



A STUDY ON RELATIONSHIP MARKETING AND CUSTOMER SATISFACTION WITH REFERENCE TO BANKS IN THE STATE OF QATAR

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Abstract: This study reviews the outcome of relationship marketing on service quality and customer satisfaction from the viewpoint of the moderating role in the banking zone in the State of Qatar. This article makes an effort to be aware of the scope of service quality which affects customer satisfaction in relationship marketing in banking services. In the business world, customers are the foundation of profit and revenue for the service organizations and progress in service quality directs to customer loyalty. Customer service is considered as an essential part of any aspect of industry and it defines the outlook of any organization. As Organizations are increasingly becoming customer focused and are obsessed by consumer demands, it is becoming evenly tough to assure and hold on to customer fidelity. The rapport with the customer is based on the guarantee that customer fulfilment is achieved through providing standard quality of service. The findings of this study will be valuable to banks to enhanced figure and focus their positions in the market and also to endow with utmost contentment to the consumers.

Index Terms - Banking Sector, Customer Satisfaction, Customer service, Relationship Marketing, Customer Relationship Management (CRM), Customer Perception

I. INTRODUCTION

Banking has turned out to be more internationally incorporated, there is high competition and it is yet, vital for banks to make out what, when, where, and how they will grant and how their customers recognize products and services. Banking is experiencing brisk changes across the world and Qatar is no exemption to it. With the access of new generation technophile private banks and the spreading out of operations of foreign banks, the banking zone has developed into too aggressive. It is found that a good number of the deposits approach to the banking sector from the retail sector. Hence the banks have enforced to move their focus on retail banking. Continuous environmental change and worldwide focus also made the banks to change their scheme of operation. Accordingly, it is desirable for banks to widen a customer centric approach for future survival and growth. As a result, many banks have initiated latest customer friendly dealings.

Consumer satisfaction can be defined as the customer's accomplishment reaction. In today's competitive business environment, service quality is seen as a key discriminating aspect. The focus is on customer perceived eminence. In majority of the countries consumers are increasingly using numerous banks to convene their needs. Increased competition, product consistency and pressure to cut costs will be the universal agenda for the successful management of banks at present.

The aim of relationship marketing is to craft strong, durable relationship with core collection of customers. It is to a firm's benefit to enlarge long term relationship with existing customers because it is easier and less expensive to make an additional sale to an existing customer than to make a fresh sale to a fresh consumer.

A customer will have an anticipation of service determined by factors such as proposals, private needs and earlier period understandings. The expectation of service and the perceived service result may not be equal, thus leaving a space. An effort has been made in this study to scrutinize the height of satisfaction of the respondents with respect to two constraints namely:

- Customer Relationship
- Service Quality

II. LITERATURE REVIEW

Nowadays, many industries like banks, insurance companies, and other service providers comprehend the importance of Customer Relationship Management (CRM) and its prospective to facilitate them attain new customers maintain existing ones and get the most out of their lifetime worth. Several studies have been made to explore the role of Customer Relationship Management in banking segment and the need for Customer Relationship Management to boost customer value.

As noted by **Rust et al** (1994); understanding the notion of satisfaction is crucial for managing Service Quality successfully. Thus, customer satisfaction can be defined as the customer's fulfilment response. It has also been described as a procedure by (**Rust, et al.**, 1994) and the most widely approved process theory is that of expectancy disconfirmation in which satisfaction is viewed as largely based on gathering or beyond expectations. According to **Ernst & Young** Global Consumer Banking Survey, internationally, 44% of customers say their confidence in the banking industry diminished in 2010.

The prior marketing theory was normally focusing on the sellers approach and **Moller** (2006:24) emphasize that Marketing mix is internally oriented and does not regard as customer behaviour, does not permit or confine relationships while focusing only on management.

According to **Wong and Sohal** (2003), companies could amplify their customer's satisfaction and also customer's trustworthiness through improving service quality that has been linked to success in organization, particularly in financial provider organizations such as bank that it has presented an array of services among their customers.

According to **Mittal & Kamakura** in 2001, satisfaction is a core indicator for customer withholding in future. They believe that customers don't change their services or products provider if they're satisfied with their purchase. In addition, this thought is prerequisite for customer allegiance.

According to **Kotler** (2000), structuring relationships with clients assist marketers to better understand and satisfy clients. **Walsh et al.** (2004, p. 469) define Relationship Marketing as "the activities administered by banks so as to draw in, interrelate with, and preserve more profitable or high net-worth customers."

According to **Morgan, R. M et.al**, Relationship marketing is all marketing activities performed in order to create, extend, and sustain successful relationships. **Gummesson, E.** (1994) refers to relationship marketing as a continuing mutual relationship between the business holder and the customer that leads to enduring profitability. Relationship marketing encourages companies to create up future relationships with their stakeholders. According to Relationship marketing theory, some characteristics in mutual relationships cause successful relationship marketing. **Hunt S. et al** [2006] realized relationship marketing to be a firm's competency which enables it to build up and manage a mutual customer - company relationship through creating relationship commitment, satisfaction and trust. Relationship Marketing is not just Loyalty Programs. It's about creating Recipient Centric Communication that increases relationship value and business benefit.

III. OBJECTIVES OF THE STUDY

- To analyse and evaluate the Customer relationship in Qatar banks
- To identify the connection between customer relationship and service quality
- To examine the extent of customer satisfaction within the banking sector in Qatar

IV. QATAR PROFILE

Qatar, officially the State of Qatar, has the highest per capita income in the world. Qatar is assessed by the UN as a rustic of very high human development and is widely considered the foremost advanced Arab state for human development. Qatar be a high-income economy, backed by the world's third-largest gas reserves and oil reserves. Qatar emerged as a big power within the Arab world both through its globally expanding media group, Al Jazeera Media Network, and reportedly supporting several rebel groups financially during the Arab Spring. Qatar is currently the topic of a diplomatic and economic embargo by Saudi Arabia, the United Arab Emirates (UAE), Bahrain, and Egypt, which began in June 2017.

Qatar banking industry is sort of small in terms volume of a market as compared to other countries but it's growing at a quick pace. The banking industry in Qatar is controlled by Qatar Central Bank. Recently international rating agencies and Qatar Stock market has expressed financial stability of bank owing to their liquid level strong and earning solid. Qatar banking sector has seen 3.5% growth during July 2018 which shows that economic activities within the country are increasing. Most of the banks are increasingly confident in the financial stability of the banking system in the country. The only challenge for Qatar banking sectors is ever going foreign exposure. Qatar Central Bank is the bank of the state and monetary authority of Qatar's banking and economic system. Qatar banking sectors are brighter for the year 2019 because the country's economy has overcome all the obstacles.

Here is a list of the top 10 Banks in Qatar which are as follows:

1. Qatar National Bank
2. Doha Bank
3. Commercial Bank
4. Qatar International Islamic Bank
5. Qatar Islamic Bank
6. Al Ahli Bank
7. Al Khaliji commercial bank
8. Qatar Development Bank
9. Barwa Bank
10. HSBC Bank Middle East

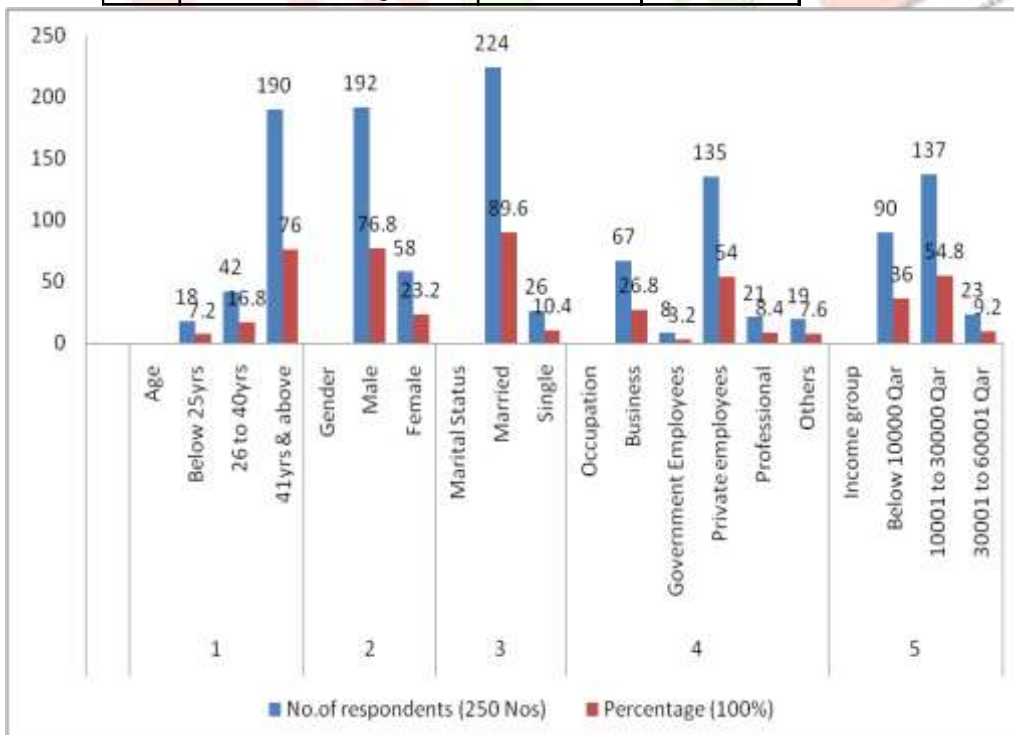
V. RESEARCH METHODOLOGY

Methodology is that the key aspect which governs the result of the research. It encompasses and directs the researcher to conduct the research during a systematic process which ensures and facilitates the accuracy of the outcomes. It deals with the information collected for the study, sources of knowledge, sampling plan of the study, population of the study, location of the research, instrument utilized to collect data, method of collecting data, analysis and interpretation of the collected data with different statistical tools so as to seek out the strength of the collected data and limitations of the study. Both secondary data as well as primary data have their importance in the study. The study is done in the State of Qatar. 200 customers were selected from the selected 25 branches. A structured questionnaire was used as a tool for collecting the information for the study.

VI. DATA ANALYSIS AND INTERPRETATION (RESULTS)

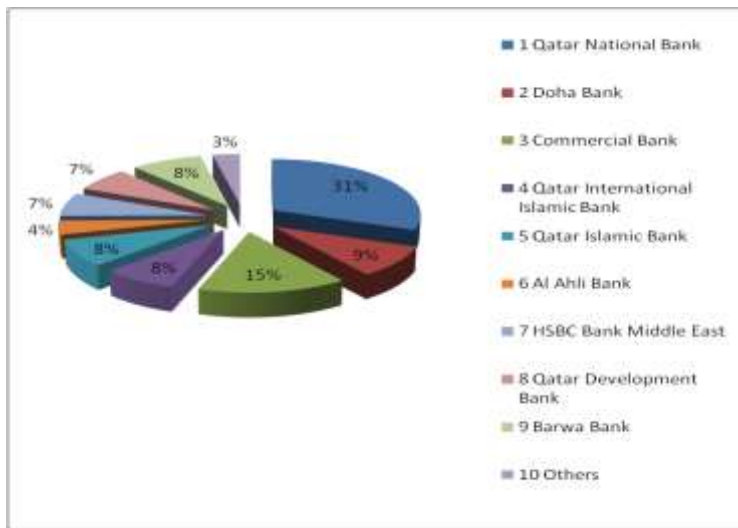
a) THE DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Sl.no	Demographic Details	No.of respondents (250 Nos)	Percentage (100%)
1	Age		
	Below 25yrs	18	7.2
	26 to 40yrs	42	16.8
	41yrs & above	190	76
2	Gender		
	Male	192	76.8
	Female	58	23.2
3	Marital Status		
	Married	224	89.6
	Single	26	10.4
4	Occupation		
	Business	67	26.8
	Government Employees	8	3.2
	Private employees	135	54
	Professional	21	8.4
	Others	19	7.6
5	Income group		
	Below 10000 Qar	90	36
	10001 to 30000 Qar	137	54.8
	30001 to 60001 Qar	23	9.2



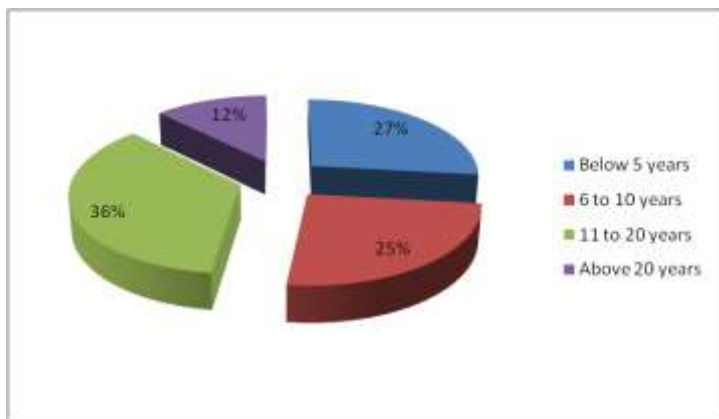
b) CLASSIFICATION OF THE RESPONDENTS ON THE BASIS OF THEIR BANKS

Sl.no	Name of the Bank	No.of respondents (250 Nos)	Percentage (100%)
1	Qatar National Bank	77	30.8
2	Doha Bank	23	9.2
3	Commercial Bank	38	15.2
4	Qatar International Islamic Bank	19	7.6
5	Qatar Islamic Bank	20	8.0
6	Al Ahli Bank	10	4.0
7	HSBC Bank Middle East	17	6.8
8	Qatar Development Bank	17	6.8
9	Barwa Bank	21	8.4
10	Others	8	3.2



c) NUMBER OF YEARS AS CUSTOMER OF THE BANK

Sl.no	Particulars	No.of respondents (250 Nos)	Percentage (100%)
1	Below 5 years	67	26.8
2	6 to 10 years	63	25.2
3	11 to 20 years	89	35.6
4	Above 20 years	31	12.4



d) AN ANALYSIS OF OPINION ON CUSTOMER RELATIONSHIP

Si.no	Items	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	No False claim	6(2.4%)	23(9.2%)	43(17.2%)	113(45.2%)	65(26%)
2	Caring attitude	2(8%)	24(9.6%)	106(42.4%)	99(39.6%)	19(7.6%)
3	Meeting Expectations	7 (2.8%)	40 (16%)	92 (36.8%)	87 (34.8%)	24 (9.6%)
4	Priority for customers interest	5(2%)	55(22%)	108(43.2%)	64(25.6%)	18(7.2%)
5	High quality relationship	3(12%)	30(12%)	84(33.6%)	100(40%)	33(13.2%)
6	Takes timely feed back	11(4.4%)	47(18.8%)	97(38.8%)	81(32.4%)	14(5.6%)
7	Seeks feedback to improve	7(2.8%)	64(25.6%)	86(34.4%)	72(28.8%)	21(8.4%)
8	Does not mind a little sacrifice to retain clients	12(4.8%)	56(22.4%)	128(51.2%)	45(18%)	9(3.6%)
9	Employees are responsive an courteous	3(1.2%)	11(4.4%)	91(36.4%)	122(48.8%)	23(9.2%)
10	Proactive in Communication	4(1.6%)	29(11.6%)	78(31.2%)	123(49.2%)	16(6.4%)

e) CUSTOMERS OPINION ON SERVICE QUALITY

Si.no	Items	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Technologically advanced	2(8%)	9(3.6%)	21(8.4%)	160(64%)	58(23.2%)
2	Convenient Location	9(3.6%)	13(5.2%)	41(16.4%)	127(50.8%)	60(24%)
3	Adequate Staff Strength	3(1.2%)	25(10%)	63(25.2%)	126(50.4%)	33(13.2%)
4	Quick service in the counter	1(4%)	31(12.4%)	62(24.8%)	127(50.8%)	29(11.6%)
5	Nominal Charges	9(3.6%)	64(25.6%)	67(26.8%)	99(39.6%)	11(4.4%)
6	Transactions made upto date	2(8%)	10(4%)	100(40%)	110(44%)	28(11.2%)
7	No false claims in Promotional ads	5(2%)	18(7.2%)	81(32.4%)	124(49.6%)	22(8.8%)
8	Quick response to customer complaints	7(2.8%)	55(22%)	92(36.8%)	77(30.8%)	19(7.6%)
9	No long waiting queues	4(1.6%)	34(13.6%)	80(32%)	112(44.8%)	20(8%)
10	Timely statements and reminders	4(1.6%)	11(4.4%)	49(19.6%)	141(56.4%)	45(18%)
11	Best products offered to customers	5(2%)	38(15.2%)	105(42%)	89(35.6%)	13(5.2%)
12	Polite and courteous employees	2(8%)	23(9.2%)	75(30%)	115(46%)	35(14%)

f) CUSTOMERS OPINION ABOUT INTERNET BANKING

Si.no	Items	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	User friendly	1(8%)	0	4(3.1%)	99(76.2%)	26(20%)
2	Quick download of links	2(1.5%)	2(1.5%)	16(12.3%)	90(69.2%)	20(15.4%)
3	Fast login and logout	2(1.5%)	3(2.3%)	5(3.8%)	93(71.5%)	27(20.8%)
4	No freezing of webpages	1(8%)	2(1.5%)	24(18.5%)	82(63.1%)	21(16.2%)
5	Easy navigation of the site	1(8%)	3(2.3%)	20(15.4%)	87(66.9%)	19(14.6%)
6	Latest technology in use	0	2(1.5%)	27(20.8%)	79(60.8%)	22(16.9%)

IV. DISCUSSIONS

Findings and Suggestions:

This study was conducted in the State of Qatar to analyse and evaluate the customer relationship and to examine the level of satisfaction of the customers in the banking sector. The study had a good number of respondents in total of 250 persons. Among the respondents, 30.8% of the respondents have account with Qatar National Bank, followed by the Commercial Bank having a share 15.2% of the respondents. Doha Bank comes next with 9.2% of the respondents. Also, 35.6% of the respondents have been transacting with their bank for 11-20 years, 26.8 % of the respondents for below 5 years, 25.2% for 6-10 years and 12.4 % of the respondents have been customers of the bank for above 20 years.

Security concerns/Privacy concerns are ranked as the topmost concern expressed by the customers of the bank. Lack of faith in the technical aspects of the banking industry may be reason for this fear expressed by the customers. Lack of personalized service is the second difficulty expressed by the customers. The customers express the concern that transactions and the services are time consuming. These three areas must be taken care of by the bankers to increase the level of customer satisfaction. Majority of the respondents opine that there are hidden costs involved in doing transactions with the bank

There is a highly significant relationship between overall customer relationship of the respondents and their overall customer service quality.

VII. CONCLUSION

The quality of customer service is the key differentiator between good, bad and indifferent banks. Good customer relationship and service quality keeps customers coming back; bad customer service drives customers away, taking their friends, family and workmates with them. A satisfied customer by word of mouth brings in a lot of his friends and family.

Banks within the current scenario are under increasing pressure to demonstrate that their services are customer-focused which continuous performance improvement is being delivered. Given the financial and resource constraints under which service organizations must manage it's essential that customer expectations are properly understood and measured which, from the customers' perspective, any gaps in service quality are identified. This information only can assist a bank in identifying cost-effective ways of closing service quality gaps and of prioritizing which gaps to specialize in.

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