

# **CRM INDEX DEVELOPMENT & VALIDATION IN INDIAN BANKING SECTOR**

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## **ABSTRACT**

This study caters to developing a reliable and valid CRM (Customer relationship management) index specifically catering to Indian banking sector. An exhaustive review of literature on CRM was followed by depth interview and questionnaire survey of customers of different banking organizations all across India. Exploratory factor analysis was followed by confirmatory factor analysis which was presented in three forms; the single factor model, covariance model and the structural model. The covariance model shows CRM in Indian banking sector as a multidimensional construct comprising of factors namely organisational structure and customer support, service quality, trust, technology, personalisation and market orientation. The structural model validates the previously extracted factors along with their indicators. Further to this the validation of CRM scale is done through a case based method for development of CRM Index along with the customer and service provider weights with the help of questionnaire design and survey conducted. The proposed index can serve as a strategic tool in enhancing the customer responsiveness and overall performance of the banking organizations.

**KEY WORDS:** CRM Index, Indian banking sector, exploratory factor analysis, confirmatory factor analysis, structural equation modelling.