

MANAGING THE CUSTOMER EXPERIENCE IN SELECTED PRIVATE BANKS WITH SOCIAL MEDIA AS A PLATFORM

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Abstract

Customer Relationship Management (CRM) is a unified business method which links back office and front office, merging them into a single entity for the advantage of customers. Diverse and unrelated functions such as sales force automation, inventory management, customer service, sales and after sale support come together for a general customer satisfaction. Recently, banking sectors have developed social media accounts to develop relationship management system and skill. The customer experience management (CXM) in the banking sector aims to provide a significant level of expertise in managing clients and deliver improved banking services over the transactions made by the customers. Since the new generation banking sector has been striving rigid to achieve positive customer insight through efficient CXM, this study focuses to determine the customer perception towards social media and its impact on customer satisfaction. We have collected a questionnaire including 41 questions from 50 respondents. The analysis of the study reported that the social media has great impact on customer satisfaction in the banking sector.

Keywords: Customer Experience Management, Customer Satisfaction, Social Media, New Generation Banks, Questionnaire.

1. INTRODUCTION

Banks are the lifeline of economy since they played a catalyst role in accomplishing sustainable economic growth, particularly in developed nations and India is no exception. Banking in India has been through a longer journey that include conventional banking practice from the British government to reform nationalization, period, foreign and privatization banks [1]. The adaption of technique has brought a revolution in the working of the banks. The fundamental of banking will have the confidence and trust of the persons. The time once world economy has firstly observed some complex circumstance because of economic failure of financial and banking institutions, India's banking sector has been among the few to preserve resilience [2]. Even though, in India people who are availing banking services constantly increases, the level of service increases because of adaption of banking technology have focus attention on satisfying the customer expectation. Private banks have been inching up in profits and in market share. Usually, Banks must be very careful regarding promotional and advertising problems due to concern relating to compliance with regulatory requirements [3].

Banks are providing social media services to spread their wings and improve their reach to communicate and connect with mass of people. Banks utilize social media to form three kinds of bonds with the customer such as relational bonds, structural bonds and financial bonds [4]. Banks could utilize social media for reflecting their personality via social media presence and conversation. The reliability of posts and messages is what would generate a broad, brand, deep awareness in the customer mind. Social media is a strategic vehicle that allows banks to share reliable content with consumer

[5]. Social allows banking industry as a marketing tool for consumer acquisition targeting and segmentation. Customer Experience is the product of communication between a customer and an organization over the duration of their relationships. This communication is composed of, brand touch points the consumer interact with, the environment the Customer Experience at their interaction time and customer journey [6]. A good customer experience implies that the individual experience during each point of contact matches the individual expectation.

Customer Experience Management (CEM) is the method that company uses to track and oversee each interaction with a consumer during their relationship [7]. This includes the strategy of building around the need of individual customer (Rae Jeanne). The CEM characterizes process, discipline, methodology utilized for managing an interaction and transaction with a company, customer cross channel exposure, service, product or brand (Bernd Schmitt). Organization is using CEM to adapt the mindset of the customer and anticipate consumer need. The primary objective of CEM is to improve the consumer experience by gaining the trustworthiness of present customer in a multi-channel environment and ensures that they have complete satisfaction. The major element of CEM contains of customer expectations, culture, processes, strategy, people, systems, channel approach, marketing and brand [8].

The customer experience management (CXM) in the banking sector aims to provide a significant level of expertise in managing clients and deliver improved banking services over the transactions made by the customers. Since the new generation banking sector has been striving rigid to achieve positive customer insight through efficient CXM, this study focuses to determine the customer perception towards social media and its impact on customer satisfaction. We have collected a questionnaire including 41 questions from 50 respondents. The analysis of the study reported that the social media has great impact on customer satisfaction in the banking sector.

Objectives of the Study

The major objectives of the study are listed as follows.

- To assess the customer satisfaction in the direction of the social media of new generation banks.
- To determine the influencing factors for satisfying customer through the social media on new generation banks.
- To examine the satisfaction level of the customer by the use of social media accounts.

2. LITERATURE REVIEW

In this section, a brief review of recently developed CEM models in banking sector. In [9], an investigation was conducted for providing this technique to customer experience management (CEM) from the mobile banking industry to customer of commercial bank from Dubai. The explorative mixed techniques researches (qualitative as well as quantitative) is utilized from the researches. The data are collected from both qualitative stage (dependent upon grounded model) and quantitative stage (dependent upon cross-sectional study technique). During the qualitative stage, population contained of academic specialist and expert (university

professor from the domain of managements) selective by judgmental sampling technique of snowball sampling form.

The authors in [10] aimed at measuring customer experience and their influence on satisfaction, brand equity and word of mouth from bank sector. The analysis scheme was dependent upon qualitative and quantitative research techniques. About 300 questionnaires are distributing from Jammu City utilizing region sampling. Especially, 180 (i.e. 60 %) questionnaires are establish that appropriately complete. According to the analysis outcomes, customer has provided the maximum importance to CAB (cognitive, affective, and behavioural) factor then relational as well as sensory experiences that are important impression from generating customer experiences.

Ugwuanyi et al. [11] examined experiential indicator in the retail bank sector. Specially, the work observes the driver and effort of self-service technology experience and customer fulfilment. The study analysis strategy has been utilized for generating data in densely populated Nigerian university and is examined utilizing the structural equation modelling partial least square (SEM-PLS) approach. To define that supposed ease of utilize and observed effectiveness of banks' self-service technology is strong indicator of customer cognitive experiences, and in sequence manages customer fulfilment. Makudza [12] monitored an explanatory researches scheme for sampling 384 respondents. The stepwise regression analysis is utilized for validating the relevance of analysis method. The outcomes referred that nearby positive relationship amongst CEM as well as customer loyalties.

Heshmati et al. [13] developed a suitable method to CEM to banking service sectors. These approaches utilized to data gathering and data analysis were dependent upon grounded model and comprise open, axial, and selection code for developing a hierarchical method. The data and information, based primarily on models under the literature, are collected as open code with expert interview by 11 academic and 20 industry experts in Iran. Kumar et al. [14] examined the connection amongst electronic customer relationship management (E-CRM) and customer fulfilment with the mediate play of customer experiences from the banking industries. An information is gathered in customer of 10 banks (5 public and 5 private sector banks) of Delhi, India. Overall, 836 accessible structures surveys are complete, and information are examined utilizing SEM with AMOS.

3. RESEARCH METHODOLOGY

As new generation banking sector has been striving rigid to achieve positive customer insight through efficient CXM, this study intends to measure the customer perception and satisfaction in the usage of social media and its impact on customer satisfaction. We have collected a questionnaire including 41 questions from 50 respondents. The analysis of the study reported that the social media has great impact on customer satisfaction in the banking sector. A non-probability convenience sampling can be used. Besides, five new generation banks are involved in this study namely HDFC, ICICI, Axis, Kotak Mahindra, and IndusInd. An open ended questionnaire is dispersed among the respondents. Every respondent is requested to tick at the proper response. The validation of the questionnaire is verified by the manager/intellectual. Data is examined under linear regression and Chi-square test.

Data Source: The data is gathered from primary as well as secondary sources. The targeted respondents of the study comprised the customers of the elected branches of new generation banks, i.e. HDFC, ICICI, Axis, Kotak Mahindra, and IndusInd. The data can be collected by the use of a questionnaire.

Sampling Process: Non-probability sampling technique can be utilized particularly judgmental and convenience sampling approaches are designed. The number of samples are 50 and it involves 41 questions. The questionnaire contains open-ended and close-ended with likert scale directing to determine the customer perception in the direction of CXM by the new generation banks.

Tools involved in examination: The gathered data has been employed using Logistic regression and Chi-square test. The presented study limits CEM practices in selected new generation banks only. The primary data is gathered from chosen branches of the above-mentioned banks.

4. ANALYSIS AND DISCUSSION

Table 1 shows the gender details of the respondents. The gender details indicated that 64% of the respondents are male and 36% of the respondents of female. i.e., the number of male respondents is 32 and female respondents is 18.

Table 1: Gender

Gender		
	No of Respondents	Percentage
Male	32	64
Female	18	36
Total	50	100

Table 2: Age

Age		
	No of Respondents	Percentage
below 18	4	8
18-28	13	26
28-38	20	40
38-48	7	14
48-58	4	8
Above 58	2	4
Total	50	100

Table 2 depicts the age details of the respondents. The age details specified that 8% of the respondents comes under <18 age, 26% of respondents comes under 18-28 age, 40% of respondents comes under 28-38 age, 14% of respondents comes under 38-48 age, 8% of respondents comes under 48-58 age, and 4% of respondents comes > 58 age.

Table 3: Educational Qualification

Educational Qualification		
	No of Respondents	Percentage
ITI/Diploma	6	12
Under Graduation	12	24
Post-Graduation	30	60
Others	2	4
Total	50	100

Table 3 exhibits the educational qualification of the respondents. The educational details indicated that 12% of the respondents comes under ITI/Diploma, 24% of respondents comes under graduation, 60% of respondents comes under post-graduation, and 4% of respondents comes others.

Table 4 illustrates the occupation details of the respondents. The occupation details specified that 16% of the respondents are self-employed, 10% of respondents are business people, 40% of respondents are private employee, 26% of respondents are government employee, and 4% of respondents comes under other occupation.

Table 4: Occupation

Occupation		
	No of Respondents	Percentage
Self-Employed	8	16
Business	5	10
Private	20	40
Government	13	26
Others	4	8
Total	50	100

Table 5 provides the monthly income details of the respondents. The monthly income details specified that 48% of the respondents earn up to ₹30000, 30% of respondents earn upto ₹30000-₹60000, 12% of respondents earn upto ₹60000-₹90000, 6% of respondents earn upto ₹90000-₹120000, and 4% of respondents earn upto above ₹120000.

Table 5: Monthly Income

Monthly Income (₹)		
	No of Respondents	Percentage
Up-to 30000	24	48
30000-60000	15	30
60000-90000	6	12
90000-120000	3	6
Above 120000	2	4
Total	50	100

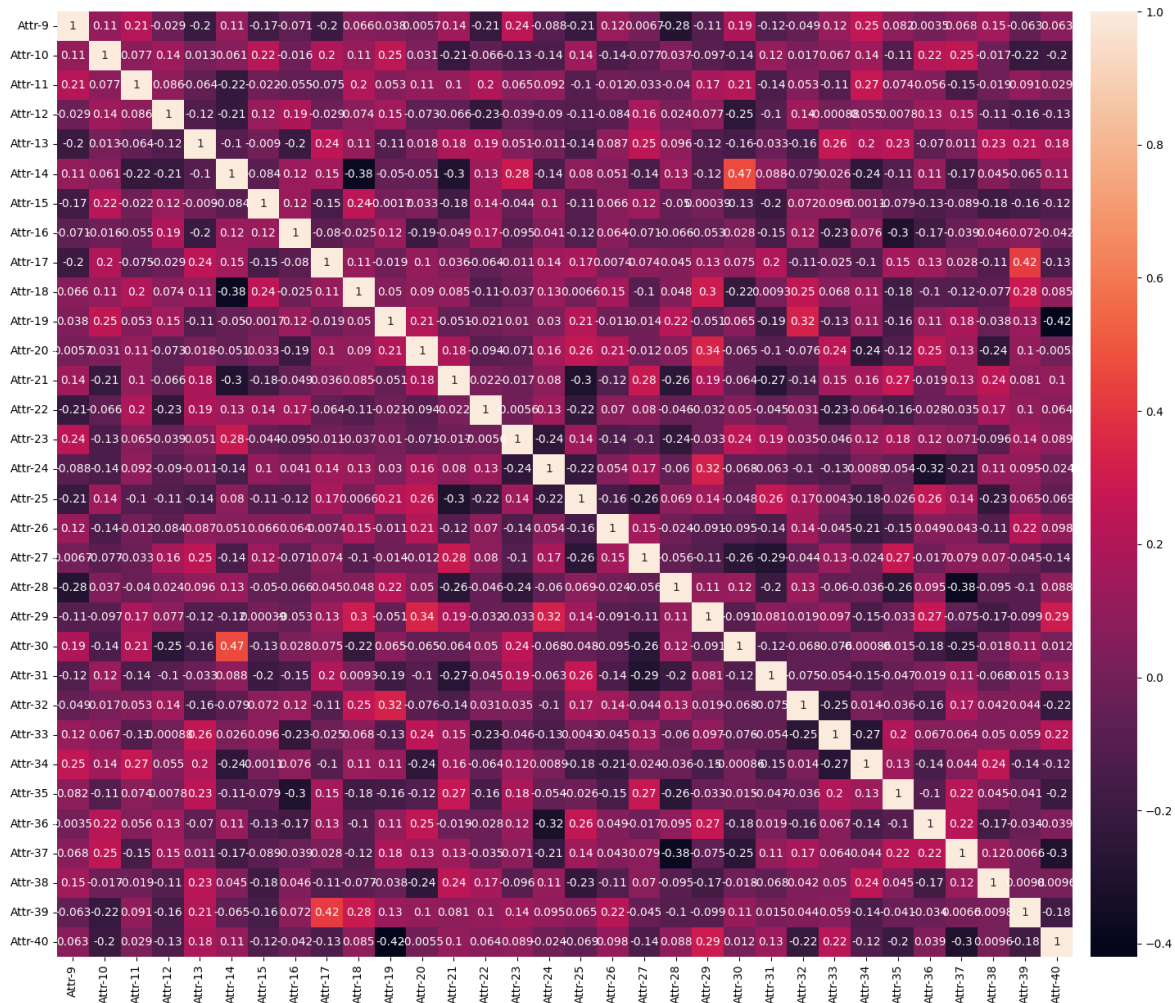


Figure 1: Correlation Matrix

Fig. 1 shows the correlation matrix of the data. Table 6 provides the logistic regression results of the collected data from 50 respondents. The table values indicated that the it has the correlation coefficient of -0.1387, mean absolute error of 1.4406, root mean square error of 1.942, relative absolute error of 139.354%, and root relative absolute squared error of 153.3074%.

Table 6: Logistic Regression Results

Measures	Values
Correlation Coefficient	-0.1387
Mean Absolute Error	1.4406
Root Mean Squared Error	1.942
Relative Absolute Error	139.354 %
Root Relative Squared Error	153.3074 %
Total Number Of Samples	50

Table 7 shows the chi-square analysis results obtained for the collected data.

Hypothesis 1: There is no considerable impact of age on customer satisfaction of respondents towards social media.

Hypothesis 2: There is a considerable impact of occupation on customer satisfaction of respondents towards social media.

Hypothesis 3: There is a considerable impact of monthly income on customer satisfaction of respondents towards social media.

Hypothesis 4: There is no considerable impact of educational qualification on perception level of respondents towards social media.

Table 7: Chi Square Analysis

S. No	Hypothesis	Chi Square Value	Significant Value	Outcome
1	There is no association between Age vs Customer Satisfaction	4.765	0.175	Accepted
2	There is no association between Occupation vs Customer Satisfaction	7.642	0.076	Rejected
3	There is no association between Monthly Income vs Customer Satisfaction	49.532	0.012	Rejected
4	There is no association between Education Qualification vs Customer Satisfaction	14.907	0.158	Accepted

5. FINDINGS

The below are the important findings from the current study with respect to the services provided by the banks in the social media

- Studies have shown that security features of the banks have influence on the customer satisfaction.
- This is understood from the current survey that banks' quick response for customers' requests influences the customer satisfaction.
- Ease of use and website design and navigation of the banks have a great impact on the satisfaction.
- The current survey shows the fact that confidence and reliability of the banks dramatically affect the satisfaction of the customer.
- It is apparent from the current survey that efficiency and competence of the website dramatically affect the satisfaction of the customer.
- The banks are effectively using the Phone, Email and SMS services to respond to the customers' queries.
- Most of the client using the social media services of new generation banks are satisfied with banks website design and its easy usage.
- Banks provides reliable social media services and thus getting the customers' confidence.
- Banks provides high security measures to protect the customer data from various threats.
- Lastly, most of the new generation banks' websites are very effective in providing the social media services.

6. SUGGESTIONS FROM THE STUDY

The important suggestion from the current study is given in the following

- Banks should send SMS regarding the information of the newest transaction to avoid the misuse of confidential data, as soon as the transactions are completed.
- Banks need to offer regular communication to customer about the security features.
- Banks' web portal needs to focus the data and navigation step for smoother transactions.
- Banks needs to understand the customer and personalize the product and service offerings.
- Banks must adapt modern technologies to increase the virtual banking.
- Banks have to focus in providing navigation features and appropriate content and must involve other financial services as a good service to the customer.

7. CONCLUSION

As the banking sector has been determined in achieving positive customer satisfaction insight through efficient CXM, this study focuses to determine the customer perception towards social media and its impact on customer satisfaction. We have collected a questionnaire including 41 questions from 50 respondents. The analysis of the study reported that the social media has great impact on customer satisfaction in the banking sector. The analysis indicated that most of the new generation banks' websites are very effective in providing the social media services.

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