

## Determinants of Relationship Marketing that Improves Customer Satisfaction in Banking Industry of Pakistan

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### Abstract

*Relationship marketing is a widely discussed topic in developed countries but it has not been studied in Pakistan as much as it needs attention due to the significance of it in various operations of the banking industry. This study focuses on how relationship marketing played its role in increasing customer satisfaction for banking sector. From the literature review, five major determinants of relationship marketing were identified and all five determinants were found to have a significant effect on customer satisfaction. Pilot test were conducted for testing the accuracy of the proposal and assessing the feasibility of the study. Total 382 responses from banking consumer from Lahore, Pakistan was collected using convenience technique. Histogram and P-plots were used to check the normality of data and linear regression analysis were performed to check the major determinants of relationship marketing. This study found that, the banks which are trustworthy among customers show more commitment towards them, responds quickly in customer complaints, communicates effectively with their customers and are more technology oriented can create customer satisfaction easily.*

**Keywords:** Relationship marketing, Customers satisfaction, Banking industry, Lahore, Pakistan

### 1. Introduction

Despite of being an agricultural country, services sector in Pakistan is showing a tremendous growth. Its contribution towards GDP is 59.16. It has witnessed a growth of 5.71% as compared to 4.31 percent last year. The contribution of financial sector in this area is vital. Finance and insurance shows a growth of 7.84 % in this regard (Pakistan Economic Survey 2015/2016). Banking sector in Pakistan has undergone numerous stages. For almost a year after partition from India, Pakistan had no central bank, the State Bank of Pakistan was established in July, 1948. SBP was first ordered to develop commercial banking channels, and maintain monetary stability in the country.

Firms have understood the importance of customers and have changed the way of treating them. Every organization wants to attract and retain consumers and tries to make long term relationships with them. Many companies invite customers for different events. They now treat their customers with respect. (Lefton, 1997). In order to develop and maintain relationships with customers firms must ponder RM as a long term process that involves persistent monitoring and attention (Grossman, 1998). To develop short term relationships, especially in services where customers come and go are quite expensive. This does not lead to the conclusion that customers with only one transaction are not desirable, however it is beneficial for firm to develop and conserve long lasting relationships with customers (Gronroos, 1990).

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One of the approach of relationship marketing is customer satisfaction. Relationship Marketing plays a dynamic role in satisfying and retaining customers. The importance of Relationship Marketing can be seen from the phrase that “Acquiring customers is much more expensive than keeping them”. (Stone, Woodcock, & Wilson, 1996). Results shown that relationship satisfaction takes place when rewards are more than expenses as compared to expectations (Lund, 1985). Customer satisfaction has been viewed as the substance of accomplishment in today’s highly competitive banking industry. Banks deals with customers of diverse backgrounds and achieving customer satisfaction can be sometimes difficult for them. Customer satisfaction is an important metrics for banks to determine their service quality. Organization as need to know customers expectation to sustain their customers in banking sector (Rai et al., 2019).

In today’s vibrant commercial environment it becomes more important for financial institutions to cater the needs and demands of their customers in order to survive and compete effectively. The determinants of Relationship Marketing that helps in improving customer satisfaction identified from the literature are as trust, commitment, communication, conflict handling, and technological orientation. Most studied relational components in relationship marketing are trust and commitment which were first proposed by Morgan and Hunt in 1994. The efforts of maintaining relationships with the customers in the long run should be centered on building trust and commitment (Grossman, 1998). Trust is the main determinant of relationship marketing. Banking business is based on trust between banker and customer. Another important factor is commitment. When the relationships are considered important only then commitment exists in the relationship. Without an operative use of technology, RM is not an effective strategy (Zineldin, 2000). Technology is changing rapidly and without accommodating this change business and overall economy cannot flourish. He also stated in his research that RM is not a complete paradigm in marketing without technology. In implementing successful relationship marketing strategy, management must design its marketing communication carefully in order to achieve the desired results (Andersen, 2001). Marketing managers has to carefully determine the communication devices which are relevant in different phases of relationship marketing process. Conflict handling is also one important determinant of relationship marketing, through conflict handling banks avoid to create manifest conflicts and helps customers in solving their problems.

Relationship marketing is a widely discussed topic in developed countries but it has not been studied in Pakistan as much as it needs attention due to the significance of it in various operations of the banking industry. Banking in Pakistan is still nourishing and it is necessary to change the marketing strategies and tries to build long lasting relationships with customers which are profitable for both parties. It is necessary to identify that whether relationship marketing improves customer satisfaction in Pakistan and what are its major determinants that facilitates in improving customer satisfaction in banking sector of Pakistan. Therefore, this research aims to (i) investigate the major determinants of RM that improves customer satisfaction (ii) check the effect of determinants of RM on customer satisfaction and (iii) check the major determinants of RM that improves customer satisfaction in banking sector of Pakistan.

As relationship marketing was developed and tested in North American and European countries where banks were well established. Conducting this research in Pakistan will help discover those factors of relationship marketing that facilitates in improving customer satisfaction. And this research will give an insight to the academics, researchers and executives of banks to find out the ways of improving customer satisfaction by implementing relationship marketing.

The remainder of this paper is structured as follows. Section 2 discusses the literature review related to relationship marketing. Section 3 discusses the methodology with study area and data collection. Section 4 incorporates data and results derived from both descriptive statistics and inferential statistics. The following part presents discussion of the results followed by the conclusion and recommendations of the research.

## 2. Literature Review

This new approach of marketing was more evident in northern Europe and in Scandinavia and then they ultimately spread to other parts of the western world. These streams were “Nordic school of service” and the “IMP group”. The term ‘Relationship Marketing’ was not generally used since ‘Berry’ first used it in the United States in 1983 in a conference paper on service marketing and few years later, this term was used in business to business context by (Jackson, 1985). In the 1990’s this concept has drawn attention in many western countries. The idea of relationship marketing is firmly upheld by on-going trend in present day business. (Webster & Frederick, 1992)

Customer satisfaction unveils the common appraisal of the activities conducted by a given business relative to anticipation accrued after numerous contacts between the customer and businesses (Bitner & Hubber, 1994). Trust is the basic factor in developing profitable relationships with parties (Halinen, 1994). Trust has been regarded as an important contributing element for service quality and customer satisfaction from the very beginning (Kundu & Datta, 2015). By showing trustworthy behavior to customers, banks can create customer satisfaction, and trust is a strong determinant of relationship marketing and has a significant effect on customer satisfaction. (Ndubisi & Wah, 2005). Client’s trust on bank is essential for relationship development (Abratt & Russell, 1999). Meyer & Herscovitch (2001) defined commitment as a force that generates a psychological link between an individual and one or more targets of commitment. The commitment between the bank and customer is developed with enduring interaction. (Abratt & Russell, 1999). Commitment of bank towards their obligations has a significant effect on customer satisfaction (Ndubisi & Wah, 2005). Commitment is a strong determinant of RM and it has positive effects on customer satisfaction, customer loyalty and relationship quality (Ndubisi, 2007). Effective commitment towards customers by the service provider has positive significances for the firm- customer relationships (Curth, Uhrich, & Benkenstein, 2014). Conflict handling is a strong determinant of RM and helps in improving customer satisfaction. (Ndubisi & Wah, 2005) reveals that banks which are competent in conflict handling can generate greater customer satisfaction among customers. Conflict handling has positive effects on customer satisfaction, customer loyalty and relationship quality (Ndubisi, 2007). In another study it was found that the customer perceptions of service quality and commitment of guests to the hotel can be enhanced by proper handling of complaints (Ngai et al., 2007). Customer complaining is strongly associated to the concept of customer dissatisfaction. (Stefanou, Sarmaniotis, & Stafyla, 2003). Handling complaints properly provides a chance to a company to retain a customer from parting dissatisfied. Successfully handled complaints has dramatic results. Researchers found that in some circumstances if complaint is handled satisfactorily, 95% of complainers will return (Zineldin, 2006).

Effective communication plays a vital role in developing commitment and trust towards the service provider. In the expansion and preservation of long term customer relationships, communication plays an active role (Balaji, Roy, & Wei, 2016). Bank’s effective communication was found to be positively associated with customer trust (Adamson, Chan, & Handford, 2003). Communication of bank with

customers will enrich the relationship and the service levels (Abratt & Russell, 1999). Information technology tools plays an important role in creating and sustaining mutual relationships with customers (Zineldin, 2000). Technology is a major driver of organizational change. Network organizations interlink company partners to perform various value chain functions (Moncrief & David, 1999). Karimi, Somers, and Gupta (2001) found that by using information technology, a company can greatly improve their relationships with their customers. Significant transfer of technology and knowledge sharing among partners is necessary in collaborative relationships (Lam, 1999). A research conducted in Sweden, UK and the USA to find the impact of new technologies such as Internet in banking as a RM tool. All have a united opinion that technologies has a vital role to play in relationship management (Durkin & Howcroft, 2003).

Change is the only constant in the world. A company can face stinging rivalry and may fall prey to opponents that moved their strategies to the more technologically-based relationships and advanced products and services if they don't acquire and adjust to varying technology. Technology is an effort to preserve a firm's capability to handle a rise in product/ service capacity while adjusting costs; it also empowers firms to be innovative and market oriented. Bank's efforts to become more technology oriented has significant effects towards customer satisfaction (Padmavathy, Balaji, & Sivakumar, 2012). In many countries banks are trying to increase customer satisfaction by the expansion of their ATM networks which helps customers in time saving manner. Time saving practices can be developed by implementing information technology which aimed at end-user computing (Durkin et al., 2007).

### 3. Research Methodology

#### Study Area, Data and Method

This study was conducted in Lahore, Pakistan, capital of province of Punjab. The city is selective purposively as banking activities of the province is based on Lahore. As this study is aimed towards gathering information on major determinants of relationship marketing that improves customer satisfaction in banking sector of Pakistan, so the population of this research is bank customers of Lahore, Pakistan. For the purpose of research a sample of 384 is selected from the target population. The sample size is calculated by using the following formula with 95% confidence level and 5% margin of error (Godden, 2004).

$$\frac{M^2 \times (1-p)}{M^2} \dots \dots \dots (1)$$

The cross-sectional data was collected through emails, self-administered questionnaire and street intercept technique. For the purpose of collecting data, 415 questionnaires were distributed among the respondents, of which 382 (i.e. 92%) were returned completed.

A statistical software was being used to analyze data systematically. Firstly the reliability of data was checked by identifying the value of Cronbach alpha. Then normality of data was checked by Histograms and P-Plots and by identifying the values of skewness and kurtosis. Then mean and standard deviation was checked as a part of descriptive statistics. And in last, correlation and linear regression analysis were executed to check the major determinants of Relationship Marketing that improves customer satisfaction among bank customers. The regression analysis was done based on the formula given as:

$$Y_i = f(X_i, \beta) + \varepsilon_i \dots \dots \dots (2)$$

Here,  $Y_i$  is dependent variable (i.e. customers' satisfaction) and  $X_i$  represents independent variables (Trust, commitment, conflict handling, communication and technology orientation);  $\beta$  is unknown parameter and  $\varepsilon_i$  represents error term.

### **Variable of the Study and Operational Definition**

The dependent variable of this study is customers' satisfaction regarding relationship marketing and the independent variables are trust, commitment, conflict handling, communication and technology orientation. The operational definition of the variables are as follows.

**Customers Satisfaction:** It is the dependent variable of this study. Customer satisfaction is that what a customer expects about service provided and what the customer gets in real (Parasuraman et al., 1988; Caruana et al., 2000). It measures that how relationship marketing improves customer satisfaction of banks. Its scale was adapted from the study of (Ndubisi & Wah, 2005) and it contains five items.

**Trust:** It is one of the major determinants of RM. Wilson (1995) characterized trust as a key relationship model building square. Trust includes one individual's desires that another will act unquestionably (Schurr & Ozanne, 1985). The scale used to measure Trust was adapted from the study of (Ndubisi & Wah, 2005), which contains 6 items. It was further tested by (Ndubisi, 2007).

**Commitment:** A lasting desire to maintain a valued relationship is referred as commitment (Morgan & Hunt, 1994). It evaluates the bank's commitment towards their customers by providing quality services, by evaluating customer evolving needs to provide customized products to them. It also evaluates whether banks access customer satisfaction regularly. Its scale was adapted from the study of (Padmavathy, Balaji, & Sivakumar, 2012) and it contains 4 items.

**Conflict Handling:** Conflict Handling is a supplier's capacity to keep away from possible conflicts handled obvious conflicts before they make issue, and talk about arrangements straightforward when issue do emerge (Dwyer et al., 1987). It is another independent variable of study. Its scale was also adapted from the study of (Padmavathy, Balaji, & Sivakumar, 2012). It contains four items which evaluates that how banks tries to avoid potential conflicts with their customers, and if any conflict arises whether bank takes any genuine interest in solving that conflict. And the last item of this variable evaluates that whether respondent's bank is cooperative or not.

**Communication:** It is the human act of transferring information in a way to others that it is understood in a meaningful way (Andersen, 2001). It is considered as the fourth major determinant of relationship marketing and an independent variable in this study. Its scale was adapted from the study of (Ndubisi & Wah, 2005) which was further used and tested by (Ndubisi, 2007). This variable contains four items which evaluates that whether bank provides well-timed and reliable information to their clients, and the information which the bank provides to its customers is accurate or not.

**Technology Orientation:** It is the relationships which are based on IT enable organizations to address and integrate the overall customer and company performance requirements (Zineldin, 2000). It is the fifth and last independent variable of this study. The world is changing rapidly and technology has a mark in everything around the globe. Its scale was adapted from the study of (Padmavathy, Balaji, & Sivakumar, 2012). It contains three items which revolves around the facts that whether bank makes effective use of latest technology in facilitating customers. On the basis of literature and variable description, certain

hypothesis are developed which are as follows: (i) H1: Trust on bank is positively related to customer satisfaction (ii) H2: Commitment of bank is positively related to customer satisfaction (iii) H3: Conflict handling of bank is positively related to customer satisfaction (iv) H4: Communication of bank is positively related to customer satisfaction and (v) H5: Technological orientation of bank is positively related to customer satisfaction.

The value of overall mean score of customers' satisfaction is 3.75, it shows that most of the respondents were satisfied from their banks. Similarly, the overall mean score of independent variables (as depicted in Table 1) shows that most of the respondents trust their banks; they agree that their banks are committed towards them in providing quality services; believe that their banks are cooperative and they take genuine interest in solving problems of customers; agree that bank makes effective communication with their customers; and agree that their banks makes an effective use of technology in their operations and in providing services to their customers.

**Table 1: Variables Used in the Study and its Expectation Sing**

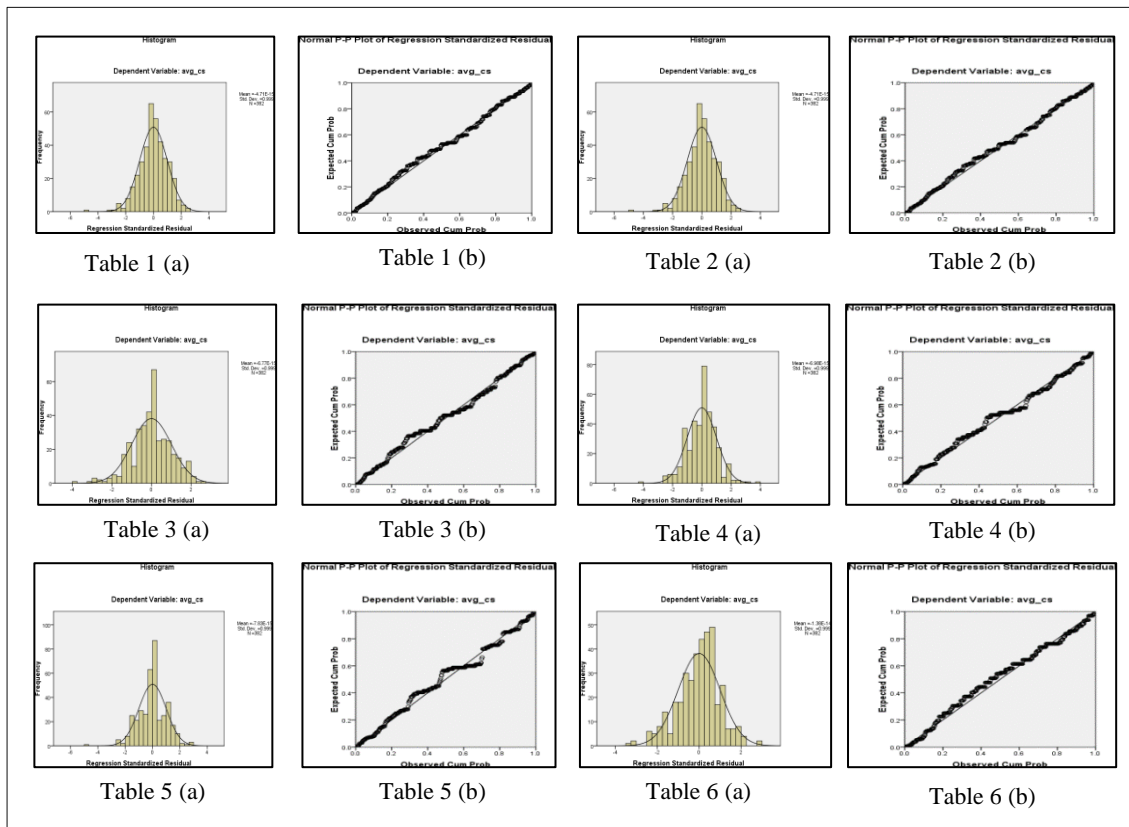
Name of Variable	Nature of Variable	Source	Chronbach's Alpha	No. of Items	Mean	Std. Dev.	Expected Sign
Trust	Independent	Ndubisi & Wah, (2005)	0.859	6	3.74	0.65	+
Commitment	Independent	Padmavathy, Balaji, & Sivakumar (2012)	0.781	4	3.47	0.69	+
Conflict Handling	Independent	Padmavathy, Balaji, & Sivakumar (2012)	0.828	4	3.72	0.70	+
Communication	Independent	Ndubisi & Wah, (2005)	0.836	4	3.81	0.69	+
Technology Orientation	Independent	Padmavathy, Balaji, & Sivakumar (2012)	0.843	3	3.82	0.83	+
	Overall		0.953	26			

### Normality and Reliability Test

Normality tests are used to govern that if a data set is well-modelled by normal distribution. Normality of data is determined by two methods; graphically i.e. Histograms and P-Plots and numerically i.e. Skewness and Kurtosis. This study performs all the tests to check normality of data. The bell shape curve and p-plots (given in figure 1) indicates that data are normally distributed. Hair et al. (2010) mentioned that if the skewness value lies between -2 to +2 and kurtosis value between -7 to +7 the data is normally distributed. The data of this study is normally distributed as all values of skewness and kurtosis falls within the normal range.

Reliability refers to the consistency of data. To check the consistency in the dataset used, Cronbach alpha is used in pilot study phase. Cronbach Alpha is known as an “internal consistency estimate of reliability” of test scores and acceptable if the range of alpha is equivalent or greater than 0.70. For this purpose, data was collected from 35 respondents and a questionnaire of 26 items was analyzed. The reliability of data is checked twice: firstly for overall data and secondly for individual variables. Overall for all 26 items, cronbach alpha was 0.945 (Excellent) whereas value of cronbach alpha for individual variables such as Trust, Commitment, Conflict Handling, Communication, Technology Orientation and Customer Satisfaction were as 0.859, 0.743, 0.828, 0.836, 0.843 and 0.894 respectively, which is considered as good. All these values represent that data was reliable and there were no issues regarding internal consistency of data.

**Figure 1:** Histogram and P-Plot of the Variables



## 4. Results and Discussions

### Socio-economic Information of the Respondents

This study attempts to measure gender, age, qualification, profession and income level as socio-economic characteristics of the respondents (Table 2). As 71% of the respondent of the study are male and only 29% of them are female. Interestingly there are 51% youth respondent and the next 26.7% are of age 30-39. Only 5% of the respondents were lies above the age group of 50 years, which indicates that respondents were youth and from active labor force. Importantly, 84% of the respondents pose education level at least up to

bachelor level. Half of the respondents (i.e. 46.6%) were salary workers and quarter of them is businessman (24.3%). In terms of their income level, one out of four (i.e. 28.8%) earns less than 19000 per month while 40% respondents earning ranges from 20000-49000. One third of the respondents reported that their monthly income is above 50000 rupees. Based on the gender, this study falls on male dominated one. Most of the respondents are youth and well educated. As majority of the respondents of this are youth and educated this group can have huge impact on banking activities as per their perception and practices. Devkota and Phuyal (2017) observed that high level educated youth have more knowledge, the ability to understand and suppose to expect to change by having great access to information. Further, most of them are workers and business man. The effectiveness of banking directly leads to their deposit and other banking transactions (Tahir et al., 2018). The financial activities of the deposit has quickly increased after the banking consolidation reform in Pakistan in 2004. Increase in income increases the demand deposit in Pakistan and such demand are influenced by non-agricultural income (Nishat & Bilgrami, 1989). It means, as most of the people deposit their money comes from employed people relationship marketing plays a crucial role. Only the socio-economic indicators also supporting relationship marketing in banking activities in Lahore.

**Table 2: Socio-economic Characteristics of the Respondents**

Variables	Categories	Frequency	Percentage
Gender	Male	271	70.9
	Female	111	29.1
Age (in years)	20-29	195	51.0
	30-39	102	26.7
	40-49	63	16.5
	50 and above	22	5.8
Qualification	Intermediate	61	16.0
	Bachelors	154	40.3
	Masters	135	35.3
	M.Phil.	32	8.4
Profession	Student	111	29.1
	Salaried	178	46.6
	Businessman	93	24.3
Income Level (in Rs.)	> 19,000	110	28.8
	20,000-49,000	152	39.8
	50,000-79,000	77	20.2
	80,000 and above	43	11.3

### Correlation Result

In this study Pearson Correlation was applied to check the nature of relationship between trust, commitment, conflict handling, communication, technology orientation and customer satisfaction. The results of correlations (in table 3) shows that there exists a strong positive linear relationship between trust and customer satisfaction ( $r=0.736$ ,  $p<0.01$ ) which predicts that customers who have trust on their banks have higher chances of being satisfied from their banks. The value of “r” for commitment and customer satisfaction shows that there exists a strong positive relationship between them ( $r=0.691$ ,  $p<0.01$ ) which



depicts that banks which are more committed towards their customers have more chances of achieving greater customer satisfaction. Similarly, the nature of relationship between conflict handling and customer satisfaction reveals that there exists a strong positive relationship between them ( $r=0.733$ ,  $p<0.01$ ). The result predict that the banks which are more prompt in handling complaints of customers and which are more cooperative have a higher chance of attaining greater customer satisfaction. Also, there exists a strong positive relationship between communication and customer satisfaction ( $r=0.746$ ,  $p<0.01$ ) which portrays that effective communication of banks can help them achieving higher customer satisfaction.

**Table 3: Correlation Analysis**

	Customer Satisfaction	Trust	Commitment	Conflict Handling	Communication	Technology Orientation
Customer Satisfaction	1					
Trust	0.736**	1				
Commitment	0.691**	0.670**	1			
Conflict Handling	0.733**	0.782**	0.689**	1		
Communication	0.746**	0.737**	0.634**	0.782**	1	
Technology Orientation	0.554**	0.452**	0.392**	0.453**	0.539**	1

Note: \* $P<0.05$  and \*\* $p<0.01$

Further, result for technology orientation and customer satisfaction shows that there exists a strong positive relationship among them ( $r=0.554$ ,  $p<0.01$ ). This value shows that the more technology oriented banks become, the more it will help them in achieving customer satisfaction. The study based on the correlation analysis concludes that customers' satisfaction is positively and significantly associated between the independent variables taken for this study. The correlation results indicates that enhancement of relationship marketing improves the customers satisfaction in banking industry of Lahore region of Pakistan.

### Regression Analysis

For the interpretation of regression analysis, for each variable, two tables are observed. The first table indicates the model summary followed by coefficients in the second table. Customers' satisfaction is the dependent variable of this study. Jamal and Naser (2002) argued that customers' satisfaction has gained significant importance amongst most customers' researchers and marketers in last 4 decades. In banking sector, customers' satisfaction studies are always derived from various multidisciplinary areas as it is regarded as essential factors for customers' behavior (Oliver, 1980). Customers' satisfaction survey provides an insight to management to understand customers' perception in a better manner identifying critical aspects of relationship and the area where there is need to bring more improvements (Munari et al., 2013). In this context, this study has presented results from customers' satisfaction based on five independent variables.

**Model 1: Trust and Customers Satisfaction**

For the purpose of checking the impact of trust on customer satisfaction, regression tests was conducted. And it is evident from the value of R square which is equal to 0.542 that 54.2% variance in customer satisfaction is due to trust of customers on their banks. The remaining variance is due to other variables. The coefficients table (as in table 4) shows significant results as  $p < 0.01$ . The value of unstandardized  $\beta$  is 0.776 which means that customer satisfaction can change up to 77.6% due to 1% change in trust.

**Table 4: Regression Analysis – Trust and Customers Satisfaction**

Model Summary						
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate		
1	.736	.542	.541	.46816		
Predictors: (Constant), avg_t						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Standard Error	Beta		
1	(Constant)	.851	.139		6.121	.000
	avg_t	.776	.037	.736	21.213	.000
Dependent Variable: avg_cs						

The result obtained from model 1 is similar to the study of Ndubisi and Wah (2005) which was conducted in Malaysia. In similar study, Kundan and Dutta (2015) found that trust plays a significant role to building and maintaining long-term relationship. Studies including Butler (1986), Hunt and Derozier (2004), and Hunt (2006) observed trust as most important determinants of relationship. Grossman (1998) mentioned that customers’ service plays a big role in building trust. A company should avoid negative relationship, should follow the customer relationship norms and its strategy should communicate effectively in order to achieve customers’ trust (Handford, 2003). Based on the previous studies, the results obtained from this study are favorable and depicts that if trust of customers on their banks increases, it can result into higher customer satisfaction. So first hypothesis of the study is accepted i.e. trust on bank is positively related to customer satisfaction.

**Model 2: Commitment and Customers Satisfaction**

The value of R square for testing this hypothesis portrays that 47.8% of variance in customer satisfaction is due to Commitment (table 5). The remaining variance is due to uncontrolled factors. The model prepared for testing the second hypothesis gives favorable results and there were no issues of significance because  $p < 0.01$ . The value of unstandardized  $\beta$  depicts that if a bank enhances its commitment towards its customers it can attain customer satisfaction up to 69.5%. This study indicates, the more committed a bank towards its customers, the more customer satisfaction it can attain. A study conducted in India by (Padmavathy, Balaji, & Sivakumar, 2012) and in Malaysia by (Ndubisi & Wah, 2005) also found similar results. Gurth (2014) observe that commitment as important determinants of the customers’ relationship. Berry and

Parasuraman (1991) argued that in a service related marketing, commitment plays central role as relations are built on the foundation of mutual commitments. Hence, the second hypothesis of study is also accepted.

**Table 5: Regression Analysis – Commitment and Customers Satisfaction**

Model Summary					
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	
2	.691	.478	.476	.49996	
Predictors: (Constant), avg_c					
Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Standard Error	Beta		
2	(Constant)	1.339	.132	10.143	.000
	avg_c	.695	.037	18.649	.000
Dependent Variable: avg_cs					

**Model 3: Conflict Handling and Customers Satisfaction**

The table of model summary gives values of R and R square. R shows value of correlation between conflict handling and customer satisfaction, which is already discussed in correlation table. The value of R square shows the variance in customer satisfaction which is caused by conflict handling. It shows that 53.7% variance in customer satisfaction is due to conflict handling (table 6).

**Table 6: Regression Analysis – Conflict Handling and Customers Satisfaction**

Model Summary					
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	
3	.733	.537	.535	.47098	
Predictors: (Constant), avg_ch					
Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Standard Error	Beta		
3	(Constant)	1.086	.129	8.395	.000
	avg_ch	.716	.034	20.978	.000
Dependent Variable: avg_cs					

The value of unstandardized  $\beta$  for testing third hypothesis is 0.716 at 99% confidence level because  $p < 0.01$ . The result depicts that the efficient handling of customer complaints by a bank and its cooperation can lead it to gain higher customer satisfaction. The results are similar to the research conducted in Ghavamin Bank of Iran and in Malaysian banks (Rostami et al., 2014 & Ndubisi et al., 2007). Numerous other research including Broadbridge and Marshall (1995), Bennett (1997), Eccles and Durand (1998), Nyer (2000), Crie (2003) and Ndubisi and Ling (2006) studies on consumers’ complaining behavior in last decades exhibits

the locus of significance that is progressively agree to comprehensive and determining customers' complains. Grossman (1998) mentioned that firm should answer in a gentle, problem resolving manner and explained to customers' that they are valued. However, latest research from Naylor (2003), Lewis and McCane (2004), Hart et al. (2005) and Lerman (2006) show that the greater parts of the complaining customers are dissatisfied with the organizational complain handling effort. That indicates the issue of complaining handling efforts is still not satisfactory tended to by organization. In this situation, as Boshoff and Allen (2000) said, a positive way to deal with handling customers' complains helps to keep up customers' relationship and create positive correspondence about the organization. With this evidences, third hypothesis of the study is also accepted stating that complaint handling of bank is positively related to customer satisfaction.

#### Model 4: Communication and Customers Satisfaction

The value of R Square (55.6%) shows that variance in customer satisfaction is due to communication (table 7). The remaining variance is caused by other variables which are not discussed here. The value of  $\beta$  for fourth hypothesis is observed as 0.746 having no issues of significance as  $p < 0.01$ . One unit increase in communication generates 74.6% increase in customer satisfaction. The results revealed that if a bank communicates properly with its customers, this gives it a bright opportunity of gaining customer satisfaction. This study reveals the similar results to the study of (Ndubisi & Wah, 2005).

**Table 7: Regression Analysis – Communication and Customers Satisfaction**

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate		
4	.746	.556	.555	.46106		
Predictors: (Constant), avg_c						
Coefficients						
Model		Unstandardized Coefficients	Standardized Coefficients	T	Sig.	
		B	Standard Error	Beta		
4	(Constant)	.915	.132		6.915	.000
	avg_cm	.746	.034	.746	21.811	.000
Dependent Variable: avg_cs						

Effective communication results in better relationship between organizations with its customers' which leads to customers' loyalty (Nubisi, 2007). For drawing emerging and improving relationship, planned communication process is substantial (Gronroos, 2004). Communication exchanges dialogue and produce personalized customers experiences (Sin et al., 2005; Jayachandra et al., 2005; Thomas & Sullivan, 2005). The fourth hypothesis of the study is accepted that communication of bank is positively related to customer satisfaction.

#### Model 5: Technological Orientation and Customers Satisfaction

Technological Orientation of bank only causes 30.7% variance in customer satisfaction as value of R Square is shown in the table 8. For testing the last hypothesis of the study, a model was developed. The results are significant as  $p < 0.01$ . The value of unstandardized beta is 0.459 which means that one unit increase in Technological Orientation of bank brings 45.9% change in customer satisfaction. The results are similar to the study of (Durkin et al., 2007) and (Padmavathy, Balaji, & Sivakumar, 2012). Tapp and Hughes (2004)

argued that technology should be considered as a part of relationship marketing. Marketing activities should be conducted on technology and an aspiration to make a relationship work (Zineldin, 2000). The development of database marketing enable firms to advance one to one relationship with customer on a reasonable manner (Grossman, 1998). Marketers which have meaningful relationship with customers may differentiate themselves from competitors on the basis of relationship positioning. The last hypothesis of the study is also accepted which states that technological orientation of bank is positively related to customer satisfaction.

**Table 8: Regression Analysis – Technological Orientation and Customers Satisfaction**

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate		
5	.554	.307	.305	.57586		
Predictors: (Constant), avg_to						
Coefficients						
Model		Unstandardized Coefficients	Standardized Coefficients	T	Sig.	
		B	Standard Error	Beta		
5	(Constant)	1.996	.139		14.410	.000
	avg_to	.459	.035	.554	12.983	.000
Dependent Variable: avg_cs						

## 5. Conclusion

Five hypothesis of this study are accepted. Results indicate that banks who have gained their customers trust enjoy more customer satisfaction. The banks which are more committed to its customers through their customer centric strategies relish more customer satisfaction. This hypothesis is accepted depicting that effective complaint handling leads to customer satisfaction. Banks can save their customers from dissatisfaction by quick response to their complaints. Banks which communicate in an efficient manner tend to achieve greater customer satisfaction from those banks which do not communicate efficiently. Banks which are more technology oriented and make better use of it have higher chances of attaining customer satisfaction. This study has significant applications for practitioners and bank managers as it gives insight into the ways which can be adopted for improving customer satisfaction. Banks should make customer centric strategies that revolves around building good relationships with customers. Banks should make strategies that their employees should act trustworthily, show resilient commitment to customers and services, handle complaints promptly and adequately, communicate reliably and efficiently and should use latest technology in order to improve customer satisfaction. The study provides significant results that trust, commitment, conflict handling, communication and technology orientation are major determinants of relationship marketing and plays a contributing role in improving customer satisfaction. A major future direction for researchers is that determinants of Relationship Marketing can be used to check their effect on customer loyalty and customer retention. This model of relationship marketing can be replicated to other industries also. Another future research direction is that more variables should be considered as determinants of relationship marketing such as competence, reliability and empathy. Relationship

marketing is an ongoing process so further studies should use longitudinal framework to provide further understanding of the determinants studied over time.

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