



The Role of Customer Relationship Management (CRM) in Enhancing Customer Satisfaction within Public Sector Banks: A Study in Madurai District

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Abstract

This research aims to investigate the crucial role of Customer Relationship Management (CRM) practices in shaping customer perceptions of services within public sector banks in the Madurai District. As the banking sector becomes more competitive, effective CRM strategies are vital for building positive customer experiences, fostering loyalty, and ultimately improving how a bank's services are perceived. Public sector banks, often seen as slow to adopt modern customer-centric approaches, face a pressing need to use CRM to meet evolving customer expectations and compete with their more agile private sector rivals. The study will explore various components of CRM implementation, such as personalized communication, mechanisms for resolving complaints, the integration of customer feedback, and relationship-building activities. The goal is to understand how these elements directly and indirectly affect a customer's perception of service quality, efficiency, and responsiveness. Using a mixed-methods approach, the research will combine quantitative surveys and qualitative interviews with a diverse group of public sector bank customers in Madurai to gain comprehensive insights. The findings are expected to provide valuable recommendations for public sector banks to strategically enhance their CRM frameworks, thereby improving customer satisfaction and strengthening their market position in the region. This research paper aims to discuss about the role of Customer Relationship Management (CRM) in enhancing customer satisfaction within public sector banks: a study in Madurai district.

Keywords: customer perception, customer satisfaction, personalized communication, complaint resolution, relationship building, service quality, efficiency

Introduction

In today's highly competitive financial landscape, customer perception is vital for the long-term success of public sector banks, especially in a diverse region like Madurai District. These banks face intense pressure to stand out from agile private banks and digital alternatives. Historically viewed as reliable

but slow and impersonal, public sector banks must now evolve beyond offering traditional products to meet rising customer expectations.

Customer Relationship Management (CRM) has emerged as a key strategic tool for building stronger, lasting customer relationships. For public sector banks in Madurai, CRM represents a transformative



shift toward a customer-centric culture, moving beyond simple transactions. By implementing CRM principles and technologies, these banks can gain deeper insights into customer needs, personalize product offerings, and improve service delivery and grievance handling. This study will investigate how CRM implementation directly impacts customer perception of service quality, efficiency, and responsiveness. Using a mixed-methods approach of quantitative surveys and qualitative interviews, the research aims to provide valuable recommendations for public sector banks to enhance their CRM frameworks, thereby improving customer satisfaction and strengthening their market position.

Literate Background

Alkhowaiter (2024) conducted a comprehensive review of 46 studies concerning digital payment adoption specifically within Gulf countries. This extensive analysis identified trust, security, and perceived usefulness as critical determinants influencing adoption rates. Building upon these findings, Alkhowaiter proposed a conceptual model designed to guide subsequent research in further investigating these significant predictors. Complementing this, **Botta (2022)** explored the behavioural intentions towards digital payments, revealing positive correlations with factors such as perceived utility, usability, and social norms. Botta's work underscores the substantial impact of digital payments on enhancing consumer convenience and fostering new business opportunities. Expanding on the understanding of digital payment behaviour, **Kerviler et al. (2016)** investigated the adoption of proximity mobile payments. Their research highlighted the influence of perceived utilitarian, hedonic, and social benefits, alongside financial and privacy risks, on consumer behaviour within physical retail environments. The landscape of digital payments has been a rich area of recent academic inquiry, with several studies shedding light on various facets of its adoption, impact, and user perception. **Kumar et al. (2022)**, for instance, offered a comprehensive examination of the Unified Payments Interface's (UPI) rapid growth in India.

Their research highlighted UPI's transformative impact and potential for global expansion, while also identifying key drivers and persistent challenges such as transaction failures and fraud. They notably pointed to the future potential of Near Field Communication (NFC) technology in conjunction with UPI. Moving beyond India, **Liao and Yang (2020)** explored the role of mobile payments within Taiwan's online-to-offline retail models. Their study emphasized how mobile payments enhance consumer purchase experiences and utilized data mining methods, including clustering and association rules, to analyze the transition towards omni-channel retailing. The influence of significant societal shifts on digital payment adoption has also been a central theme. **Manoharan et al. (2021)** observed a notable shift in consumer attitudes towards digital wallets in India, reporting a decline in physical currency usage post-demonetization, which was further intensified by transmission concerns during the COVID-19 pandemic. In a similar vein, **Shinki Katyayani Pandey (2022)** investigated the evolving user perceptions of Indian digital payments, specifically analyzing changes before and after the pandemic. Several studies have applied theoretical frameworks to understand adoption drivers. **Shahid (2022)**, for example, applied the Diffusion of Innovation Theory to examine UPI adoption factors in India. This research concluded that relative advantage, complexity, and observability positively influenced users' intentions to use and recommend UPI. Finally, the practical usability and broader impact of digital payments have been areas of focus. **Singh et al. (2024)** conducted a crucial usability study on UPI-based digital payment apps, specifically assessing their accessibility for visually impaired users. Their findings revealed significant design flaws in screen reader compatibility and navigation, providing valuable insights for improving these applications to better serve the community. Concurrently, **Sowmya Praveen K and C.K. Hebbar (2021)** investigated the rapid expansion of digital payment systems within the financial sector and its direct effect on retail establishments in Mangalore City, India.



Statement of the Problem

In recent years, the rapid growth of digital payment systems in India, particularly UPI, has significantly transformed the financial landscape, offering unparalleled convenience and efficiency. While studies highlight increased adoption driven by factors like perceived utility, usability, and social norms, and a clear shift away from physical currency, persistent challenges remain. Issues such as transaction failures, security concerns, and fraud continue to deter a segment of potential users. Furthermore, despite the overall surge in usage, specific segments, like visually impaired users, face significant accessibility barriers due to design flaws in existing applications. This research aims to address these gaps by investigating the factors influencing the continued adoption and sustained usage of digital payments in the context of these evolving challenges, ultimately seeking to identify pathways for enhanced user experience and broader, more inclusive integration.

Nature of the Study

This study is descriptive and analytical in nature, aiming to understand the multifaceted factors influencing the adoption and sustained usage of digital payment systems in India. It will analyze existing user perceptions and behaviors, identify key drivers and barriers, and assess the impact of technological advancements and societal shifts. Furthermore, the research will adopt a qualitative and quantitative approach to provide a comprehensive understanding of the challenges, particularly regarding accessibility, and propose actionable insights for improving the user experience and fostering greater inclusivity in the digital payment ecosystem.

Objectives of the Study

1. To assess customer satisfaction with the service quality provided by public sector banks in Madurai City.
2. To analyze the key factors influencing customer preference and patronage of public sector banks in Madurai City.

Hypothesis of the Study

- H0: There is no significant relationship between the friendliness and responsiveness of staff and a customer's primary reason for choosing a public sector bank.
- H1: There is a significant positive relationship between the friendliness and responsiveness of staff and a customer's primary reason for choosing a public sector bank.
- H0: There is no significant difference in customer satisfaction levels based on the observed quality of service in public sector banks.
- H1: Customers who perceive higher quality of service in public sector banks will report significantly higher satisfaction levels.

Research Methodology

Sample Design

This study, which investigates customer attitudes towards services provided by public sector banks in Madurai City, will utilize a convenience sampling method under the non-random sampling approach. The researcher will obtain a list of customers from various public sector banks operating within Madurai City. A total sample size of 150 customers has been set for this study. While convenience sampling is employed, care will be taken to ensure representation from diverse customer segments, including salaried employees, business people, professionals, housewives, retired individuals (pensioners), agriculturists, and students. To achieve this, customers will be proportionately selected from different branches of public sector banks across Madurai City, with the aim of gathering insights from a broad spectrum of the customer base.

Sources of Data

In this study on customer perception of public sector banks in Madurai, both primary and secondary data will be utilized. Primary data will be collected directly from customers of public sector banks in Madurai City through structured questionnaires. This will provide first-hand insights into their attitudes, perceptions, and experiences regarding CRM



initiatives and banking services. This data will be crucial for understanding specific customer sentiments and feedback. Secondary data will supplement the primary data by providing broader context and associate information. This includes reviewing published reports, journals, articles, and statistical data from reputable sources such as the Reserve Bank of India (RBI), Ministry of Finance, various banking association publications, and academic databases. These sources can offer insights into banking sector trends, public sector bank performance metrics, and existing research on customer relationship management in the financial sector, both nationally and regionally.

Study Period

The study is set to run for six months, from December 2024 to May 2025. This period allows for thorough primary data collection from public sector bank customers in Madurai City, followed by detailed data analysis and the completion of the final report.

Tools used for the Analysis

Weighted Arithmetic Mean when dealing with **ranks**. This is a common method when you have items ranked by multiple respondents or criteria, and you want to find an overall average rank where some ranks (or the respondents giving them) might be more important than others. The general formula for a Weighted Arithmetic Mean is:

$$X^w = \frac{\sum (x_i \cdot w_i)}{\sum w_i}$$

Percentage Formula: The most common and basic formula for calculating a percentage is:

$$\text{Percentage} = (\text{Whole} / \text{Part}) \times 100$$

Result and Discussion

Theoretical Background

The research title, "The Role of Customer Relationship Management (CRM) in Enhancing Customer Satisfaction within Public Sector Banks: A Study in Madurai," can be effectively grounded in Alfred Marshall's theory of utility. Marshall, a

central figure in neoclassical economics, built upon the work of early marginalists to formalize the concept of cardinal utility, which posits that the satisfaction or "utility" a consumer derives from a good or service is measurable. A core component of this is the Law of Diminishing Marginal Utility, which states that the additional satisfaction a consumer gets from each successive unit of a good decreases. While Marshall's theory was traditionally applied to tangible goods, its principles are perfectly applicable to the service-oriented economy of modern banking. In this context, the "good" being consumed is the bank's service, and CRM practices are the additional "units" that provide utility.

Alfred Marshall's utility theory provides a foundational framework for understanding consumer behavior in economics. While the core idea of utility—the satisfaction from consuming a good—was not new, Marshall's contribution was to formalize it with key assumptions and a clear theoretical structure. From a research point of view, particularly for your study on CRM and customer satisfaction, understanding these principles is crucial for building a strong theoretical foundation.

Meaning and Definitions

In Marshall's view, utility is the quantitative measure of a consumer's satisfaction. He assumed that this satisfaction could be measured in hypothetical units called "utils." This allowed economists to treat consumer preferences as a mathematical problem. A key concept derived from this is marginal utility, which is the additional satisfaction a consumer gets from consuming one more unit of a good. For your research, this is the most critical element: each positive interaction a customer has with a bank's CRM system (e.g., a quick solution to a problem, a personalized service) represents a unit of service that provides marginal utility.

Assumptions of the Theory

Marshall's Theory Rests on Several Key Assumptions

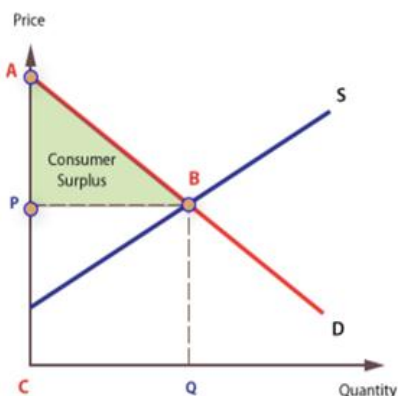
Cardinal Measurability of Utility: This is the most fundamental assumption. It means that a consumer

can express the satisfaction they receive from a good in numerical terms. For example, a customer might say that resolving a complaint gives them 50 utils of satisfaction, while a simple "happy birthday" message from the bank gives them 10 utils.

Constant Marginal Utility of Money: Marshall assumed that the utility a consumer gets from each additional unit of money remains constant. This is a simplification that allows him to use money as a yardstick to measure utility.

Rationality: Consumers are assumed to be rational and aim to maximize their total utility. They will allocate their resources to get the highest possible satisfaction.

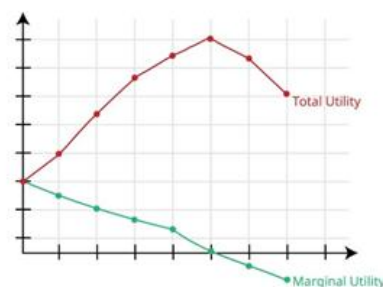
Independent Utilities: This assumption states that the utility derived from one good is independent of the utility derived from another. While this may not be true in the real world (e.g., the utility of a car is linked to the utility of gasoline), it simplifies the analysis.



This diagram illustrates a fundamental concept in Alfred Marshall's economic theory: consumer surplus. The graph displays a downward-sloping demand curve (D) and an upward-sloping supply curve (S), intersecting at point B. This intersection represents the market equilibrium, where the price is P and the quantity is Q. The shaded triangular area labeled "Consumer Surplus" represents the difference between the total amount that consumers are willing and able to pay for a good or service and the total amount they actually pay. According to Marshall's

principles, consumer surplus is a measure of the total benefit or utility that consumers receive from a product beyond what they paid for it, highlighting the value created by market transactions.

A bank customer's initial satisfaction from opening an account is their baseline utility. Subsequent interactions—such as a seamless digital banking experience, timely and helpful customer service, or personalized offers (all components of CRM)—act as additional units of service. According to Marshall's theory, each of these positive interactions, while contributing to total satisfaction, may provide a slightly diminishing marginal utility compared to the previous one. However, effective CRM ensures that the marginal utility remains positive and that the total utility curve continues to rise, preventing dissatisfaction from setting in. This is illustrated in the diagram below, where a series of CRM-driven positive experiences (e.g., proactive communication, quick issue resolution) progressively increases a customer's total utility. The study in Madurai will, therefore, empirically investigate how a public sector bank's investment in CRM can continuously increase the total utility, and therefore satisfaction, of its customers.



The diagram shows two curves on a chart with "Utility" on the vertical axis and "Units of Service (CRM Interactions)" on the horizontal axis.

- a) **Total Utility (TU) Curve:** This curve starts at the origin and rises steeply at first, then flattens out. It represents the cumulative satisfaction a customer gains from their banking relationship. Each positive CRM interaction adds to this total satisfaction, making the curve go up.



b) Marginal Utility (MU) Curve: This curve starts high and slopes downward. It represents the additional satisfaction from each new CRM interaction. It visually demonstrates the Law of Diminishing Marginal Utility. For example, the first time a bank quickly resolves a customer's issue, the marginal utility is very high. The second or third time they do this, the marginal utility is still positive but slightly lower, as the customer has come to expect good service. The goal of a good CRM system is to keep the marginal utility curve in the positive range, so that each customer interaction continues to add value and build overall satisfaction.

Analysis of Data

This table 1 details the demographic composition of the 150 public sector bank customers surveyed in Madurai City. It presents key variables like gender, age, marital status, educational qualification, occupation, family type and size, and monthly family income, along with their respective frequencies and percentages. This data is fundamental for understanding the profile of the customer base and for segmenting them for targeted analysis of CRM's impact. The data reveals that the sample is predominantly male (70%) and largely consists of customers in the 40-50 age bracket (36%). A significant majority are married (62.67%). In terms of education, customers with Up to HSC (34%) form the largest group, while private employees (28.67%) represent the biggest occupational segment. Most respondents come from nuclear families (62%) with up to 4 members (38.67%). Financially, the largest income group falls between Rs.20,001-Rs.30,000 (32%). This comprehensive demographic breakdown paints a clear picture of the diverse customer base utilizing public sector banks in Madurai, essential for interpreting their perceptions regarding CRM.

Table 2 clearly illustrates the dominant preference for Saving Accounts among public sector bank customers in Madurai District, with 109 out of 150 respondents (72.67%) holding this type of account. This high percentage signifies that for the vast majority of customers, public sector banks

primarily serve as a means for savings and personal financial management.

Current Accounts are held by a significantly smaller proportion of customers, accounting for 19 respondents (12.67%). This suggests that while public sector banks do cater to businesses and individuals requiring frequent transactions, their primary strength in this sample lies with personal savings. Recurring Deposit Accounts (13 customers, 8.66%) and Fixed Deposit Accounts (9 customers, 6.00%) represent the smallest segments. This indicates that while these options for systematic savings and long-term investments are available, they are utilized by a minority of the surveyed customer base. In essence, the distribution highlights that public sector banks in Madurai primarily function as a hub for personal savings for the surveyed demographic, with other account types serving niche segments. This understanding is crucial for assessing CRM strategies, as tailored approaches might be needed for the diverse needs of customers across different account types.

Table 3 provides insights into the duration of customer accounts with public sector banks in Madurai. The data reveals that a significant portion of customers have established long-term relationships, with the largest segment, 49 respondents (32.67%), holding accounts for 5 to 10 years. Following this, 39 customers (26.00%) have accounts for 3 to 5 years, and 35 customers (23.33%) for 1 to 3 years. Notably, only 13 customers (8.67%) have held accounts for less than one year, indicating a relatively smaller proportion of new customers in the sample. Interestingly, no respondents (0%) reported having accounts for 10 years and above, which might suggest data collection limitations or a higher churn rate for very long-term accounts beyond a decade in the specific sample. This distribution underscores that the surveyed public sector bank customers largely represent a stable, medium-to-long term relationship base.

Table 4 reveals a striking characteristic of public sector bank customers in Madurai District: A significant majority also hold accounts with other banks. Specifically, 130 out of 150 respondents



(86.00%) indicated that they have accounts in other financial institutions. Conversely, only 20 customers (14.00%) exclusively bank with public sector banks. This overwhelming prevalence of customers holding multiple bank accounts suggests a strong trend of multi-banking or portfolio banking. Customers might be leveraging different banks for specialized services, better interest rates, ease of access, or simply for diversification. For public sector banks, this finding is crucial as it implies intense competition and the necessity to enhance their CRM strategies to not only retain existing customers but also to become their primary banking partner amidst other choices. This diversification of banking relationships highlights the importance for public sector banks to differentiate themselves and provide compelling reasons for customers to centralize more of their financial activities with them.

Table 5 indicates a high degree of multi-banking among public sector bank customers, with the largest group, 41.99% (55 respondents), holding three additional accounts. Nearly 30% (39 respondents) have two, and 14.50% (19 respondents) possess more than three. This highlights that customers often diversify their financial relationships across multiple banks. This widespread practice of maintaining several accounts with other institutions suggests that public sector banks face significant competition. Their CRM strategies must therefore focus on understanding these diversified needs and offering compelling value to become the preferred or primary banking partner, despite customers' tendency to spread their banking activities.

Table 6 highlights that "Savings Account / Savings Focus" is the dominant reason (48%) for customers choosing public sector banks in Madurai. High Interest Rates (18%) and Loan Facilities (14%) are also significant motivators. While Perceived Security (12.67%) remains a factor, Business Banking Needs (7.33%) is the least cited primary reason. This indicates that public sector banks are primarily viewed as reliable institutions for personal savings and credit access. CRM efforts should leverage these core strengths, reinforcing trust and

competitive offerings in savings and loans, to align with customer priorities in the region.

Table 7 reveals that "Once Weekly" is the most common bank visit frequency (27.33%) among public sector bank customers in Madurai. Following closely, "Twice Monthly" accounts for 23.33% and "2-4 Times Weekly" for 18%. A smaller segment visits daily (9.33%) or occasionally (6.67%). This distribution indicates that a significant majority of customers still prefer or require regular physical interaction with their bank branches, highlighting the continued importance of branch-level service quality. Despite the rise of digital channels, in-person operations remain crucial for customer engagement and perception in this region.

Table 8 reveals that "Cash Deposits" is the most frequent purpose of bank visits (26%), followed closely by "Cash Withdrawals" (20%) and "Demand Draft Issuance" (17.33%). Loan-related activities account for 16%, while Cheque Processing is 14.67%. Notably, "Account Inquiries" are the least common reason (6%) for physical visits. This indicates that despite digital advancements, customers primarily use public sector bank branches in Madurai for essential cash transactions and specific financial services requiring in-person interaction, underscoring the ongoing need for efficient counter services.

Table 9 in investigating the factors influencing customers' choice of banks for opening accounts, the researcher identified six key drivers: affordable service, superior service quality, convenient proximity, the friendly approach of bank staff, access to modernized facilities, and the overall reputation of the bank. To ascertain the relative importance of these factors, respondents were asked to rank them in order of preference. A weighted arithmetic mean was then calculated using a scoring system where a 1st rank received 6 points, 2nd rank 5 points, 3rd rank 4 points, 4th rank 3 points, 5th rank 2 points, and 6th rank 1 point. Table 9 presents a detailed frequency distribution of how 150 customers ranked various reasons for selecting public sector banks, from most to least important. "Quality of Service" emerged as the most frequently chosen 1st rank (43 respondents),



underscoring its paramount importance. Following closely, "Friendly and Responsive Staff" received the highest number of 2nd ranks (37 respondents), highlighting the critical role of human interaction. Conversely, while still contributing, "Bank Reputation" accrued the most 5th ranks (45 respondents), suggesting it's less often the initial deciding factor. Similarly, "Availability of Modernized Services/Facilities" received the highest number of 6th ranks (41 respondents), indicating it's often perceived as the least significant among the listed reasons when customers make their choice. "Proximity/Convenience of Location" and "Affordable Service Charges" show a more distributed pattern across various ranks. This granular ranking insight is crucial for public sector banks to prioritize CRM efforts based on actual customer perceptions in Madurai.

Table 10 presents the weighted average scores, indicating the overall importance of each factor in customers' bank choice (lower score signifies higher importance). "Friendly and Responsive Staff" (2.96) is the most critical factor, closely followed by "Quality of Service" (2.97). This highlights the strong preference for personalized and efficient service. Conversely, "Bank Reputation" (3.99) and "Affordable Service Charges" (3.77) received higher weighted averages, suggesting they are less influential compared to direct service experiences. "Modernized Services" (3.73) and "Proximity" (3.58) fall in between. This emphasizes that for public sector banks, excelling in staff interaction and service quality is key to attracting and retaining customers. The data indicates that "Friendly and Responsive Staff" and "Quality of Service" are the top reasons for choosing public sector banks. This aligns with broader research on customer loyalty in Indian banking. Studies show that customer perception of service quality, particularly human aspects like responsiveness and empathy, significantly impacts satisfaction and fosters loyalty. While factors like bank reputation are considered, direct, positive interactions with staff and efficient service delivery are paramount for customer retention in this sector, where the average retention rate is already high, around 75-78%. Therefore,

public sector banks should strategically invest in training staff and streamlining services to enhance overall customer experience and solidify loyalty.

Finding of the Study

Demographic Profile

- **Gender:** The sample is predominantly male, representing 70% of the customers surveyed.
- **Age:** The largest age group falls between 40-50 years, making up 36% of the sample.
- **Marital Status:** A majority of the customers (62.67%) are married.
- **Education:** Most customers have an education level up to Higher Secondary Certificate (34%).
- **Employment:** The highest percentage of customers (28.67%) are employed in the private sector.
- **Family Structure:** The majority of customers live in nuclear families (62%) with up to four members (38.67%).
- **Income:** A significant portion of the customers (32%) have a monthly income between Rs. 20,001 and Rs. 30,000.

Banking Habits and Preferences

- **Account Type:** A strong preference for Savings Accounts is evident, used by 72.67% of the customers.
- **Relationship Duration:** A substantial number of customers (32.67%) have had a long-term relationship with their bank for 5-10 years, though none in the sample have been customers for more than 10 years.
- **Multi-banking:** A striking 86% of customers maintain accounts with other banks, with most (41.99%) holding three additional accounts.
- **Primary Reason for Choosing the Bank:** The main reason for choosing a public sector bank is the focus on Savings Accounts (48%), followed by High Interest Rates (18%) and Loan Facilities (14%).
- **Branch Visits:** Customers frequently visit branches, most commonly once a week (27.33%).



- **Common Transactions:** The primary reasons for branch visits are cash deposits (26%), cash withdrawals (20%), and issuing demand drafts (17.33%).
- **Most Critical Factors:** "Friendly and Responsive Staff" (weighted average rank: 2.96) and "Quality of Service" (2.97) are the most important factors for customers.
- **Lesser Motivators:** Bank reputation (3.99) and the availability of modernized facilities (3.73) are considered less critical compared to the quality of human interaction and service.

Suggestions

- **Prioritize Staff Training:** Staff training is key for friendly, high-quality service and customer satisfaction.
- **Offer Personalized Bundles:** Use CRM data to create custom product bundles that fight multi-banking.
- **Optimize Branch Efficiency:** Streamline in-person services, as branches are still crucial for transactions.
- **Integrate Digital and Physical:** Combine digital and in-person service to build stronger loyalty.
- **Implement Proactive Communication:** Use CRM for personalized communication to build long-term relationships

Conclusion

In conclusion, this study on public sector bank customers in Madurai District reveals critical insights into their demographic profile, banking habits, and preferences, directly informing the role of CRM. The customer base is largely mature, with a significant male representation, primarily engaging with banks for savings and maintaining long-term relationships. However, a prominent finding is the pervasive multi-banking trend, where a vast majority of customers hold multiple accounts with other institutions, underscoring intense competition. While traditional services like cash transactions remain key drivers for branch visits, the study definitively establishes that "Friendly and Responsive Staff" and "Quality of

Service" are the paramount factors influencing customers' choice of public sector banks, outweighing aspects like bank reputation or modern facilities. Therefore, effective CRM in this context must center on human-centric approaches: nurturing staff-customer relationships, ensuring efficient service delivery at branches for routine transactions, and understanding diversified banking needs. By strengthening these core areas through strategic CRM initiatives, public sector banks can enhance customer perception, build stronger loyalty, and solidify their position in Madurai's competitive banking landscape.

Limitations

One key limitation of this study is the convenience sampling method employed, which, being a non-random approach, inherently restricts the generalizability of findings to the entire population of public sector bank customers in Madurai City. While efforts were made to include diverse customer classes, this method does not guarantee proportional representation of all segments, potentially introducing selection bias. Furthermore, the sample size of 150 customers, while manageable, might not fully capture the complete range of attitudes and behaviors across such a large and varied demographic. The study's focus solely on public sector banks in Madurai limits the applicability of conclusions to private sector banks or other geographical regions. Lastly, the reliance on self-reported data from questionnaires could be subject to response bias.

Scope for Further Research

Considering the study's findings and limitations, future research could explore several avenues. A larger, more geographically diverse sample, ideally employing probability sampling, would enhance the generalizability of findings across different districts or states. Investigating the specific reasons behind multi-banking behavior—such as differing interest rates, digital service offerings of private banks, or specialized product needs—would provide deeper insights into customer loyalty and switching patterns.



Comparative studies analyzing CRM strategies and customer perception across public and private sector banks could identify best practices. Furthermore, qualitative research, such as focus groups or in-depth interviews, could provide richer, nuanced understanding of customer experiences, particularly regarding staff interactions and service quality, which emerged as crucial factors.

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Table 1 Demographic Characteristics of Surveyed Customers from Public Sector Banks in Madurai District

Variable		Frequency	Percentage
Gender	Male	105	70.00
	Female	45	30.00
Age	Below 30 years	46	30.67
	30 - 40 years	33	22.00
	40 - 50 years	54	36.00
	50 years and above	17	11.33
Marital Status	Married	94	62.67
	Unmarried	56	37.33
Educational Qualification	Illiterate	11	7.33
	Up to Higher Secondary Certificate (HSC)	51	34.00
	Graduate	34	22.67
	Post Graduate	25	16.67
	Professional Degree	12	8.00
	Diploma/Technical Qualification	17	11.00
Occupation	Business	21	14.00
	Agriculture	11	7.33
	Government Employed	26	17.33
	Private Employed	43	28.67
	Homemaker (formerly House Wife)	13	8.67
	Retired Person	18	12.00
	Student	8	5.33
	Professional	10	6.67
Types of Family	Joint Family	57	38.00
	Nuclear Family	93	62.00
Size of Family	Up to 2 members	14	9.33
	Up to 3 members	26	17.33
	Up to 4 members	58	38.67
	4 members & above	52	34.67
Monthly income of the family	Less than Rs. 10,000	19	12.67
	Rs.10000-Rs.20000	43	28.67
	Rs.20000-Rs.20000	48	32.00
	Rs.30000-Rs.40000	28	18.66
	Above Rs.40000	12	8.00

Source: Survey Data



Table 2 Distribution of Account Types among Public Sector Bank Customers in Madurai District

Nature of Account	Frequency	Percentage
Saving Account	109	72.67
Current Account	19	12.67
Recurring Deposit Account	13	8.66
Fixed deposit Account	9	6.00
Total	150	100.00

Source: Survey Data

Chart 1 Distribution of Account Types among Public Sector Bank Customers in Madurai District

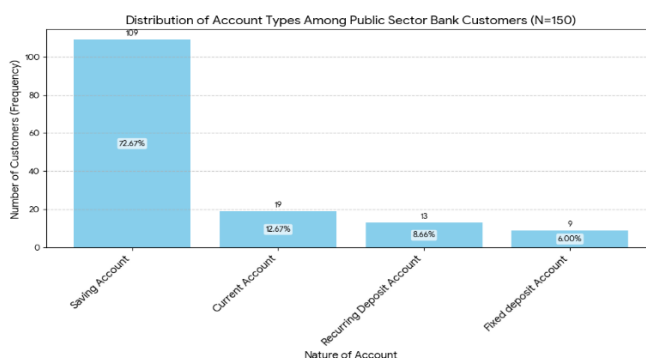


Table 3 Distribution of Account Duration among Public Sector Bank Customers in Madurai District

Duration of Account (in Years)	Frequency	Percentage
Less than one	13	8.67
1 – 3	35	23.33
3 – 5	39	26.00
5 - 10	49	32.67
10 and above	00	00
Total	150	100.00

Source: Survey Data

Table 4 Customers Holding Accounts in Other Banks

Accounts in other bank	Frequency	Percentage
Yes	130	86.00
No	20	14.00
Total	150	100.00

Source: Survey Data

Table 5 Number of Accounts Held by Customers in Other Banks

Number of Accounts held in other bank	Frequency	Percentage
One	18	13.74
Two	39	29.77
Three	55	41.99
More than three	19	14.50
Total	150	100.00

Source: Survey Data



Table 6 Primary Reason for Choosing a Public Sector Bank

Duration of Account (in Years)	Frequency	Percentage
Savings Account / Savings Focus	72	48.00
Perceived Security / Safety of Funds	19	12.67
High Interest Rates	27	18.00
Business Banking Needs	11	7.33
Loan Facilities / Access to Credit	21	14.00
Total	150	100.00

Source: Survey Data

Table 7 Frequency of Bank Visits by Public Sector Bank Customers in Madurai District

Frequency of Visit	Frequency	Percentage
Daily	14	9.33
2-4 Times Weekly	27	18.00
Once Weekly	41	27.33
Twice Monthly	35	23.33
Once Monthly	23	15.34
Occasionally	10	6.67
Total	150	100.00

Source: Survey Data

Table 8 Purpose of Visits to Public Sector Banks by Customers in Madurai District

Duration of Account (in Years)	Frequency	Percentage
Cash Withdrawals	30	20.00
Cheque Processing/Collection	22	14.67
Cash Deposits	39	26.00
Account Inquiries	9	6.00
Loan Application/Disbursement	24	16.00
Demand Draft Issuance	26	17.33
Total	150	100.00

Source: Survey Data

Table 9 Customer Rankings of Reasons for Choosing Public Sector Banks

S. No	Reasons	Rank						Total
		1	2	3	4	5	6	
1	Proximity / Convenience of Location	25	35	7	25	27	31	150
2	Affordable Service Charges	14	17	39	35	10	35	150
3	Quality of Service	43	32	19	13	29	14	150
4	Bank Reputation	21	15	26	26	45	17	150
5	Friendly and Responsive Staff	29	37	31	29	12	12	150
6	Availability of Modernized Services/Facilities	18	14	28	22	27	41	150

Source: Survey Data



Table 10 Weighted Average Ranking of Reasons for Choosing Public Sector Banks

S. No	Reasons	Weighted Average Method
1	Proximity / Convenience of Location	3.58
2	Affordable Service Charges	3.77
3	Quality of Service	2.97
4	Bank Reputation	3.99
5	Friendly and Responsive Staff	2.96
6	Availability of Modernized Services/Facilities	3.73

Source: Survey Data

Chart 2 Customer Rankings of Reasons for Choosing Public Sector Banks

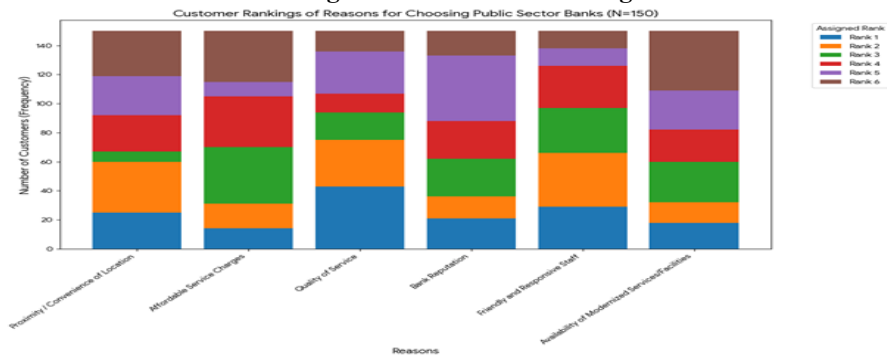


Chart 3 Weighted Average Ranking of Reasons for Choosing Public Sector Banks

