Impact of Customer Relationship Management (CRM) Through Online Banking Services on Customer Retention with Mediating Role of Customer Perception and Satisfaction. A Case of Standard Chartered Bank Pakistan

Sadaf Latif*

Assistant Professor, The Institute of Management Sciences (PAK-AIMS), Lahore, Pakistan
Email: sadaflatif@pakaims.edu.pk

Abstract

Customer retention and satisfaction are two important indicators of effectiveness of marketing strategies for companies. Customer relationship management has emerged as one of the most important factor determining the competitive edge for companies in different industries. In the Pakistani Banking industry, the online banking is used as a key tool for establishing better and effective relationship with the customers through the different touch points offered. The Customer Relationship Management through online banking has substantial implications for the customer retention in the Banking industry. This study analyzed the role of Online Banking CRM in context of Standard Chartered Bank Pakistan for assessing the impacts on Customer retention. The regression analysis was performed on the primary data collected from 120 respondents sampled from online banking customers of Standard Chartered Bank from Lahore Branches. The results indicate that CRM has significant relationship with customer satisfaction and perceptions regarding products and services of the bank which in turn results in increased ability of the bank to retain its customers.

Keywords: Customer perceptions; Customer relationship management; Customer retention and satisfaction; online banking.

----

* Corresponding author.

1. Introduction

1.1. Background of the study

Companies exist for customers and the profitability and market share of any company is promised by the ability of the company to maintain a profitable and loyal customer base. In hyper competitive markets the cost of attracting new customers is always on the high side and for the reason companies, nowadays are interested in developing pool of customers which they can satisfy and retain for long term business relations. The hyper competitive markets around the world in many different industries have shifted the focus of companies from mere provision of goods and services to other broad dimension such as quality, branding, innovation and after sales services, in order to remain competitive in the market. In business markets with many players, having very little differentiation in products and services, there emerged a need for new and innovative strategies and conventions that can maintain a profitable stream of income for a firm.

In the era of industrialization focus of the goods and service provider was on strategies and practices that were aimed at provision of quality and innovative products and services to their customers. Companies remained focused on production and provision of services as demand for goods and services was greater than supply of these goods and hence production was the sole objective of the companies operating in the industry. Next to industrialization was the marketing era where the main focus of the companies remained around the positioning of their products and services in mind of their customers. The marketing era resulted in practices and strategies that achieved distinction for the products and services of the company and so, companies with better marketing practices and strategies were able to maximize their sales and remained with a competitive edge in the markets.

The advent of technology, trade liberalization and industrial development in the last few decades shaded the role of selling strategies in achieving competitive edge in the industry as every company has almost equal access to technology and have the ease to replicate and benchmark other companies. Every strong player in any industry have almost the same products and services with almost the same prices for the goods offered in the industry, thus there was a need of factors and attributes that can yet again distinguish companies from their rivals and enhance their market share.

Authors suggested that one such factor which changed the market dynamics in the last decade was customer relationship management that is maintaining relationship with customers through various interaction point in order to serve the customer in a more responsive and speedy manner and keeping an eye on the changing preferences and needs of the customers in a timely fashion [1]. Khan presents that Online Banking is the use of Technology and other related tools and techniques that offer customers with banking channels that are not location or time bound and the customers have the ease and luxury to contact and use their bank at their own discretion. Online banking is the banking channel through which customers can deal with their transaction online, make queries of their accounts, make withdrawal from account, pay for online shopping and stay up to date of their financial transaction at their fingertips [2].

It has been observed that in the current business environment, customer services and maintaining a proactive

relation with the customers holds significant implication to the satisfaction and retention of the customers. The online Banking is one commonly used tool for maintaining speedy and effective relation with their customers through its innovative options. CRM holds a significant position in the banking industry as there are very little to differentiate in banking industry in terms of the products and services available and hence it comes to better customer services and strong relation of banks with its customers that can differentiate them from their rivals in the industry [3].

1.2 Standard Chartered Bank Limited

Standard Chartered Bank is one of the premier bank around the world operating in almost 19 different countries with specific focus on Asia. The Bank is listed both at London Stock Exchange and Hong Stock Exchange. The bank is among the 20 top companies as per FTSE All Shares Index at London Stock Exchanges. As mentioned the main concentration of the Bank in Asia and almost 90% of the revenues of the bank are generated from Asia. The bank has almost 19000 employees from almost 149 nationalities around the world and more than half of the employees of the bank are female. Standard Chartered Bank is one among the many different Foreign owned banks operating in Pakistan and has a sizeable presence in the market. The bank operates with almost 200 branches in 46 cities in the country. The Bank enjoys he highest credit rating of AAA from PACRA, one of the main credit rating agency of Pakistan. In 2006 Standard Chartered Bank acquired Union Bank of Pakistan which by the time was the largest flow of foreign direct investment to Pakistan. The Standard Chartered Bank however is one of the very first to introduce the Online Banking and maintaining effective contact and presence around its customers through online banking tools and techniques. Since then the bank has been providing alternate delivery channels to their customers that serve the clients with ease, effectiveness and speed relative to the conventional banking structures.

1.3 Problem Statement

The Pakistani firms have acknowledged the role of Customer Relationship Management (CRM) and different business and industries have surfaced with detailed engineered strategies for maintaining strong relationship with their customers. The banking sector in Pakistan is one such sector that has gained significant growth and promises great potential given the merging nature of the economy. The banking industry has maintained quality stream of products and services to their customers, however in last few years they have moved a step ahead and Online banking is introduced in practiced by almost all of the banks in Pakistan with few exceptions. The basic aim of the online banking system is to provide speedy and effective services to their customers along with keeping in touch with their customers through new innovative customer touch pints, that is helping the banks in Pakistan to focus on their customer base thereby retaining their satisfied customer base. The Online Banking system for CRM has been in place for the last few years however in context of Pakistan there is very little or no work in order to analyze the relationship of the CRM through online Banking system and customer satisfaction and retention. This study therefore analyzes the relationship of CRM through Online Banking with customer satisfaction and retention.

1.4 Research Questions

The main area of the study is to analyze the role of CRM through Online banking in respect of the customer satisfaction and customer retention in banking industry. The main research questions of the study are as follow,

- What are Impacts of CRM through online banking on perceived value, price and switching costs of the customers for Standard Chartered Bank?
- What are Impacts of CRM through online banking on level of customer satisfaction for standard chartered Bank?
- What is the mediating role of Perceived Value, price, switching cost and Satisfaction for customer retention of Standard Charted Bank?

1.5 Objectives of the study

The aim of this study is to analyze the relationship of CRM through online banking with the customer retention in banking industry. The main objectives of the study are as follow

- To find out the Impacts of CRM through online banking on perceived value, price and switching costs of the customers for Standard Chartered Bank.
- To analyze the Impacts of CRM through online banking on level of customer satisfaction for standard chartered Bank
- To find out the mediating role of Perceived Value, price, switching cost and Satisfaction for customer retention of Standard Charted Bank

1.6 Significance of the study

Customer retention is one of the most sizeable problem encountered by companies in the current market setup due to immense competition. It is evident from the review of the previous theories and findings that customer retention has considerable financial implications for the firm, as it is costly and hard to attract new customers relative to retaining the existing customer base. The CRM through Online banking has emerged as one significant tool through which the companies are in an attempt to increase customer satisfaction and thereby retain the existing customer pool. This study therefore analyzes the issue for Standard Chartered bank in context of Pakistan to presents the relation between the two. The results of the study will provide insightful evidence for the relation of the two in respect of the Pakistani Banking industry. The findings of the study will be helpful for management of standard chartered bank as well as other banks with CRM through online banking to further modify and strengthen their strategy of CRM through online banking for attaining competitive edge in the industry.

1.7 Hypothesis of the study

The study has outlined the following main hypothesis,

- H1a: Customer Relationship management through Online Banking has significant relation with customer retention

- H0a: Customer Relationship management through Online Banking has no significant relation with customer retention

- H1b: Customer Relationship management through Online Banking has significant relation with customer satisfaction and perceptions

- H0b: Customer Relationship management through Online Banking has no significant relation with customer satisfaction and perceptions

- H1c: Customer Relationship management through Online Banking has impacts on Customer retention through mediating role of customer satisfaction and customer perceptions

- H0c: Customer Relationship management through Online Banking has no impacts on Customer retention through mediating role of customer satisfaction and customer perceptions

2. Literature Review

The number of banks' clients are increasing day by day and it becomes difficult for banks to meet the requirement of these busy clients. Therefore, the use of internet and installation of new machines and infrastructure is considered as an important tool to ensure full satisfaction of customers. These steps will enhance the efficiency and effectiveness of customer's relationship with banks at a very low cost. These banks know that the use of online banking services will ensure the effective relationship with their customer which ultimately helps them to earn competitive edge in the market place.

As the market has gone very competitive, the company's processes are becoming more complicated. According to Saha and his colleague customer's satisfaction refers to a collection of some perceptions and evolutions related to the use of any product or services. Whenever customers use any product or services they have some predetermined expectations from these products or services. If these expectations are fulfilled by the use of these products or services, then customers will be satisfied but if these expectations are not fulfilled by the use of these products and services then the customers will feel unsatisfied [4].

Online banking ensures quality services to their clients, which in turn create some loyal customers for the bank. These loyal customers spread positive word of mouth in the community which works as an effective source of advertisement for organizations. The author in [5] states that in the current competitive market and global environment the customer loyalty is crumbled so often and it became difficult for organizations to retain their loyal customers. Therefore organization needs special attention toward customer relationship management to retain their loyal customers. In the current financial engineering environment many banks goes to differentiate itself by introducing some innovative product to generate higher profit but very soon these products become a commodity type of thing and other banks start to replicate these innovative products which ultimately results in low market shares for the banks. On the other side the rapid spread of competitive companies reduces the profit margin in many products for banks. Therefore, banks need to focus on good customer relationship management to get competitive edge in the market. Banks use different tools and techniques to ensure better customer relationship management policies such as creating and enhancing personal relationship with customer or working as an advisor to their clients. With the development of information technology large portion of the banking stared to offer an online banking service which is the contemporary form of personal and corporate

banking. In online banking banks offer different products and services via internet, online transaction, online account statement and many more. The online banking make it ease and comfort for clients to interact and deal with bank which as a result create loyal and satisfied customers for banks which in turn provide greater opportunity to generate greater business and help them to get an extra edge in this competitive market in term of financial performance and market share.

Online banking is continuously getting importance among other financial institutions however, the percentage of financial institution providing online services to their customers are still remain low. The low percentage of online banking may be attributed to an expensive nature of infrastructure required for online banking and may be the unawareness about online banking on the part of banks clients. However, banks who invested in online banking facility have experiencing a positive impact on their customer relationship and also creating loyal and satisfied customer which as a result reduces customer turnover ratio for the banks. Most of the products and services offered by banks and other financial institutions are the same therefore; banks need to take a step forward in term of online banking in order to earn a competitive edge in the market place. Also in Pakistan most of the banks functions are shifted to internet and consider it as an important part of the customer relationship management policy [5].

Customer retention refers to the activities and actions of the company undertaken to reduce customer defection and avoiding their customer form shifting toward their competitors. To achieve the said task companies, need a better customer relationship management strategy. About half a year ago companies were mainly focused on production function and the main motive was to meet the customer demand through enough production. However, by the passage of time the technological development and global business have changed the customer preferences, customer purchasing behavior and also changed the motive of production oriented companies [6].

The authors in [7] quoted that customer retention is a step by step process through which the company creates and retains their loyal and satisfied customer by using the information obtained related to their customers. The researchers [8] reports that with the introduction of internet CRM process shifted into E-CRM through which the companies provide instant, responsive and quality services to their customers. Online CRM also helps the companies to modify and produce products and services according to their customer's needs and demand based on the information obtained related to their customers via internet.

Customer relationship management is a process through which companies build trust worthy relationship with their customer which in turn generate long term profitability for companies. Therefore, banks also pursued CRM to build reliable relationship with their clients. CRM is an idea which is mainly developed to focus on organization collaboration with their present and prospect customers. CRM use innovative tools and techniques to sort out, coordinate and computerize business forms. CRM strategy is mainly designed to enhance productivity, wage and customer loyalty. Numerous instruments and strategies have been used to achieve efficient and effective CRM practices by companies in order to improve association and deal with their customers. In this way, CRM is an important and general procedure required by every organization instead of specialized one [9].

The importance of consumer loyalty cannot be ignored as cheerful customer works as free publicizing for companies. Therefore, customer satisfaction should be the primary preference for organization as indicated by its occasions, methodologies and forms. Organizations are now more customer oriented and concentrated on their administrative arrangement in order to maintain their current customer and convert them into loyal customer of the company as it is more productive than to discover new ones [10]. The turnover of customer from banks depends on the loyalty of customers with the banks. If the clients are more loyal and feel satisfied with the banks then the turnover ratio will be low and on the contrast if the clients are less loyal and feel unsatisfied with the banks then the turnover ratio will be high. The loyalty of customer with the bank can be measure through analyzing the frequency of customer using the products and services of bank in a particular period.

A study conducted in African banking industry at Uganda by Musiime and his colleague, examined the factors that influence customers orientation toward online banking as well as they analyzed the impact of online banking on customer satisfaction level in Uganda. The result of the study found that people in Uganda are unaware about online banking and the reason behind this is that most of the banks in Uganda do not use online banking in order to interact with their clients. Their result also found that online banking has a positive impact on customer satisfaction which as a result create loyal customers for banks and hence reduce customer turnover ratio and help them to retain their loyal customer [5].

The replacement of industrialization era by the emergence of marketing era has significantly changed customer preferences and needs, their busy schedule, increased market completion, foster technological inventions which ultimately results in changing customer behavior and attitude regarding their purchasing process and their communication with the company [4]. Customer relationship management is a continuous process which is required for the better communication and coordination among marketing and sale personals. Through the use of modern technology business synchronize various aspects of customer relationship, interaction, retention, offering and can create long term loyal and satisfied customer for the business [11]. The researcher [12] suggested that customer relationship management is an idea where companies can prosper and retain their existing customer and can also attract new customers and thereby reducing marketing and administrative cost.

Consumer makes their purchasing decision based on some expectation from a product or services of a particular company. After using the product or services consumers compare their expectation with what they actually get from these product or services, if the expectations are met then they will be satisfied otherwise, they will be unsatisfied which as a result leads to customer turnover. The aim of online CRM is to understand and approach clients of the banks. The tools and techniques used for the implementation of customer relationship management includes on online customer services, customer data warehouse, call center, operations, e-commerce, web marketing, and online sales [13]. CRM is a series of steps through which the banks know and attract its customer, retain their customer, create customer knowledge, build reputation in the mind of customer regarding the company and enhance their customer relationship maintenance [14].

The use of information technology play an important role in the designing of customer relationship management strategies and its successful implementation [15]. Electronic customer relationship management goes beyond e-

commerce as it builds strong relationship between banks and clients. Online customer relationship management foster's the flow of information from banks to their clients and in turn receives feedback from their clients [16].

3. Theoretical Framework and Methodology

3.1 Theoretical framework

The aim of the study is to analyze the role of CRM through online banking system in customer satisfaction and retention. The main dependent variable of the study is the customer retention while Online Banking CRM is the main explanatory variable of the study. The customer satisfaction and the perceived value, price and switching cost of are used as the mediating variable in the analysis. The theoretical framework of the study is provided in figure 1 of the study and it shows that the study analyzes the relation of customer retention with CRM with mediating role of different factors.
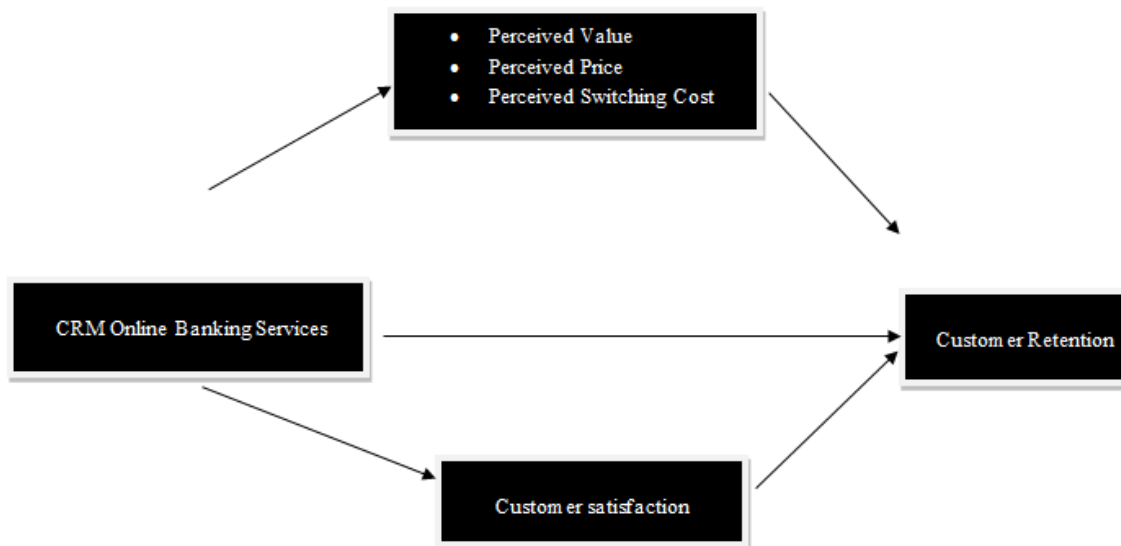

Figure 1: theoretical framework

3.1.1 Online Banking CRM

The online banking CRM is the relationship management of Banks with its customers using its online Banking tools. It is the main explanatory variable under analysis and is used to measure impacts of online banking CRM on Customer satisfaction. The banks using online banking provides multiple touch points with its customers through which the banks engaged its customers with the bank through effective and speedy services and resolving customer queries and providing the requisites information.

3.1.2 Customer Satisfaction

The aim of every firm through its different marketing strategies is to maximize the satisfaction of the customers. The customer satisfaction is key to long term relation with the customers and to develop a loyal customer base

in the competitive markets. Satisfied customer is a strategic asset of the company and provide a competitive edge to the firms. The customer satisfaction is the main source for developing a loyal customer base and to retain its customers. The current study uses the customer satisfaction as the mediating variable for analyzing the relation between online CRM and customer retention in banking industry.

3.1.3 Perceived Value

The perceived value is the mediating variable used in the analysis and is defined as the aggregate assessment of the goods and services on the basis of what is given and what is received. The perceived value of the products and services is low process, quality, offering and what the customer gets for what he pays. The perceived value is influence by the Online banking CRM and accordingly it has influence over the level of customer loyalty with the bank that results in higher level of customer retention for the banks.

3.1.4 Perceived Price

Perceived price is another mediating variable used for analyzing the relationship of CRM and customer retention. Perception of the customer regarding the average price of the products and services relative to the competitors. The customer evaluates whether they are charged less or more than what competitors would have charged for the same products or services. The perception of price is highly related to the perception of value by the customers as the value is decided relative to the price of the products or services.

3.1.5 Perceived Switching Cost

Switching cost is the cost which the customers has to bear if he switches to another banks or acquire services from competitors. It is the third mediating variable used in the analysis and the switching cost includes the cost of searching and collecting information for the product and also the cost that has to be incurred in order to acquire the new product.

3.1.6 Customer Retention

Customer retention is the main dependent variable of the study and refer to the ability of the bank to keep intact the already satisfied pool of customers of the bank. Customers that are satisfied with products and services of the bank are expected to have long term relation with the bank and they are not much prone to switching to competitors. The study analyzes the relation of the customer satisfaction and perceptions with the retention of the customers as a result of the CRM through online banking.

3.2 Methodology

The research is correlational and is descriptive in nature as present the current context of relationship between the variables of the study. This study works under the Positivist ontological assumption for selecting the appropriate tools and techniques for analysis of the research questions of the study. This section of the study presents the collection of statistical and methodological tools and techniques that are employed by the study for

accomplishing the research objectives.

3.2.1 Population of the study

In accordance with the aim of the study data is collected from customers of Standard Chartered bank. The current study analyzes the relationship in Lahore Pakistan. There are total 5 branches of Standard Chartered Bank in Lahore. The customers of all these 5 branches in Lahore constitute the overall population of the study and the sample was selected from customers of these branches of the bank.

3.2.2 Sample and sampling technique

The five branches of Standard Chartered Bank in Lahore has more than 6000 customers which includes both online and traditional banking customers. The online banking customers are the one who are using the online banking services of the bank. In context of the study the convenience based sampling technique was used for selection of the sample of the study. Using the convenience based sampling technique the study selects 120 customers from branches of Standard Chartered bank in Lahore who uses the online banking services of the bank. Branches of the bank are visited and online banking customer available in the branches and willing to participate in the survey are included in the final sample of the study.

3.2.3 Data Collection Procedure

Data collection is one of the main step for providing input for analysis of the relationship between the variable. The study used secondary data from different sources for review of the literature on the subject matter. Secondary data is mainly used in the study in literature review and is collected from different books, book sections, articles, reports and other online published materials around the web.

Primary data was used for analysis of the research question and the primary data of the study is collected using the survey technique. The survey technique provides with different tools such as interview and questionnaires for collection of the primary data. This study under the survey approach uses the self-administered questionnaire for collection of primary data for each explanatory and dependent variable of the study. A description of the instrument of the study is provided in the following section of the chapter.

3.2.4 Instrument of the study

Instrument of the study is adopted from a similar study conducted by the authors [5] who used the instrument to collect data for survey on the topic in Bangladesh banking industry. The instrument so adopted is mainly divided into 6 different parts, each parts containing items designed to collect data on the variable under analysis of the study. The instrument is ranked on a five point likert scale where 1 stands for complete disagreement with the statement while 5 presents complete agreement with the statement of the instrument.

3.2.5 Reliability and Validity

It is highly important that the reliability of the instrument used for survey of the study is determined. For the said reason this study also conducted Cronbach Alpha test for assessing the internal reliability of the items of the instrument. Cronbach Alpha test value which is higher than .70 suggest strong internal reliability of the questionnaire items. A cronbach alpha value close to above .60 and close to .70 suggest weak internal reliability however a value less than this suggest that there is no internal reliability of the items of the instrument. The Cronbcch Alpha test of the instrument presented that all variables have a value greater than .70 thereby suggesting that items for each variable have internal reliability.

3.2.6 Data Analysis

The study is correlational in nature and determines the relation between online CRM and customer retention for Standard chartered bank Pakistan. The most widely tool used for determining relation between two variables is the regression analysis technique. This study also uses the regression analysis for investigating the relation between Online CRM and customer retention for Standard Chartered Bank Limited.

In order to find out the relationship of Online CRM with customer retention the study uses the following regression model. The following equation presents model for direct impacts of OCRM on customer retention.

$$CR = \alpha + \beta \ (OCRM) + \varepsilon \ldots\ldots Model \ (1)$$

In the equation above CR stands for Customer Retention while OCRM stands for Online Customer Relationship management. Beta in the equation is the slope coefficient for the relation of CR and OCRM.

In order to determine the mediating role of customer satisfaction and customer perceptions, in the first step regression models are used for finding out impacts of OCRM on job satisfaction and customer perceptions which are given by the following equation.

$$CS = \alpha + \beta \ (OCRM) + \varepsilon \ldots\ldots Model \ (2)$$

$$PV = \alpha + \beta \ (OCRM) + \varepsilon \ldots\ldots Model \ (3)$$

$$PP = \alpha + \beta \ (OCRM) + \varepsilon \ldots\ldots Model \ (4)$$

$$PSC = \alpha + \beta \ (OCRM) + \varepsilon \ldots\ldots Model \ (5)$$

In the equation above CS stands for Customer Satisfaction, PV for perceived value, PP for perceived price, PSC for perceived switching cost while OCRM stands for Online Customer Relationship management. Beta in the equation is the slope coefficient for the relation of CS and OCRM.

In order to determine the relation of OCRM with customer retention with mediating effects of customer satisfaction and customer perceptions the following regression model is used,

$$CR = \alpha + \beta1 \, (OCRM) + \beta2 \, (PV) + \beta3 \, (PSC) + \beta4 \, (PP) + \beta5 \, (CS) + \varepsilon \ldots \text{Model (6)}$$

4. Analysis Results

In order to analyze the research questions primary data was collected using instrument of the study from online banking customers of standard chartered bank in Lahore. A final sample of 120 respondents was included in the final analysis of the study. The data so collected was analyzed using regression analysis and results for regression analysis both for direct impacts of OCRM on Customer retention and with mediating effects of customer's satisfaction and customer perceptions are provided in the following sections of the chapter.

Table 1 below presents a description of the primary data collected through survey instrument. In the table it can be observed that there are 6 different variables in the analysis having 120 observations each for all the variables under analysis as given in second column of the table. In third column the mean value for each variable are presented and it can be observed that the mean value for each of the variable is greater in range of 4 and 4.5.

Table 1: Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
OCRM	120	4.3750	1.75405	-.372	.221	-.787	.438
CS	120	4.6250	1.67564	-.695	.221	-.068	.438
CR	120	4.6000	1.84892	-.514	.221	-.717	.438
PV	120	4.3833	1.71098	-.330	.221	-.709	.438
PP	120	4.3750	1.75405	-.372	.221	-.787	.438
PSC	120	4.6250	1.67564	-.695	.221	-.068	.438
Valid N (listwise)	120						

The fourth column in the table presents the standard deviation of the data from mean value for each variable. In the table it is noted that all the variables have almost the same standard deviation of 1 to 1.7 standard deviation from the mean for each variable. Customer retention score show the highest standard deviation with 1.84 standard deviation from the mean. The fifth column of the table presents skewness of the data and is used to assess the normality of distribution of each variable under analysis. In the table it is presented that the mean

skewness value for each variable is not significantly different than zero and hence suggest that the data does not have any skewness problem and is normally distributed. Similarly, the last column of the table shows the Kurtosis value for each variable the admissible Kurtosis range is below 3. In the table it is observed that the kurtosis values for all the variables are less than 3 and hence implies that the data is normally distributed.

The above data for all the variables was analyzed using different regression models. The first model was used to find the direct impacts of CR with OCRM. Next impact of OCRM on each mediating variable was obtained and in the last model all the explanatory variables including the mediating variables were regressed against the CR in a single model. The results of the regression models of the study are provided in the following tables of the study.

Table 2 of the study presents the regression model for relation of OCRM and CR in the table the F value given for the model is 33.749, that is P<.01, this validates the significance of the regression model 1.

Table 2: Regression Model 1

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.425	.403		6.016	.000
	OCRM	.497	.086	.472	5.809	.000

a. Dependent Variable: CR | F value: 33.749

| Rsquare: .22 | AdjRsquare: .221

The significance of the F value for model 1 of the study suggest that the regression model has goodness of fitness and this model is significant in predicting the relationship between OCRM and CR. The R square value as provided in the above model is .22 this means that OCRM explains almost 22% of variation in CR for standard chartered Bank online banking customers. The value of adjusted R square support the R square and further suggest that OCRM explains 21% of variance in CR. The slope coefficient for the relation of CR and OCRM is .497 and the T value for this coefficient is 5.809, this implies that the coefficient is significant at P<.01. The significance of the coefficient implies that OCRM and CR has a significant relation and thus validates the alternate hypothesis of Positive relationship between the two.

Table 3 of the study presents the regression model for relation of OCRM and CS in the table the F value given for the model is 38.147, that is P<.01, this validates the significance of the regression model 2.

Table 3: Regression Model 2

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.559	.360		7.106	.000
OCRM	.472	.076	.494	6.176	.000

a. Dependent Variable: CS | F value: 38.147

| Rsquare: .24 | AdjRsquare: .23

The significance of the F value for model 2 of the study suggest that the regression model has goodness of fitness and this model is significant in predicting the relationship between OCRM and CS. The R square value as provided in the above model is .24 this means that OCRM explains almost 22% of variation in CS for standard chartered Bank online banking customers. The value of adjusted R square support the R square and further suggest that OCRM explains 24% of variance in CR. The slope coefficient for the relation of CS and OCRM is .472 and the T value for this coefficient is 6.176, this implies that the coefficient is significant at P<.01. The significance of the coefficient implies that OCRM and CS has a significant relation. Table 4 of the study presents the regression model for relation of OCRM and PV in the table the F value given for the model is 29.14, that is P<.01, this validates the significance of the regression model 3.

Table 4: Regression Model 3

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.474	.378		6.540	.000
OCRM	.436	.080	.447	5.433	.000

a. Dependent Variable:PV | F value:29.14

| Rsquare: .20 | AdjRsquare: .193

The significance of the F value for model 3 of the study suggest that the regression model has goodness of fitness and this model is significant in predicting the relationship between OCRM and PV. The R square value as provided in the above model is .20 this means that OCRM explains almost 20% of variation in PV for standard chartered Bank online banking customers. The value of adjusted R square support the R square and further suggest that OCRM explains 19% of variance in PV. The slope coefficient for the relation of PV and OCRM is .472 and the T value for this coefficient is 5.34, this implies that the coefficient is significant at P<.01. The significance of the coefficient implies that OCRM and PV has a significant relation. Table 5 of the study presents the regression model for relation of OCRM and PP in the table the F value given for the model is 38.14, that is P<.01, this validates the significance of the regression model 3.

Table 5: Regression Model 4

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.559	.360		7.106	.000
OCRM	.472	.076	.494	6.176	.000

a. Dependent Variable: PP | F value:38.147 |

Rsquare: .24 | AdjRsquare: .23

The significance of the F value for model 4 of the study suggest that the regression model has goodness of fitness and this model is significant in predicting the relationship between OCRM and PP. The R square value as provided in the above model is .24 this means that OCRM explains almost 24% of variation in PP for standard chartered Bank online banking customers. The value of adjusted R square support the R square and further suggest that OCRM explains 23% of variance in PP. The slope coefficient for the relation of PP and OCRM is .472 and the T value for this coefficient is 6.176, this implies that the coefficient is significant at P<.01. The significance of the coefficient implies that OCRM and PP has a significant relation. Table 6 of the study presents the regression model for relation of OCRM and PSC in the table the F value given for the model is 32.47, that is P<.01, this validates the significance of the regression model 5. The significance of the F value for model 5 of the study suggest that the regression model has goodness of fitness and this model is significant in predicting the relationship between OCRM and PSC. The R square value as provided in the above model is .29 this means that OCRM explains almost 29% of variation in PP for standard chartered Bank online banking customers. The value of adjusted R square support the R square and further suggest that OCRM explains 27% of variance in PSC. The slope coefficient for the relation of PSC and OCRM is .312 and the T value for this coefficient is 4.176, this implies that the coefficient is significant at P<.01. The significance of the coefficient implies that OCRM and PSC has a significant relation.

Table 6: Regression Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.559	.360		5.106	.000
OCRM	.312	.076	.494	4.176	.000

a. Dependent Variable: PSC | F value:32.47

| Rsquare: .29 | AdjRsquare: .27

Table 7 of the study presents the regression model for relation of Customer Retention and all the explanatory and mediating in the table the F value given for the model is 28.12, that is P<.01, this validates the significance of the regression model 6.

Table 7: Regression Model 6

	B	Beta	Sts.Error	T value
Online CRM	.856	.075	.447	1.917
Perceived Value	.081	.198	.089	2.907
Perceived Price	.209	.485	.090	2.332
Perceived Switching Cost	.535	.075	.093	5.727
Customer Satisfaction	.856	.198	.447	1.917

a. Dependent Variable: PSC | F value:28.12 | Rsquare: .42 | AdjRsquare: .41

The significance of the F value for model 6 of the study suggest that the regression model has goodness of fitness and this model is significant in predicting the relationship between CR and the explanatory variables under analysis of the study. The R square value as provided in the above model is .42 this means that explanatory variables explains almost 42% of variation in CR for standard chartered Bank online banking customers. The value of adjusted R square support the R square and further suggest that OCRM explains 41% of variance in CR. The slope coefficient for the relation of CR and OCRM is .856 and the T value for this coefficient is 1.917, this implies that the coefficient is significant at P<.01. The significance of the coefficient implies that CR and OCRM has a significant relation. The slope coefficient for the relation of CR and PV, PP and PSC is .081, .209 and .535 respectively. The T value for these coefficients are 2.907, 2.232 and 5.727, this implies that the coefficients are significant at P<.01. The significance of the coefficients implies that PV, PP PSC and OCRM has a significant relation. The slope coefficient for relation of Customer Satisfaction and CR is .856 and the T value for this coefficient is 1.917 thus implying that the CS and CR has significant relationship with each other.

The results of model 6 and suggest that CR has significant relationship with the OCRM in the joint model, similarly the significance of the slope coefficients of all the mediating variable implies that OCRM has significant relation with CR with mediating effects from Customer satisfaction and customer perceptions. The significance of model 1 implied that OCRM has direct relation with Customer relation and the significance of model 6 adds to the results of model 6 establishes that OCRM has impacts on retention of the employees via enhancing the level of customer satisfaction and customer perceptions. The OCRM influence the customer perceptions regarding the products and services offered by the bank, also it enhances the level of satisfaction of the customer that resultantly influence the overall ability of the bank to retain its employees.

5. Conclusion and Limitations

The advent of technology, trade liberalization and industrial development in the last few decades shaded the

role of selling strategies in achieving competitive edge in the industry as every company has almost equal access to technology and have the ease to replicate and benchmark other companies. Every strong player in any industry have almost the same products and services with almost the same prices for the goods offered in the industry, thus there was a need of factors and attributes that can yet again distinguish companies from their rivals and enhance their market share. The online Banking is one commonly used tool for maintaining speedy and effective relation with their customers through its innovative options. CRM holds a significant position in the banking industry as there are very little to differentiate in banking industry in terms of the products and services available and hence it comes to better customer services and strong relation of banks with its customers that can differentiate them from their rivals in the industry. The basic aim of the online banking system is to provide speedy and effective services to their customers along with keeping in touch with their customers through new innovative customer touch points, that is helping the banks in Pakistan to focus on their customer base thereby retaining their satisfied customer base. The Online Banking system for CRM has been in place for the last few years however in context of Pakistan there is very little or no work in order to analyze the relationship of the CRM through online Banking system and customer satisfaction and retention. This study therefore analyzed the relationship of CRM through Online Banking with customer satisfaction and retention.

The study used the case of Standard Chartered Bank branches in Lahore to assess the impacts of OCRM on customer retention of the bank. The study used a survey strategy and data collected through instrument of the study was analyzed using regression analysis. The results of the regression analysis presented that OCRM has direct impacts on the Customer retention. The study further analyzed the relation of mediating variables with the explanatory variable OCRM and it was found that the mediating variables are influenced by the OCRM of standard chartered bank in Pakistan. In order to establish that whether the OCRM and CR relation is mediated by customer perception and customer satisfaction, the study used a final joint regression model having the explanatory variable and mediating variable. The results of the joint regression model presented that all the variables have a significant relation with Customer retention and the relation between CR and OCRM is mediated by customer satisfaction and customer perceptions.

The results of the study support the results of previous studies stating that OCRM effect the level of customer perception in terms of the perceived value, price and switching costs of the products and services of the Bank. The OCRM also influences the level of customer satisfaction of the Standard Chartered bank as well. Both the customer satisfaction and customer perception then influence the customer retention. This implies that customer who are satisfied with the customer relationship management through online banking have positive perception regarding the bank and this lead to low turnover intentions of the customer. During the study author found some limitations which are mentioned as follow

- Cost was major limitation to obtain the better and vast results of research.
- Opt of Agile and dynamic technology in challenging environment of banking sector
- Online CRM channel quality control measuring throughout country is limited due to shortage of time.

6. Recommendations

The study found that Customer relationship management through online banking is one important factor that determines the ability of the bank to retain its customers. Based on the findings from the analysis the following few recommendations are outlined by the study.

- In a hyper competitive banking industry with little differentiation in terms of products and services a bank can distinctly position itself with quality customer relation management strategy through online banking channels of the bank.
- Bank needs to maintain a strong relation with customers through the online banking channel for provision of speedy and timely services and information that would lead to enhanced level of customer satisfaction and perceptions.
- Effective use of online banking will help banks to diversify its delivery channels that on one hand will reduce the work load at traditional branches and on the other hand would help in entertaining customer free of time and location constraints.
- Banks need to enhance the effectiveness level of the online banking channels to enhance develop quality of CRM through online banking and maintain a competitive edge over its rivals.

References

[1] F. R. Darrell K. Rigby and C. Dawson, "Winning customer loyalty is the key to winning a CRM Strategy," IVEY Business Journal, no. 9B03TB01, 2003.

[2] K. SK, "Addoption Issues of Internet Banking in Pakistani Firms," DiVA, Lulea University of Technology, Sweden, 2007.

[3] P. S. N. A. S. T. Kevin R. Parker, "The Impact of Inaccurate Color on Customer Retention and CRM," The International Journal of an Emerging Transdiscipline , vol. 12, pp. 105-122, 2009.

[4] Y. z. P.Saha, "Relationship between Online Service Quality and Customer Satisfaction. A case of Internet Banking.," DiVA, March 2005. [Online]. Available: http://www.diva-portal.org. [Accessed 2018].

[5] R. M. Musiime A, "Internet banking,consumer adoption and customer satisfaction," African Journal of Marketing Management, vol. 3.

[6] G. Ben-Dov, "Market2lead," 2011. [Online]. Available: http://www.market2lead.com.

[7] G. V. D. V. d. P. Wouter Buckinx, "Predicting customer loyalty using the internal transactional database," ELSEVIER, vol. 32, no. 1, pp. 125-134, 2007.

[8] S. &. L. J. Chan, "Customer Relationship Management on Internet and Mobile Channels: An

Analytical Framework and Research Directions," Idea Group Inc., 2009.

[9]   G. Dowling, "Customer Relationship Management: In B2C Markets, Often Less is More," California Management Review, vol. 44, no. 3, pp. 121-137, 2002.

[10]   M. M. N. M. S. K. Z. S. N. A. Faizan Mohsan, "Impact of Customer Satisfaction on Customer Loyalty and Intentions to Switch:Evidence from Banking Sector of Pakistan," International Journal of Business and Social Science, vol. 2, no. 16, pp. 263-270, 2011.

[11]   C. W. W. Li, "Customer Retention and Cross Buying," Journal of Financial Services Marketing, vol. 12, 2007.

[12]   M. J. Cronin, Banking and Finance on the Internet, New York : Van Nostrand Reinhold: Trove, 1997.

[13]   O. O. Gao P, "Consumer Adoption of Internet Banking in Nigeria," The International Banking Review, vol. 7, no. 4, 2008.

[14]   P. Taylor, "Big Trends in Community Banking for 2010," America's Community Banker, vol. 3, pp. 16-19, 2008.

[15]   J. W. C.P Holland, "Product-market and Technology Strategies in Banking Communication of the association for Computing machinery," New York Journal of Marketing Management, vol. 6, pp. 53-57, 2010.

[16]   A. (. Bilal, "Determinants of customer loyalty and proposing a customer loyalty model for the banking sector of pakistan.," Annual Reserach Journal Comsate Institute of Information Technology Abbottabad, Pakistan, vol. 4, pp. 124-139, 2008.