

## *International Journal of Scientific Research and Reviews*

### **Evaluating the factors of Customer Trust, Knowledge, Accessibility and High Price in developing Customer Relationship (with special reference to Banking service, Mobile service and hotel and Restaurant service providers)**

**Richa Sinha**

Joseph School of Business Studies, Sam Higginbottom University of Agriculture, Technology and Sciences, Allahabad

E-mail: [richasinha777@gmail.com](mailto:richasinha777@gmail.com), [richacapri7@gmail.com](mailto:richacapri7@gmail.com)

Mobile: 9307072585, 7355589395

---

#### **ABSTRACT**

Today companies are thriving to retain the customers and therefore adopting different customer relationship strategies in order to develop a long term relationship with its customers. The research paper is based on research conducted in the various public and private sector companies of Banking services, Mobile services and Hotel and Restaurant services. The cities undertaken for the main study were Mumbai, Delhi, Lucknow, Kanpur, Varanasi and Allahabad. The sample size of the study was 300 respondents. The paper identifies the variables of trust, knowledge, accessibility and high price as factors that affect customer relationship management in public and private sector companies. The paper is based on primary and secondary data. The paper has a practical implication both for the academicians and for the readers. The highlights of the paper can be used for further research purpose and provides knowledge base to the readers.

**KEYWORDS:** Customer Relationship Management, Customer Trust

---

**\*Corresponding author:**

**Dr. Richa Sinha**

Assistant Professor,

Joseph School of Business Studies,

Sam Higginbottom University of Agriculture, Technology and Sciences, Allahabad

E-mail: [richasinha777@gmail.com](mailto:richasinha777@gmail.com), [richacapri7@gmail.com](mailto:richacapri7@gmail.com)

Mobile: 9307072585, 7355589395

## **INTRODUCTION**

Customer relationship management is a broad approach for creating, maintaining and expanding customer relationships. CRM is the business strategy that aims to understand, anticipate, manage and personalize the needs of an organization's current and potential customers. At the heart of a perfect strategy is the creation of mutual value for all parties involved in the business process. It is about creating a sustainable competitive advantage by being the best at understanding, communicating, and delivering and developing existing customer relationships in addition to creating and keeping new customers. So the concept of product life cycle is giving way to the concept of customer life cycle focusing on the development of products and services that anticipate the future need of the existing customers and creating additional services that extend existing customer relationships beyond transactions.

**Review of Literature: Monica Law , Y. H. Wong and Theresa Lau (2005)** studied the multidimensional aspects of trust in various relational ties. The paper focuses on the ways of using trust and its association with the related relationship resources and provides better understanding about trust and relationship ties for formulating various relational strategies, which are the key issues in customer relationship management. **Baksi and Parida (2013)** assessed the moderating effects of service recovery and CRM dimensional performance on behavioural intents namely customer trust re-patronization-customer advocacy link with a novel approach of recovery zone of tolerance (RZOT). The study has been conducted on the banking sector with cross-sectional primary data. The results confirmed the moderating capability of service recovery and CRM dimensional performance on behavioral aspects of customers under study. **Wahab, Elias , Khalid Al-Momani and Nor Azila Mohd Noor (2011)** researched on Technology trust and commitment factors as the main antecedent for customer relationship management performance, the result shown that both of them was positively significant towards customer relationship management performance.

## **MATERIALS AND METHODS**

The research paper is based on research conducted in the various public and private sector companies of Banking services, Mobile services and Hotel and Restaurant services. The cities undertaken for the main study were Mumbai, Delhi, Lucknow, Kanpur, Varanasi and Allahabad. The research is based on primary as well as secondary data. A total 300 respondents (customers) were taken as sample size to study their behavior towards the private and public sector companies regarding trust level, knowledge, accessibility and high price.

## RESULT AND DISCUSSION

### *The following results were obtained from the research:*

The research aimed to check the trust levels of respondents and to analyze the response of respondents with respect to high price and long distance travel in order to get better services. The research also aimed to check whether the respondents get full info about the services offered to them. Scaling of the responses had also been done to measure the level of willingness regarding each response.

### *Banking Service Providers:*

As shown in Graph 1, it was found in the research that most of the respondents trusted the public sector banks as compared to private sector banks. The values of ‘high’ and ‘Very high’ regarding trust levels was more in the public sector banks (62% and 14% respectively) as compared to the private sector banks (48% and 12% respectively). Respondents had more information about private sector bank services (25%) than public sector bank services (05%). Respondents preferred to travel long distance for private sector services (34% and 48%) rather than public sector bank services (34% and 17%). But most of the respondents did not prefer to travel long distance even if services were good for both the sectors (12% for public and 10% for private sector). The reasons given by the respondents were as follows:

- 1- If the service is good then the service provider would not ask to travel so long distances.
- 2- Prefer to ask the agents because of involvement into job or business.
- 3- Not travel until and unless necessary
- 4- If asked every time then try to change the bank services

### *From the scaling data the following information was derived:*

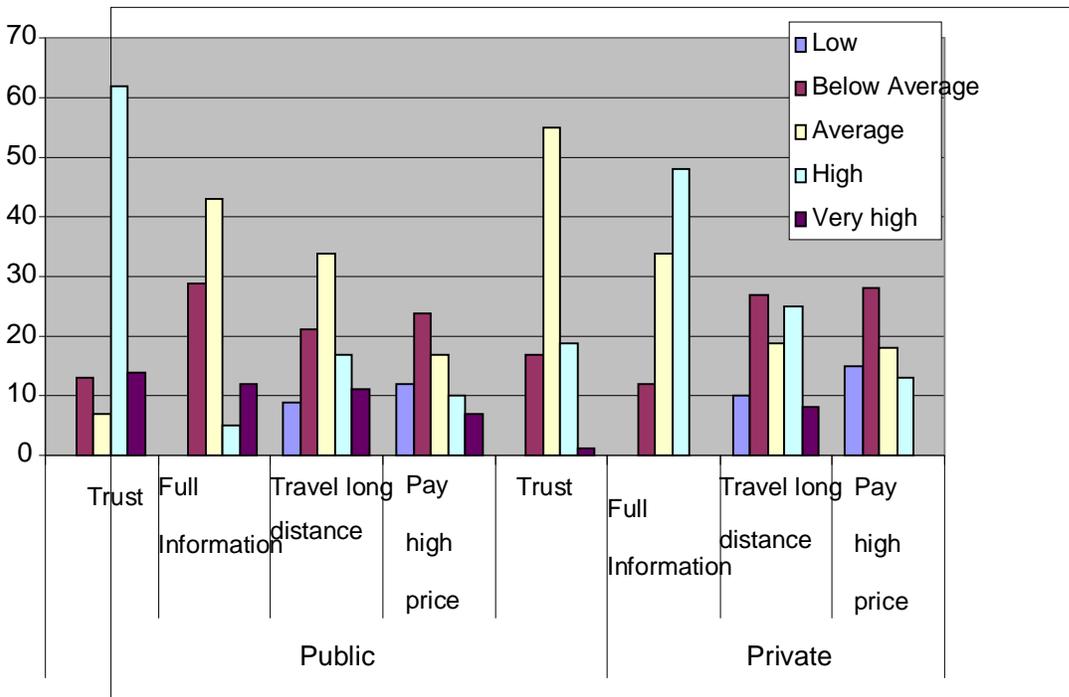
Most respondents trusted public sector banks as compared to the private sector banks as trust level of ‘high’ has 62% response as against 48% of private sector. Also 14% response for ‘Very high’ level was in the public sector as against zero response for private sector. Respondents were more informed about the private sector banking services (48%) as against public sector banks (05%). Respondents were willing to travel long distance to an ‘average’ level only in public sector banks and private sector banks (43% and 34% respectively). Thus it could be said that the willingness to travel long distance was less even if the services were good. The reasons given by respondents had been stated earlier. It was interesting to note that people were not very much willing to pay high price for the public sector banking services. Their willingness ranges high in ‘average’, ‘below average’ and ‘low’ category (17%, 24% and 12%). Only 7% and 10% respondents had opted for ‘high’ and ‘very high’ categories in this sector.

On the other hand as compared to the public sector banks, the respondents were in favour of willingness to pay high price in private sector banks. But if we look at the data only for private sector, it was found that people were also not very much willing to pay high price as in the case of private sector. The reasons for willingness to pay high price was as under:

1. When the work is urgent and necessary
2. When there is no other option
3. When the services are exceptionally good
4. When the services are fully satisfying
5. When the disposable income is good

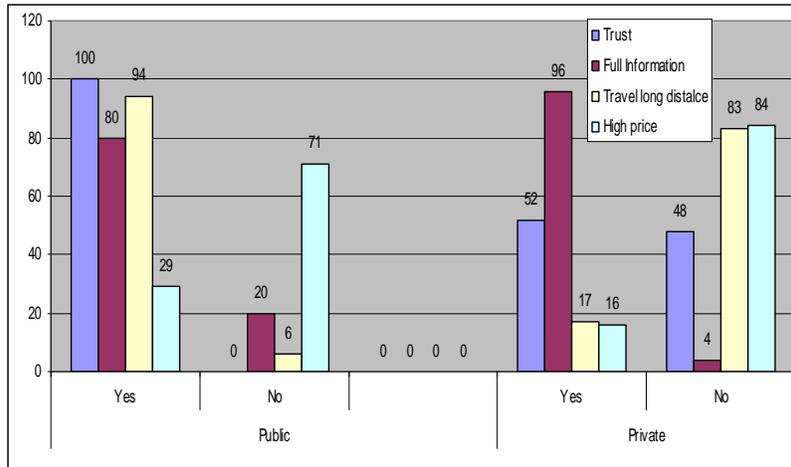
On an overall basis it showed that in the banking sector the respondents have different trust levels if the customer service levels differ. Along with it the level of information provided to the respondents was also not enough in the banking sector. Regarding the aspect of respondent's willingness to travel long distance and high price, it was found that the respondents were hardly willing to travel long distance and pay high price for the banking services even if the services were good. But in certain cases the respondents were found to agree with the fact of willingness to pay high price and they had appropriate reasons for their choice.

**1: Banking services: Rating Trust Level/ Level of Information/ Willingness of the Respondents to Travel Long Distance and Pay High Price, if Services are Good**



2: Mobile Service Providers: Rating the Trust Level / Level of Information/ Willingness of the Respondents to

Travel Long Distance and Pay High Price, if Services are Good



As shown in Graph 2, it was found in the research that 100% respondents trusted the public sector and 52% respondents trusted the private sector for services. 80% respondents had full info about the services of public sector and 96% have full information about the private sector MSP. It was also found that there was a variation in response regarding the aspect of ‘travel long distance’. 94% respondents were willing to travel long distance for good services of public sector and 17% for private sector. Regarding the factor of high price, only 29% respondents for public sector and 84% for private sector were willing to pay high price.

On an overall basis it was found that the respondent’s response to trust the mobile service providers differed among the respondents within the mobile service sector. The respondents had a good level of information regarding the services provided by the mobile service providers. The respondents were willing to travel long distance for the services of the mobile service providers but only when the respondents were sure about that the service providers were government owned sectors. Regarding high price, the respondents were not willing to pay high price for the services provided by the mobile service providers as shown in both the sectors. Thus, on an overall basis, it was found that most respondents were not in favor of paying high price in the mobile service sector.

The scaling data showed that regarding the public sector MSP’s, 60% respondents trusted them to ‘average’ level, 58% had full information to ‘average’ level regarding the services, 70% were willing to travel long distance in ‘average’ level and 50% were willing to pay high price for good services at ‘below average’ level.

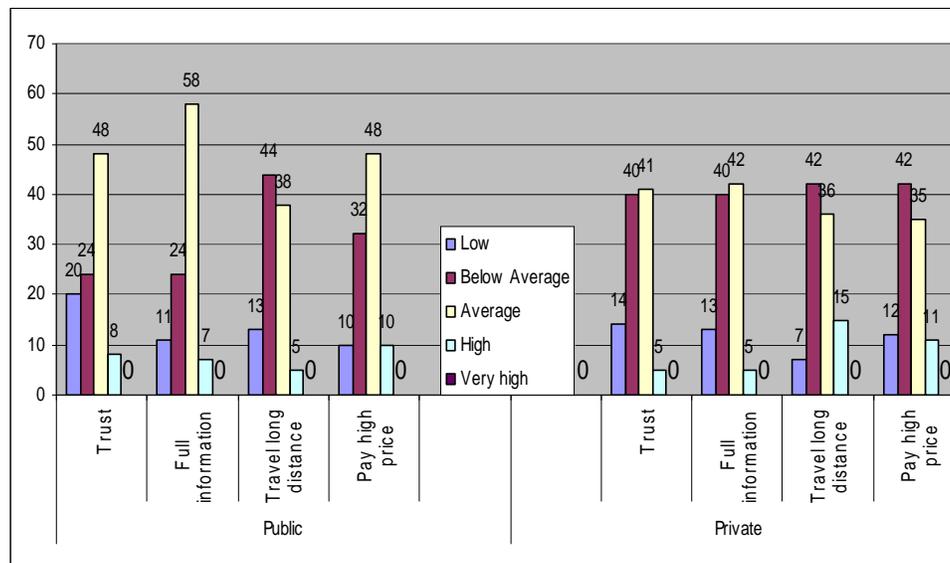
As per the data regarding the private sector MSP’s it was found that 55% respondents trusted the private sector MSP’s to ‘average’ level, 63% had full information regarding the services offered to ‘average’ level, 67% were ready to travel long distance to a ‘below average’ level and 53% respondents were willing to pay high price at ‘below average’ level of willingness.

On a comparative basis it was found that the public sector was trusted more by respondents, information available to private sector users was more, more respondents were ready to travel long distance for services of public sector MSP's, and almost more than 50% respondents were willing to pay high price with 'below average' level of willingness in both the sectors, but with a higher response in private sector.

On an overall basis it was found that the mobile service sector had a trust level of 'average' response by the respondents. The level of information the respondents had was to an 'average' level regarding the service provided by the mobile service providers. Regarding willingness to travel long distance for the service of mobile service providers, the respondents were not very much willing to do so as the response was 'average' to 'below average' level. Regarding the willingness to pay high price, it was found that the respondent's willingness was 'below average' level regarding the mobile service sector.

**Hotel and Restaurant service providers**

**3: Hotels and Restaurants: Rating the Trust level / Level of Information/ Willingness of the Respondents to Travel Long Distance and Pay High Price, if Services are Good**



It was found in the research that for public sector 62% of the respondents trusted the HSP's for their services, 83% respondents had full information about the services offered, 41% respondents were willing to travel long distance for good services and 58% were willing to pay high price for good services offered by the public sector. For private sector HSP's the research showed that 56% respondents trusted the private sector for their services, 47% had full information about the various service offered, 55% were willing to travel long distance for good services and 49% were willing to pay high price for good services offered by the private sector HSP's. Regarding full information also 83% respondents found public sector to be more transparent in information as compared to 47%

respondents who considered private sector to be more informative. Regarding travelling long distance the private sector was considered to be in the preferred choice among the respondents as 55% respondents were in favour of private sector and 41% in favour of public sector who were willing to travel long distance for good service offered. Regarding the price factor the findings showed that the public sector was the preferred choice of the respondents with 58% response for public sector as against 49% response for private sector regarding willingness to pay high price for good services.

From the scaling data findings of Graph 3 it was found that regarding the trust factor, 48% respondents had the trust level as 'average' as the highest value. 58% had full information to an 'average' level as the highest value. Respondents were willing to travel long distance but their willingness was to 'below average' level with a response of 44% and 38% for 'average' level. Regarding willingness to pay high price, 48% were willing on an 'average' level to pay high price.

From the scaling data findings of Graph 3 available for the private sector it was found that regarding the trust level, 41% respondents had 'average' trust level as the highest value. 42% respondents had full information to an 'average' level, 42% respondents had 'below average' willingness to travel long distance, and 42% were willing to pay high price to a level of 'below average'

On a comparative basis the findings showed that regarding trust level public sector was considered to be more trustful at a level of 'high' to 'average' level. Regarding full information it was found that public sector was considered to be more preferred in dissemination of information. Regarding traveling long distance the private sector was preferred more by respondents over the public sector and regarding willingness to pay high price public sector was preferred more than the private sector.

On an overall basis the findings showed that for the HSP's the trust level of the respondents was above 40% which was represented by their response to 'average' level. Regarding the level of information respondents had, the findings showed that more than 40% respondents had full information about the services offered to them by the HSP's. regarding willingness to travel long distance for good services also the findings showed that more than 40% respondents were willing to travel long distance 'below average' level, and more than 30% were willing to travel long distance to an 'average' level which showed that the respondents were not very much interested to travel long distance.

## **CONCLUSION:**

The major findings of the research showed that trust level was higher for the private sector as compared to the public sector and regarding the willingness to pay high price and travel long

distance, the respondents were willing to pay high price for good services offered but the response was not very favorable regarding traveling long distance and very few respondents were willing to travel long distance unless and until very necessary. The respondents were willing to pay high price in case the services provided are good and satisfying.

## **REFERENCES**

1. Law M, Wong Y.H. and Lau T. The Role of Trust in Customer Relationship Management: An Example to Financial Services Industry, *Asia Pacific Management Review*, 2005; 10(04): 267-274
2. Baksi A.K. and Parida B.B. Measuring moderating effects of service recovery and CRM on consumer trust, repatronization and advocacy with distributive variation of the same across recovery zone-of-tolerance (RZOT), *NMIMS Management Review*, 2013; XXIII: 9-32.
3. Wahab S., Elias J. , Momani K.A. and Nor Azila Mohd Noor , The Influence of Trust and Commitment on Customer Relationship Management Performance in Mobile Phone Services, *IPEDR*, 2011; 12: 241-245.