part of Customer Relationship Management. In addition, the financial services providers will get guidelines to develop and to perform their services by which they can create competitive advantages over their competitors.

Thus, this study is expected to be useful for financial services providers especially banks to understand and to build customer loyalty and long-term relationships with customers that is the key concentration of Customer Relationship Management(CRM).

9.4 Future Research Directions

This study is not beyond limitations. To validate the model, further investigation or research would be needed in other study contexts since the current study is the first attempt to develop and apply a model on Customer Relationship Management (CRM) in order to build and maintain customer loyalty for financial services industry especially for banks in Bangladesh with a focus on private commercial banks. The study has collected data from 405 respondents only, so further investigation may be conducted on the basis of at least one thousand respondents. This study has used generation of banks (Old PCBs vs. New PCBs), mode of operations of the banks (Conventional PCBs vs. Islamic PCBs) and ownership structure of the banks (Foreign PCBs versus Local PCBs) as moderating variables but the number of respondents from each category was not balanced or equal. As the respondents from each category were not balanced, the results of the study for comparative analysis may not be applicable for all banks. So, the further comparative study may be conducted by taking a balanced number of respondents from each category of the banks. The model of CRM might be applied for comparative analysis between old and new generation banks, conventional and Islamic banks, and local and foreign banks by taking a balanced number of respondents from each category. This study has not considered the demographic variables (age, gender, income, education, occupation, geographic location of customers) as moderating variables that might have shown different outcomes on the model of CRM in case of the banking industry of Bangladesh. The researcher has the aim to conduct further study towards different banks in Bangladesh by considering the model of CRM offered by this study where moderating variables will be age, gender, income, education, occupation and geographic location of the customers. In addition, the researcher has a fervent desire to apply this model towards state-owned commercial banks and specialized banks in Bangladesh as well as to perform a comparative analysis between public and private commercial banks.

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Appendices

Appendix-I

Questionnaire for the Customers of the Bank

Dear Sir/Madam

Greetings of the day.

Thank you very much for your valuable time for filling this questionnaire.

I am a PhD researcher in the Department of Banking and Insurance at the University of Dhaka. As a requirement of my PhD thesis, I am conducting this research to find out the major factors that affect customer loyalty, the main focus of Customer Relationship Management (CRM) and how the banks are managing the relationship with their customers in Bangladesh.

The main purpose of this questionnaire is to obtain your valuable feedback based on your experience with your bank.

The survey is anonymous and your responses will be kept in the strictest confidence and will only be used for academic purpose.

Thank you very much once again for your valuable time and kind cooperation.

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Questionnaire for the Customers of the Banks

Please Put Your Bank's Name:	
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Please tick the relevant answer:

Gender:

1. Male	2. Female
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Marital Status:

1. Single	2. Married
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Level of Income:

a. 20,000—30,000	b. 30,001—40,000
c. 41001---50000	d. 50,001 and Above

Age:

a. 20 to 30 years	b. 31 to 40 years
c. 41 years---50 years	d. 51 years and Above

Level of Education:

a. SSC and below	b. HSC
c. Bachelor Degree	d. Masters and Above

Please indicate your level of agreement or disagreement with each statement giving a tick on one of the five alternatives.

SL	Service Quality	Strongly Agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree(1)
1	The bank has the ability to perform the services to the customers accurately and dependably.					
2	The bank has the willingness to provide prompt services and help customers.					
3	The service providers in the bank have adequate knowledge, courtesy and ability to inspire trust and instil confidence in the customers.					
4	The bank gives customized attention to every single customer.					
5	The appearance of physical settings, equipment, personnel, written and other visual materials of the bank is appealing to the customers.					

SL	Customer Trust	Strongly Agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree(1)
1	The bank has made its promises.					
2	The bank has been found honest.					
3	The bank has been reliable.					
4	The bank has met my requirements.					
5	The bank has been able to manage transactions with me online.					
6	The bank has got concrete knowledge in the banking.					
7	I have belief in the know-how of the bank.					

SL	Customer Perceived Value	Strongly Agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree(1)
1	The price of the services offered by this bank is fair.					
2	In comparison to what I pay, I usually receive more in terms of my money, effort and time and other costs.					
3	Considering what I pay and what I gain simultaneously, I think the services of this bank of value.					

SL	Customer Satisfaction	Strongly Agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree(1)
1	I am satisfied with the services of this bank.					
2	I always have a pleasant impression while I take services from this bank.					
3	I am willing to return to this bank in the days to come.					
4	I will recommend this bank to my friends for their banking services.					

SL	Customer Switching Barriers	Strongly Agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree(1)
1	I think switching to a new bank will be a hassle for me.					
2	It will cost me a lot of money if I want to move from this bank to another bank.					
3	It will cost me a lot of time to move from this bank to another bank.					
4	The prices of the services charged by other banks are higher than this bank.					
5	It will cost me a lot of efforts to move from this bank to a new bank.					

SL	Customer Culture	Strongly Agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree(1)
1	As an individual, I prioritize personal goals in my life.					
2	I am not comfortable in unusual circumstances.					
3	I usually purchase whatever I want without considering what other people think or feel.					
4	I always purchase what I like and I like to stay with a product or brand.					

SL	Customer Loyalty	Strongly Agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree(1)
1	I visit this bank on regular basis to have services.					
2	I seldom think of moving from this bank to a new bank.					
3	I take services from this whenever I require any financial transaction or services.					
4	This is a bank of my preference or choice.					
5	I like to have services from this bank.					
6	Whenever I need to have any financial transaction or services, the bank is always of my first preference.					

Appendix-II

Distribution of Questionnaire to the Respondents in the Branches of Banks

Table 4.2: Distribution of Questionnaire to the Respondents in the Branches of Banks

Serial No.	Bank	Number of Branches	Number of Customers
1.	IFIC Bank Limited (1st Generation)	04	51
	<p>i. Dhanmondi Branch Royal Plaza (First Floor), House # 8A, Road # 4, Mirpur Road, Dhanmondi, Dhaka.</p> <p>ii. Uttara Branch ABC Heritage (First Floor) 03 & 04, Jasimuddin Avenue, Sector - 03, Urrata, Dhaka.</p> <p>iii. Pallabi Branch Kashem Chamber (Second Floor), Commercial Plot # 11, Main Road # 3, Section # 7, Pallabi, Mirpur, Dhaka.</p> <p>iv. Savar Bazar Branch Savar Bazar, Savar, Dhaka.</p>		
2	Islami Bank Bangladesh Limited (IBBL) (1st Generation)	06	52
	<p>i. Dhanmondi Branch Rangs Nilu Square, House # 75, Road # 5/A, Sat Masjid Road, Dhanmondi R/A, Dhaka.</p> <p>ii. Mirpur Branch Road #1, Section #6, Mirpur, Dhaka.</p> <p>iii. Shyamoli Branch 15/4, Mirpur Road, Shyamoli, Mohammadpur, Dhaka.</p> <p>iv. Manikgonj Branch Syed Market, 60, Shaheed Rafiq Sarak, Manikganj.</p>		

	<p>v. Kamrangir Char King City Shopping Center, Holding No.48, Ashrafabad Main Road, P.S. Kamrangirchar, Dhaka.</p> <p>vi. Mouchak Branch Hosaf Tower (Ground floor), 257- 259 Malibag, Dhaka.</p>		
3.	South East Bank Limited (2 nd Generation)	04	25
	<p>i. Dhanmondi Branch Navana New Berry Place, 1st floor, 4/1/A, Mirpur Road, Sobhanbag, Dhaka.</p> <p>ii. New Elephant Road Branch Kazi Bhaban 40, New Elephant Road, (First & Second Floor), P. S.: Dhanmondi, Dhaka.</p> <p>iii. Narayanganj Branch House # 26 & 29, S. M. Maleh Road, Taan Bazar, Narayanganj.</p> <p>iv. Savar Branch House # A - 109, Bazar Road (First Floor), Pauroshava & P. S.: Savar, Dhaka.</p>		
4	Al Arafah Islami Bank Limited (2 nd Generation)	06	35
	<p>i. Gulshan Branch Hosna Centre, 106 Gulshan Avenue, Dhaka.</p> <p>ii. Mirpur-10, Golchottor Branch 27 Dewan Mansion, (1st floor) Mirpur-10, Dhaka.</p> <p>iii. Panthapath Branch F / R Tower, 8/C, Sukrabad, Panthapath, Dhaka.</p> <p>iv. Khilkhet Branch 34 / Ka, Khelkhet Super Market, Dhaka.</p> <p>v. Hemayetpur Branch Asha Plaza,(1st Floor), Hemayetpur Bus Stand, Savar, Dhaka.</p>		

	<p>vi. Narayangonj Branch 71, BB Road, Delwar Hossain Market, DIT, Narayangonj.</p>		
5	<p>Dutch – Bangla Bank Limited (2nd Generation)</p>	05	44
	<p>i. Karwan Bazar BSRS Bhaban, 12 Karwan Bazar, Dhaka.</p> <p>ii. Mirpur 8, Darus Salam Road, Mirpur - 1, Dhaka.</p> <p>iii. Savar Bazar Branch A-38, Savar Bazar Road, Dhaka.</p> <p>iv. Narayangonj 45, S M Maleh Road, Taanbazar, Narayanganj.</p> <p>v. Mohakhali Hotel Zakaria, 35, Gulshan Road, Mohakhali Commercial Area, Dhaka.</p>		
6	<p>Mercantile Bank Limited (3rd Generation)</p>	04	35
	<p>i. Dhanmondi Branch Sima Blossom (First Floor), House no: 390 (Old), 3 (New), Road no. 27 (Old), 16 (New), Dhanmondi R / A, Dhaka.</p> <p>ii. Mirpur Branch Razia Mansion, 184, Senpara Parbata, Begum Rokeya Sarani, Mirpur-10, Dhaka.</p> <p>iii. Narayanganj Branch H. R. Plaza, 64 (Old), 90 (New) Bangabandhu Road, Narayanganj.</p> <p>iv. Jhitka Bazar Branch City Market, Vill : Jhitka Bazar, P. O: Jhitka Union : Gala, P. S: Harirampur District: Manikgonj.</p>		
7	<p>Mutual Trust Bank</p>	04	41

	(3rd Generation)		
	<p>i. Dhanmondi Branch Green Taj Center, House # 81 (New), Road # 8 / A (New), Dhanmondi, Dhaka.</p> <p>ii. Mirpur Branch Fahad Plaza, Plot 1 & 2, Road No 1, Section – 10, Mirpur, Dhaka.</p> <p>iii. Tongi Branch United Shopping Complex, Hossain Market, Tongi, Gajipur.</p> <p>iv. Savar Branch United Super Market, Savar Bazar Bus Stand, Savar, Dhaka.</p>		
8	Brac Bank Limited (3rd Generation)	04	30
	<p>i. Asad Gate Branch Plot # 01, Asad Gate, Mohammadpur, Dhaka.</p> <p>ii. Mirpur Branch Plot # 03, Road # 03, Block # A, Section # 11, Mirpur, Dhaka.</p> <p>iii. Narayanganj Branch 147 BB Road, Narayanganj Sadar, Narayanganj..</p> <p>iv. Savar Branch Amin Tower, Holding A/44, Bazar Road, Ward no 01, Savar.</p>		
9	Standard Chartered Bank (Foreign Private Commercial Bank)	04	44
	<p>i. Gulshan Branch 67, Gulshan Avenue, Dhaka.</p> <p>ii. Satmasjid Road Branch Level 2, Taj Lily Garden Plot # 51, Satmasjid Road, Dhanmondi, Dhaka.</p>		

	<p>iii. Uttara Branch Update Tower, Plot # 1, Shahajalal Avenue, Sector # 6, Uttara, Dhaka.</p> <p>iv. Narayanganj Branch 26 Shaista Khan Road, Narayanganj.</p>		
	<p>HSBC (Foreign Private Commercial Bank)</p>	04	48
10	<p>i. Dhanmondi Branch House No. 352 (Old), Road No.: 27 (Old) Dhanmondi, Dhaka.</p> <p>ii. Gulshan Branch House No. SWG-2, Gulshan Avenue, Dhaka.</p> <p>iii. Uttara Branch Atlanta Centre, Level # 1, Plot # 1, Road # 1/A, Sector # 4, Uttara, Dhaka.</p> <p>iv. Narayanganj Branch 50, S M Maleh Road, Taanbazar, Narayanganj, Bangladesh.</p>		
	Total	45 Branches	405 Respondents