

A Study of Customer Relationship Management of Clean Energy Development Bank

By

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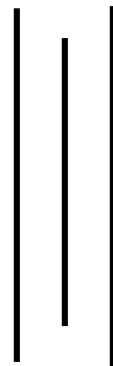
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RECOMMENDATION

This is to certify that the Thesis

Submitted by:

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Entitled:

A Study of Customer Relationship Management of Clean Energy Development Bank

*has been prepared as approved by this Department in the prescribed format of the
Faculty of Management. This thesis is forwarded for examination.*

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VIVA-VOCE SHEET

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**A Study of Customer Relationship Management of Clean
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according to the prescribed format. We recommend the thesis to
be accepted as partial fulfillment of the requirement for*

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DECLARATION

I hereby declare that the work reported in this thesis entitled “An Empirical Study of Brand Loyalty in Nepal” submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master’s Degree in Business Study (M.B.S.) under the supervision of Associate Professor Mr. Iswor Raj Lohani of Shanker Dev Campus.

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CHAPTER-I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

When two or more people make connection there creates a boundary filled of affection, emotions love and lots of feelings which is called “Relationship”. Actually, not only person to person can make a relations, person can make their relationship to an organization where they work. Relationship can be perfect or imperfect, direct or indirect; positive or negative. It depends upon an individual that how can they make a relationship perfect. Thus, not only a person to person connection can be a relationship but an organization can create a connection with a person. Thus, any organization as a bank can create a relationship between customers. Relationship between an organization and its customer is very decisive & sensitive relation because; an organization cannot exist without any customer and a customer is not customer without any organization.

In the case of banking and financial institution without customer there is no gain and no invest return because a bank runs through the customer, for the customer and with the customer.

‘Customer’ is a person who arrives at an organization, but it is not necessary that a customer should have an account compulsorily and should have huge amount of deposit daily. They can deposit on their own choice and how much they can. They can be normal or abnormal. Every customer has equal facility, equal rights and equal duties upon an organization. They should not be discriminated by their gender, their standard or by their nature. Single customer is important for an organization. In every relationship there is a kind of emotion, rules and feelings. Thus to keep all the rules and systems in right order there should be perfect “management”. Management science is the technology by which things can be right and easily. Management science is necessary at every field and totally needed for customer relationship to manage and built the relationship between the customer and an organization which is known as “Customer Relationship Management”.

1.2 FOCUS OF THE STUDY

There are different types of customer who arrives at our institution. Some are regular while some may new to an organization. Thus, we should know the way and idea to handle them all. They might have or might not have taste of a product. Generally there are such types of customers as follows:

-) Loyal customer: These types of customers are less in numbers but promote more sales.
-) Discount customer: They are frequent visitors and always arrive if discount offer is done.
-) Impulsive customer: These customers are difficult to convince as they want to do business in urge or cap vile.
-) Need base customer: They buy only habitants or have a specific need for them.
-) Wandering customer: These customers investigate features of most prominent products in market but don't buy and show least interest in buying.

Customer relationship management is an upright concept or strategy to solidify relations with customers and at the same time reducing cost and enhancing productivity and profitability in business.

Customer relationship management (CRM) is strongest and most efficient approach in maintaining creating relationship with customers. Looking at some broader perspectives given as below we can easily determine why a CRM system is always important for an organization as follows:

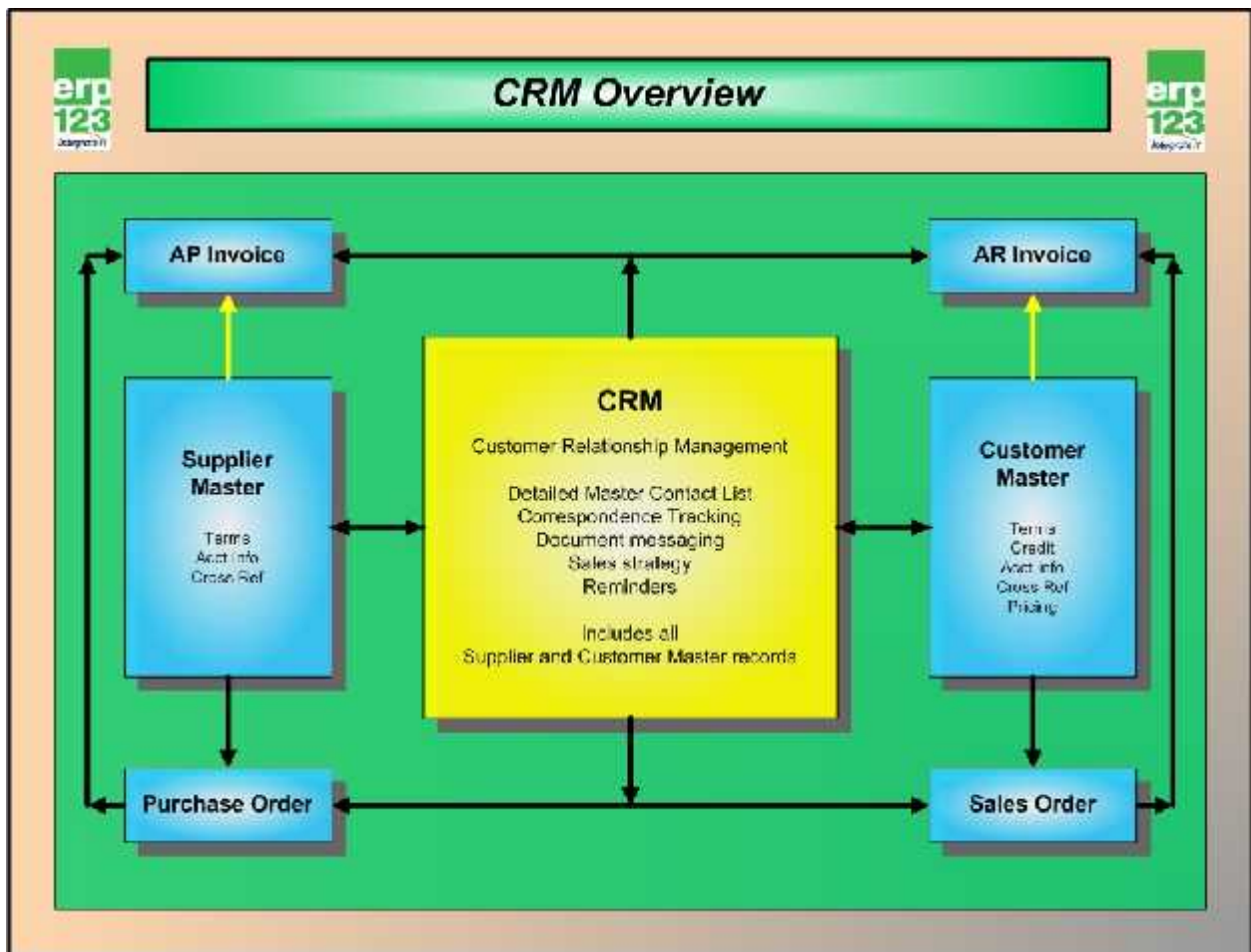
1. A CRM system consists of a historical view and analysis of all the acquired or to be acquired customers. This helps in reduced searching and correlating customers and to foresee customer needs effectively and increase business.
2. CRM contains each and every bit of details of a customer, hence it is very easy for track a customer accordingly and can be used to determine which customer can be profitable and which not.

3. In CRM system, customers are grouped according to different aspects according to the type of business they do or according to physical location and are allocated to different customer managers often called as account managers. This helps in focusing and concentrating on each and every customer separately.
4. A CRM system is not only used to deal with the existing customers but is also useful in acquiring new customers. The process first starts with identifying a customer and maintaining all the corresponding details into the CRM system which is also called an 'Opportunity of Business'. The Sales and Field representatives then try getting business out of these customers by sophisticatedly following up with them and converting them into a winning deal. All this is very easily and efficiently done by an integrated CRM system.
5. The strongest aspect of Customer Relationship Management is that it is very cost-effective. The advantage of decently implemented CRM system is that there is very less need of paper and manual work which requires lesser staff to manage and lesser resources to deal with. The technologies used in implementing a CRM system are also very cheap and smooth as compared to the traditional way of business.
6. All the details in CRM system is kept centralized which is available anytime on fingertips. This reduces the process time and increases productivity.
7. Efficiently dealing with all the customers and providing them what they actually need increases the customer satisfaction. This increases the chance of getting more business which ultimately enhances turnover and profit.
8. If the customer is satisfied they will always be loyal to you and will remain in business forever resulting in increasing customer base and ultimately enhancing net growth of business.

In today's commercial world, practice of dealing with existing customers and thriving business by getting more customers into loop is predominant and is mere a dilemma. Installing a CRM system can definitely improve the situation and help in challenging the new ways of marketing and business in an efficient manner. Hence in the era of business every organization should be recommended to have a full-fledged CRM system to cope up with all the business needs.

Making details about CRM it can be clearer by a chart given below:

Fig. 1
CRM Overview



Source: CRM Research

This chart defines that CRM includes supplier master, customer master, purchase order and sales order of a product. When a customer wants some product they search for the product. Corporate customers make decision on purchase on written form while normal customer do not make. Corporate customers and suppliers (vendors) make the decision through written form, they ask quotation they search from master contact list and call for the product. If the quotation is negotiated they will make purchase order .Supplier make sales order to their company and send the required customer or company. Supplier sends the attached bill along with the product. Customer receive them use them and if they likes the product they will remember the product and the vendors for further. Thus, in this way there builds the relationship between a supplier and a customer.

1.3 BANKING SECTOR

The word “bank” has been derived from the Italian word ‘banco’ or ‘banca’, Latin word ‘bancus’ and French word ‘banque’ meaning ‘bench’ on which the bankers would keep money and its records. Benches were used as desks or exchange counters during the Renaissance by Florentine bankers, who used to make their transactions at the desks covered by green tablecloths. A bank is a financial institution and a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly or through capital markets. A bank connects customers that have capital deficits to customers with capital surpluses.

“A bank is an organization whose principal operations are concerned with the accumulation of the temporarily idle money of the general public for the purpose of advancing to other for expenditure” (Kent).

“Ordinary banking business consists of changing cash for bank deposit and bank deposit for cash, transferring bank deposit from one person or another giving bank deposit in exchange for

bills of exchange, government bonds, the secured or unsecured promises of businessman to repay etc” (Sawyer).

Modern marketing began in the early 1900s. In the twentieth century, the marketing process progressed through three distinct eras, production, sales, and marketing. In the 1920s, firms operated under the premise that production was a seller's market. Product choices were nearly non-existent because firm managers believed that a superior product would sell itself. This philosophy was possible because the demand for products outlasted supply. During this era, firm success was measured totally in terms of production. The second era of marketing, ushered in during 1950s, is known as the sales era. During this era, product supply exceeded demand. Thus, firms assumed that consumers would resist buying goods and services deemed nonessential. To overcome this consumer resistance, sellers had to employ creative advertising and skillful personal selling in order to get consumers to buy. The marketing era emerged after firm managers realized that a better strategy was needed to attract and keep customers because allowing products to sell themselves was not effective. Rather, the marketing concept philosophy was adopted by many firms in an attempt to meet the specific needs of customers. Proponents of the marketing concept argued that in order for firms to achieve their goals, they had to satisfy the needs and wants of consumers.

1.4 PROFILE OF CLEAN ENERGY DEVELOPMENT BANK LTD.

Fig. 2

Clean Energy Development Bank



Source: fieldwork study

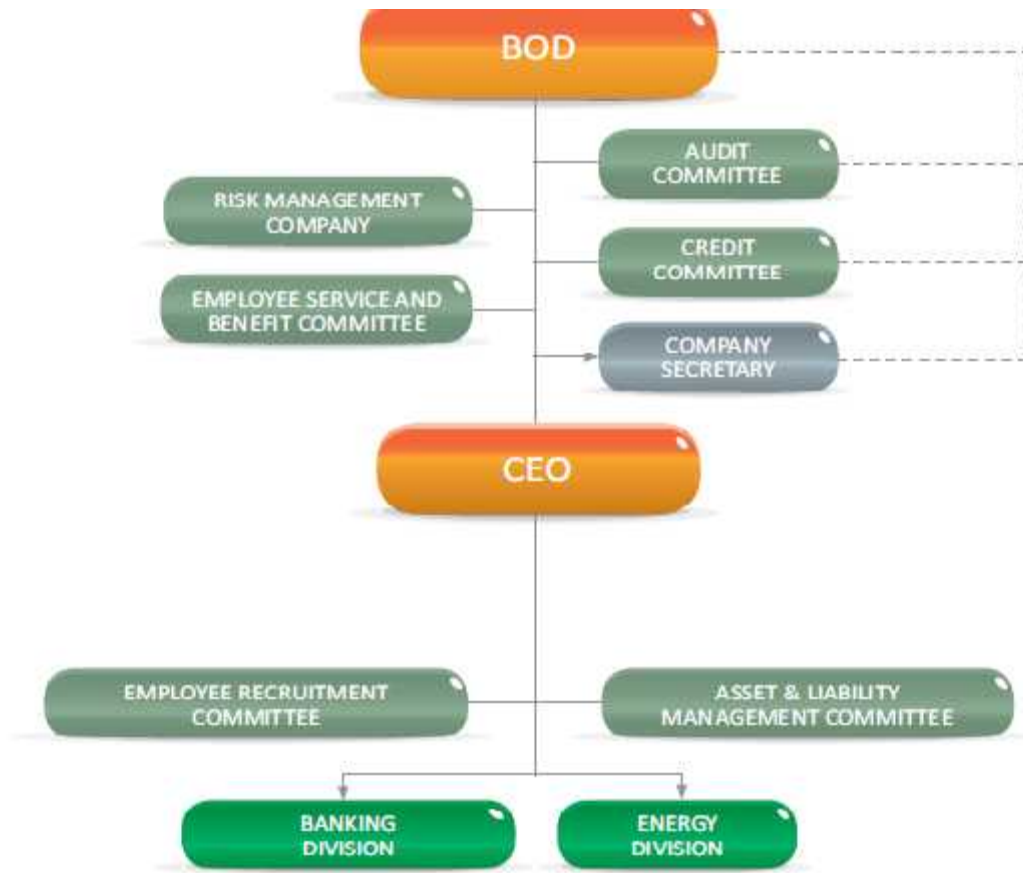
Clean Energy Development Bank Ltd. (CEDB) situated at Sitapaila, Kathmandu Nepal located at road side of Sitapaila chowk. It was established in 2006 under Bank and Financial Institution Act, 2063, in a joint venture with FMO - Netherlands, is the first national level development bank in Nepal to have a focused developmental agenda towards harnessing the nation's abundant natural resources in addition to uplifting the standards of living of the people of Nepal. The bank began its operation on 07 September 2006 from its main office located at Sitapaila Chowk, Ring Road, Kathmandu with wide range of banking products and services with aspiration to become the leading development bank of Nepal in promoting, investing and financing renewable energy technologies such as hydropower project, micro hydro, solar - thermal and photovoltaic, biomass, biogas, energy efficiency and clean transport. CEDB also provides technical know-how, project financing, pre-investment activities, investment and corporate advisory services and mobilizes local as well as international resources to promote clean energy activities within the country. CEDB, in a very short span of time, has been able to establish itself as one of the leaders in renewable energy financing and one of the prominent players in the Nepalese financial market. CEDB is promoted by Employees Provident Fund, Energy Experts, Bankers, Professionals and other institutional investors. FMO (Financierings Maatschappij-voor

Ontwikkelingslanden), one of the largest finance company of the Netherlands, is a joint venture partner of CEDB while Triodos Bank of the Netherlands is a development partner. CEDB has strategic alliance with Northwest Hydropower, China and DFCC Bank, Srilanka. USAID and Winrock international have been supporting CEDB in different capacity. Realizing the fact that the capital is key to finance large infrastructure and energy projects, CEDB has raised its paid up capital from NPR 320 million to NPR 1.08 billion. CEDB with the help of USAID introduced the product CEDB Hydro Fund (CHF) which raised NPR 230 Million from the general public whose over 100 MW worth of projects are under various stages of development. CEDB linked an agreement with the renowned Dragon Capital Limited, a company based in Vietnam, for Brahmaputra Clean Development Fund (USD 100 million) for equity investment in hydropower projects. The agreement envisions identifying, assessing and financing quality hydropower projects in Nepal and Bhutan. CEDB has also been working closely with GTZ-SHPP, AEPC, SNV and various domestic and international donors and funding agencies for the development of clean energy production and uses. The bank has entered into an agreement with the Asian Development Bank (ADB) for the development of Carbon Reductions and its trading in Nepal. CEDB has also established a subsidiary, Clean Developers Private Limited (CDPL), with the objectives of real estate development in Nepal.

Above and beyond, the bank also offers wide ranges of general banking products and services which include consumer banking, corporate and institutional banking, rural banking, corporate finances, depository services, remittance services, transaction banking, 24 hours ATM, locker services, telephone / mobile phone bill payment facilities and many more. In addition to its Head Office in Sitapaila, Kathmandu, CEDB also possesses 8 branches throughout Nepal with 2 inside the Kathmandu valley at Thapathali & Durbar Marg and the remaining at Gorkha, Birtamode, Phidim, Katari, Taplejung and Salleri. The bank currently has 4 no. ATMs owned by it. The bank has won the 'The Best Development Bank, 2010' award from the Boss magazine and has recently won 'National Best Presented Accounts 2011' award in Prudential Supervision under Financial Sector category conferred by The Institute of Chartered Accountants of Nepal (ICAN).

Fig.3

Organization Chart



Source: fieldwork study

The present capital structure of the bank is given below:-

<u>Share structure</u>	<u>Amount (in Rs)</u>
Authorized capital	NPR 1.1 Billion
Issued capital	NPR 1.088 Billion
Paid up capital	NPR 1.088 Billion

The share subscription of the bank is given as: –

<u>Subscription</u>	<u>% Holding</u>
Local promoters	56%
Foreign Partner	14%

1.5 STATEMENT OF THE PROBLEMS

Banks play very important role in the economic development of the nation. The health of the economy is closely related to the soundness of its banking system. Customer relationship is something that helps organizations to achieve Marketing objectives. Marketing objectives help achieve corporate objectives and corporate objectives aim to achieve a competitive advantage over rival organizations. Sun Tzu - The Art of War, says, "Strategy without tactics is the slowest route to victory; tactics without strategy is the noise before defeat". Nepalese financial institutions lack appropriate, well managed and formulated policies and strategies to develop appropriate CRM in dynamic market. Nepalese development banks have to compete with about 31 commercial banks, 78 development banks and many more other financial institutions including finance companies, co-operatives, etc. which offer similar products/services to their customers. Planning and research are important elements to any kind of strategy, which is lack in the context of Nepalese Development Banks. The Nepalese development banks lack appropriate, well managed and formulated marketing strategies to develop customer satisfaction in such competitive market. They mainly rely upon the guideline instructions of Nepal Rastra Bank. There is lack of clear view towards sound financial performance and better customer support. **Customer satisfaction**, the major part of modern marketing, has been seemed to be neglected by them. The strategic implementation part also is miserable. The customer objectives are formulated but not implemented in effective and efficient way. Due to the lack of farsightedness in policy formulation i.e. hesitation to invest long-term projects, unorganized interest structure and absence of strong commitment towards its proper implementation, causes many problems to Nepalese development banks. The problem of this study is to examine the customer relationship management implemented by Clean Energy Development Bank Ltd.

Following are the major problems that have been identified for the purpose of this study-

- 1) What are the functions carried out by various departments in Clean Energy Development Bank Ltd?
- 2) What are the various products and services offered by the Bank?
- 3) What is the customer facility given by the bank?

- 4) How effectively is the bank able to implement its business strategies?
- 5) What are the feedbacks of the customers towards the bank?

1.6 OBJECTIVES OF THE STUDY

The main objective of this study is to analyze the customer relationship management formulated and implemented by Clean Energy Development Bank Ltd. Following are the specific objectives of this study:-

-) To identify different types of products or services provided by the bank.
-) To explain various customers visit on bank.
-) To evaluate the value of customers in the bank.
-) To evaluate the performance of Clean Energy Development Bank Ltd. as a whole.

1.7 SIGNIFICANCE OF THE STUDY

The study mainly focus on the relationship of customer with bank, it helps to an organization in smooth way. The market for banks is really competitive. Every organization has Unique Selling Point (USP) that differentiates it from other organizations offering similar objects. The organizations who have adopted strategy of Customer Satisfaction as their USP are successful in long run. The main objective of this research is to analyze the Customer level of satisfaction their hope from the bank and .It focuses on the facility and policies that adopted or implemented by Clean Energy Development Bank Ltd and also to analyze the effectiveness of the strategies implemented by the bank. This study is to analyze the fact, in such highly competitive market, how a development bank like Clean Energy Development Bank Ltd has achieved the success among the financial institutions of Nepal.

The study will be helpful to understand how the CRM helps in the achievement of success or ultimate goal of the organization. The study will also be helpful to students and other groups

interested in understanding the significance of marketing in this competitive and dynamic market situation. Not only financial sectors, but every organization can be benefitted from the study. This study also provides the information regarding the actual practical exposure of organization functioning and also notifies about the implementation of theoretical knowledge in practice. As the study contains detailed analysis of the banking industry, it may be very much useful to the company itself. This helps the company to make the relationship better and helps to suggests more ideas to collect customers towards the bank.

1.8 LIMITATIONS OF THE STUDY

This study is simply a study for the partial fulfillment of MBS degree, which has to be finished within a short span of time. This is not far from several limitations, which weaken the objective of the study. Some of the limitations are given below:-

-) This study is limited to CRM of a single development bank.
-) The study is mainly based on secondary data from banks and website of the bank. So, the result depends on the availability and reliability of the secondary data.
-) This study is also based on the views and responses received from limited regular customers of Clean Energy Development Bank Limited, which may not represent views of every customers of the bank.
-) No depth analysis and further statistical tests were conducted to verify the responses. They were presented as received and interpreted.
-) The data used in this study are modified as per need of the study.
-) Out of the numerous affecting factors only those factors related with capital structure are considered.

1.9 ORGANIZATION OF THE STUDY

This research has been divided into five chapters. They are follows:-

a) Chapter I –Introduction

In this chapter the study of thesis has been explained .It is about the topic about the thesis. It describes what Customer Relationship Management is and how it is managed. It describes the features, importance and duties regarding customer relationship management by an organization.

b) Chapter II- Review of Literature

Review of the literature defines what previous theories and studies have researched and what is remaining .It further defines the topic and organization regarding the topic. This thesis is done regarding banking section, thus it defines various history and origin of banks and its related matters. The second chapter deals with review of literature. It deals with the review of available literature. It concludes conceptual/theoretical review, review of books, articles & previous thesis etc.

c) Chapter III-Research Methodology

Research methodology refers the method to use the research that how we could find out the problems and solution on defined topic. It describes the method to make sample of theory and gives practical knowledge. It covers research, design and method analysis.

d) Chapter IV- Data Presentation and analysis

The fourth chapter deals with presentation and analysis of data through a definite course of research methodology. This chapter mainly concerns to analyze and evaluate data with the help of analytical tools procedures & interprets the result obtained.

e) Chapter V- Summary, Conclusion and Recommendation

The fifth chapter sum ups the results obtained though analysis and recommend some suggestions. This chapter will highlight the major findings of the study. Besides this the bibliography on appendices is also included.

CHAPTER-II

REVIEW OF LITERATURE

Review of literature refers reviewing the research or other related published or unpublished literature in the related area's study, so that all possible relevant past studies, their conclusion finding and recommendation can be known through review of literature. The purpose of this literature review is to find out that what studies have been done and what remains to be done in the area of fee based income of Nepalese Development banks. There are many studies made in the field of Banking Sector. Only limited numbers of studies have been conducted in the field of fee based income/non interest income. In this chapter attempts have been made to present the review of literature regarding fee based income. This chapter deals with the theoretical and empirical reviews on the topic on fee based income in Nepalese banks. It also deals with the

earlier studies within the research objective area along with some of the international research study in the topic. First, the study deals with historical development of financial system, discusses theories and gives the conceptual review of study that is concerned with banks' services/activities. Secondly, review theories describing how banking has fulfilled their duty for customer and their needs in order to conceptualize the theories reviewed. In short, researcher will review the types of fee based activities, contribution of fee based income in total income of the bank and significance of fee based income. After this, the researcher will provide a visualization of the emerged frame of reference to guide throughout the study.

2.1 CONCEPTUAL REVIEW

2.1.1 HISTORICAL DEVELOPEMENT OF FINANCIAL SYSTEM AND EVOLUTION OF DEVELOPMENT BANKS IN NEPAL

In the context of Nepal, it is very difficult to trace the correct chorological history of the Banking systems in Nepal because there are no sufficient historical records and data about Banking in Nepal. Nepal bank Ltd. is the first modern bank of Nepal. It is taken as the milestone of modern banking of the country. Nepal bank marks the beginning of a new era in the history of the modern banking in Nepal. This was established in 1937 A.D. Nepal Bank has been inaugurated by King Tribhuvan Bir Bikram Shah Dev on 30th Kartik 1994 B.S. Nepal bank was established as a semi government bank with the authorized capital of Rs.10 million and the paid -up capital of Rs. 892 thousand. Until mid-1940s, only metallic coins were used as medium of exchange. So the Nepal Government (His Majesty Government on that time) felt the need of separate institution or body to issue national currencies and promote financial organization in the country.

A sound banking system is important for smooth development of banking system. It can play a key role in the economy. It gathers savings from all over the country and provides liquidity for industry and trade. In 1957 A.D. Industrial Development Bank was established to promote the industrialization in Nepal, which was later converted into Nepal Industrial Development Corporation (NIDC) in 1959 A.D. Rastriya Banijya Bank, was established in 1965 A.D. as the second commercial bank of Nepal. The financial shapes for these two commercial banks have a tremendous impact on the economy. That is the reason why these banks still exist in spite of their bad position. For more than two decades, no more banks have been established in the country.

After declaring free economy and privatization policy, the government of Nepal encouraged the foreign banks for joint venture in Nepal. Today, the banking sector is more liberalized and modernized and systematic managed. There are various types of bank working in modern banking system in Nepal. It includes central, development, commercial, financial, co-operative and Micro Credit (Grameen) banks. Technology is changing day by day. And changed technology affects the traditional method of the service of bank. Banking software, ATM, E-banking, Mobile Banking, Debit Card, Credit Card, Prepaid Card etc. services are available in banking system in Nepal. It helps both customer and banks to operate and conduct activities more efficiently and effectively. There are 32 commercial banks, 79 development banks, 79 financial companies, 18 micro credit (Grameen) development banks and 16 saving and credit co-operation(licensed by Nepal Rastra Bank) are established so far in Nepal. The bank with the largest network in Nepal is The Nepal Bank Ltd. These commercial banks and financial institutions have played significant roles in creating banking habit among the people, widening area and business communities and the government in various ways.

2.1.2 CONCEPT OF DEVELOPMENT BANKS

Development banks are specialized financial institutions. They provide medium and long –term finance to the industrial and agricultural sector. They provide finance to both private and public sector. Development banks are multipurpose financial institutions. They do term lending, investment insecurities and other activities. They even promote saving and investment habit in the public. In general, Development banks are those financial institutions whose prime goal (motive) is to finance the primary (basic) needs of the society. Such funding results in the growth and development of social and economic sectors of the nation. However, needs of the society vary from region to region due to differences seen in its communal structure, economy and other aspects. There is various development banks have established in Nepal. Some Development banks are as follows:

Table 1

Details of some development banks

S.N	Name of Banks	Established Date	Location ,Banches
1	Clean Energy Development Bank .	2006/09/07	Sitapaila,DMB,Thapathali,Birtamode, Gorkha,TPj,Slr,Ktr,Phidim.
2	Uddyam Development Bank Ltd.	1999/11/11	Narayangadh, Chitawan
3	Malika Development Bank Ltd.	1998/12/19	Dhangadhi, Kailali
4	Siddhartha Development Bank Ltd.	1998/08/20	Tinkune, Kathmandu
5	United Development Bank Ltd.	2002/03/16	Jeetpur, Bara
6	Manakamana Development Bank Ltd.	2001/06/19	Durbar Marg, Kathmandu
7	Narayani Development Bank Ltd.	2001/10/17	Ratna Nagar, Chitawan
8	Pashimanchal Development Bank Ltd.	2003/03/02	Mitrapark, Rupandehi

Source: fieldwork study

2.1.3 ORIGIN OF CUSTOMER RELATIONSHIP MANAGEMENT

CRM originated in early 1970s when the business units had a manifestation that it would be advisable to become ‘customer emphatic’ rather than ‘product emphatic’. Originally customer relationship management was based on three major principles; shielding the current customers, fostering new customers and enhancing asset value of all the customers. With the advent of CRM which was integrated with high end software and technology, business perspectives were totally changed. A CRM system eventually emerged as consisting of company-full of information which is depicted sophisticatedly to increase business profit and meliorate customer satisfaction and loyalty, on the same hand reduces business cost and investment.

2.1.3.1 The outgrowth in origin of CRM as a strategic approach is a result of some of the following important perspectives:

1. The belief that customers are the real assets and not just the people in the audience.

2. The maturation of one-to-one transaction advent.
3. Extensive use of software and technologies to maintain useful information and no manual labor.
4. The realization of the benefits of utilizing information proactively and not reactively.
5. The change of business view to relationship approach rather than transactional approach.
6. The approach of concentrating more on customer values rather than concentrating on how the product is delivered to the customer.
7. The approach of focusing on customer satisfaction and loyalty rather than focusing self satisfaction and profit.
8. The acceptance of the fact that using high end technologies and software the cost can radically be decreased without compromising on quality and service of products.
9. The increasing tendency to retain existing customers and trying to get more and more business out of them.
10. The realization that the traditional trends of marketing and selling are increasingly fading out in the current economic scenario.

2.1.3.2 Features of Customer Relationship Management

These additive approaches helped a lot in building up consequently the modern CRM. Today we have well defined and sophisticated CRM systems into being which are always in process of improvement. Customer Relationship Management is a strategy which is customized by an organization to manage and administrate its customers and vendors in an efficient manner for achieving excellence in business. It is primarily entangled with following features:

1. **Customers Needs-** An organization can never assume what actually a customer needs. Hence it is extremely important to interview a customer about all the likes and dislikes so that the actual needs can be ascertained and prioritized. Without modulating the actual needs it is arduous to serve the customer effectively and maintain a long-term deal.

2. **Customers Response-** Customer response is the reaction by the organization to the queries and activities of the customer. Dealing with these queries intelligently is very important as small misunderstandings could convey unlike perceptions. Success totally depends on the understanding and interpreting these queries and then working out to provide the best solution. During this situation if the supplier wins to satisfy the customer by properly answering to his queries, he succeeds in explicating a professional and emotional relationship with him.
3. **Customer Satisfaction-** Customer satisfaction is the measure of how the needs and responses are collaborated and delivered to excel customer expectation. In today's competitive business marketplace, customer satisfaction is an important performance exponent and basic differentiator of business strategies. Hence, the more is customer satisfaction; more is the business and the bonding with customer.
4. **Customer Loyalty-** Customer loyalty is the tendency of the customer to remain in business with a particular supplier and buy the products regularly. This is usually seen when a customer is very much satisfied by the supplier and re-visits the organization for business deals, or when he is tended towards re-buying a particular product or brand over times by that supplier. To continue the customer loyalty the most important aspect an organization should focus on is customer satisfaction. Hence, customer loyalty is an influencing aspect of CRM and is always crucial for business success.
5. **Customer Retention-** Customer retention is a strategic process to keep or retain the existing customers and not letting them to diverge or defect to other suppliers or organization for business. Usually a loyal customer is tended towards sticking to a particular brand or product as far as his basic needs continue to be properly fulfilled. He does not opt for taking a risk in going for a new product. More is the possibility to retain customers the more is the probability of net growth of business.
6. **Customer Complaints-** Always there exists a challenge for suppliers to deal with complaints raised by customers. Normally raising a complaint indicates the act of dissatisfaction of the customer. There can be several reasons for a customer to launch a complaint. A genuine reason can also exist due to which the customer is dissatisfied but sometimes complaints are launched due to some sort of misunderstanding in analyzing and interpreting the conditions of the deal provided by the supplier regarding any product or

service. Handling these complaints to ultimate satisfaction of the customer is substantial for any organization and hence it is essential for them to have predefined set of process in CRM to deal with these complaints and efficiently resolve it in no time.

7. **Customer Service-** In an organization Customer Service is the process of delivering information and services regarding all the products and brands. Customer satisfaction depends on quality of service provided to him by the supplier. The organization has not only to elaborate and clarify the details of the services to be provided to the customer but also to abide with the conditions as well. If the quality and trend of service go beyond customer's expectation, the organization is supposed to have a good business with customers.

2.1.4 CUSTOMER RELATIONSHIP MANAGEMENT IN CLEAN ENERGY DEV BANK

Clean Energy Development bank has a smooth relation with customers arrives. Being a banking institution it has given various inputs on its interest percent and its various products that make the draws customer day by day. Some of the facility given by Clean Energy development bank is as follows:

- Various types of accounts and its reasonable interest
- Credit facility.
- Locker facility.

- Various types of loans provided.
- Smooth operation
- 365 days operation
- Free ATM services.
- SMS banking services.
- Different remittance services.
- Internet banking services.
- Various financing.

2.1.4.1 Customer service department

Fig. 4 Customer service department



Source: fieldwork study

CEDB have various accounts and it gives lots of customer service for the customers. Customers are god they should treated well so CEDB treat customer with heart. In any banking institution or any place first of all good service starts from customer care so CEDB have maintained the relationship through our Customer.

2.1.4.2 VARIOUS ACCOUNTS AND ITS INTERSTS:

a) Current Account:

Current account is especially for businessmen, firms and organizations. Normally these types of accounts are not for interest bearing purpose but for business person to deposit and withdraw at any time and any number of amounts. The CEDB Current Account makes it simpler and faster for you to do business and manage expenses. A trouble-free day-to-day transaction account, it offers easy access to your funds and full transaction facilities to meet your cash, cheque and other payment requirements. In a Current Account, a customer can deposit any amount of money any number of times. He can also withdraw any amount as many times as he wants, as long as he has funds to his credit. CEDB also allows individuals to open the current account. Those customers who wants to take the overdraft facility, are compelled to run the current account in CEDB, hence this account is also termed as 'Overdraft Account' in CEDB. The general features of this accounts are:

-) Minimum Balance Rs. 10,000.00
-) Unlimited Cheque Book Facility
-) Unlimited Deposit and Withdrawal Facility
-) Free Internet Banking Facility
-) Evening Counter Facility
-) Saturday Banking Facility
-) Privilege Banking Facility

b. Call Account:

This type of account is for interest bearing account business man, organization can operate this account individual person account also can have this account. They have to operate call account if they want to bear interest in their daily deposits. They have to maintain certain minimum balance in CEDB in order to bear the interest. The CEDB Call Account is designed to offer you the flexibility and freedom to run your enterprise. It is ideal for businesses that would like to

maintain sizeable short term deposits at leading interest rates that are highly negotiable - while providing easy access to your funds Interest will be calculated on daily call account balance at the agreed rate and shall be credited to on quarterly basis. The features of Call Account in CEDB are as follows:

-) Minimum Balance Negotiable
-) Interest Bearing Account Up to 10.00%
-) Unlimited Cheque Book Facility
-) Free Internet Banking Facility
-) Evening Counter Facility
-) Saturday Banking Facility
-) Privilege Banking Facility

c. Saving Account:

Saving accounts are beneficial for beginners. They can save their money in their accounts as their income. This account can be access by normal people, children and organization etc... The CEDB Normal Savings Account is great for savers beginning a savings program. With ease of access to your funds, the low minimum balance qualifier helps you get started and leading interest rate gets you going. . There are different types of saving accounts introduced by CEDB. They are:

1. Normal saving:

It is the common and oldest saving scheme of the Bank designed for normal customers. The features of this account are:

-) **5%** Annual Interest with Minimum Balance of NPR 500.00
-) Free Accidental Death Insurance up to NPR 100,000.00

-)] Free ATM Card Issuance with free withdrawal facility from over 900 ATMs of SCT-Network
-)] Free cheque book, i-banking, SMS banking, Mobile/Telephone Bill Payment Facility and ABBS facility for the accountholders.

2. Nari Bachat Khata:

CEDB has designed the Nari Bachat Khata, a saving account, dedicated to woman with the attempt to understand a woman's needs and provide her with a truly comfortable banking experience. The features of this account are:

-)] **6.5%** Annual Interest with Minimum Balance of NPR 500.00
-)] Free Accidental Death Insurance up to NPR 100,000.00
-)] 50% Discount on Annual Locker Charge (1st Year)
-)] Discount on Loan Processing Charge.
-)] Free ATM Card Issuance with free withdrawal facility from over 900 ATMs of SCT-Network.
-)] Free cheque book, i-banking, SMS banking, mobile or telephone bill payment and ABBS facility for the accountholders.

3. Investa Savings Account:

The CEDB Investa Savings Account has been specifically designed to help the customers effectively manage their shares and dividends whilst providing competitive interest rates at a minimum balance and easy access to their funds. The features of this account are:-

-)] **5.0%** Annual Interest with Minimum Balance of NPR 500.00
-)] Free Accidental Death Insurance up to NPR 100,000.00
-)] Free ATM Card Issuance with free withdrawal facility from over 900 ATMs of SCT-Network.
-)] Extended service time for working professionals during IPOs.

-) Investment Opportunity in Hydropower projects if the average balance is more than NPR 1 million.
-) Free cheque book, i-banking, SMS banking, mobile/telephone bill payment and ABBS facility for the accountholders

4. Investa Savings - Gold Account:

Investa Savings- Gold Account has been designed to large investors and interest conscious customers. It packs all the features of the Investa Savings Account while providing leading interest rates, opportunities to invest in the energy sector and other various attractive benefits.

The features of this account are:

-) **7.0%** Annual Interest with Minimum Balance of NPR 25,000.00
-) Free Accidental Death Insurance up to NPR 200,000.00
-) 50% Discount on Annual Locker Charge (1st Year)
-) 50% Discount on Bank Draft Issuance.
-) Investment Opportunity in Hydropower projects if the average balance is more than NPR 1 million
-) Free cheque book, i-banking, SMS banking, mobile/telephone bill payment and ABBS facility for the accountholders
-) Free ATM Card Issuance with free withdrawal facility from over 900 ATMs of SCT-Network.

5. Clean Stockholder's Saving Account:

The Clean Stockholders Account is a value added savings product designed exclusively for CEDB stockholders and Employee Provident Fund (Karmachari Sanchaya Kosh) contributors. Since, Employee Provident Fund is one of the shareholders of CEDB, its contributors are also treated as the stock holders by CEDB. With no minimum balance

required, leading interest rate, and a host of practical benefits – this account seeks to provide good returns to its depositors. The features of this account are:

-) **7.0%** Annual Interest with no Minimum Balance Requirement.
-) Cash dividends paid by CEDB will be deposited directly into this account.
-) 50% Discount on Locker charges for the first year
-) Free withdrawal facility from over 900 ATMs of SCT-Network
-) Free cheque book, i-banking, SMS banking, mobile/telephone bill payment and ABBS facility for the accountholders

6. Clean Bal Bachat Khata :

This account has been designed by CEDB to minors (children below age of 16 years) in order to develop the habit of savings in them and for their secured future. The features of this account are:

-) **6.50%** Annual Interest with Minimum Balance of NPR 500.00
-) Free Accidental Death Insurance up to NPR 200,000.00 in case of the death of either the account operator or account holder (as nominated by the accountholder for insurance).
-) Education loan at discounted rate (0.50% less than printed rate) to the beneficiary (children) of the account with average annual balance of NPR 100,000 for 4 years.
-) 0.50% premium interest rate on the regular FD opened in the name of the child.
-) Free cheque book, i-banking, SMS banking, mobile/telephone bill payment and ABBS facility for the accountholders.
-) The account will be automatically changed to Normal Saving A/C when the child becomes 16 yrs old.
-) 0.10% of the deposit collected in every F/Y from new accounts under this scheme shall be contributed for the welfare of children & green future initiatives.

7. Clean Jyestha Bachat Khata:

Clean Jyestha Bachat Khata is a savings account dedicated to the senior citizens above 50 years of age. CEDB has designed this account with the attempt to understand an elder's

needs and provide him/her with a truly comfortable banking experience. Providing different financial requirements like higher frequencies of transactions related to investments, wealth management, remittance and various attractive offers that keep coming; the bank seeks to ensure that the senior citizens have par excellence banking experience. The features of this account are:

-) **6.50%** Annual Interest with Minimum Balance of NPR 1,000.00
-) Free Balance Certificate, Good for Payment and Stop Payment Facility
-) Free Accidental Death Insurance up to NPR 100,000
-) Home banking facility to customers maintaining monthly average balance of NPR 2 million.
-) Deposit Collection Facility for deposit of NPR 500,000 & Above.
-) 50% discount on Annual Locker Fee.
-) 50% discount on Demand Draft issuance.
-) 0.50% premium interest for the account holder in Fixed Deposit Account
-) Free cheque book, i-banking, SMS banking, mobile/telephone bills payment and ABBS facility for the account holders.
-) 0.10% of the deposit collected in every F/Y from new accounts under this scheme shall be contributed for green initiatives.

8. Clean Future Deposit (cumulative recurring deposit)

Clean Future Deposit, also called cumulative recurring deposit is a account designed by CEDB to cater the financial needs of the individuals/institutions who want to make small deposits on regular basis for specific purpose rather than making a bulk deposit as generally required by the available fixed deposits. This account motivates the customers to set aside a small amount on regular basis for future purpose. The features of this account are:

-) Open a recurring deposit of tenure more than 1 year up to 3 years with monthly deposit installments of NPR 500 or its multiples.
-) **8.0%** annual interest for the accounts with tenure of 12 months to 23 months

-) **8.50%** annual interest for the accounts with tenure of 24 months to 36 months
-) Loan up to 90% of the deposit is available in case of emergency at coupon rate +2% interests.
-) Premature cancellation in emergency cases is allowed with a condition that the account holder shall be provided interest @ 3% less than the coupon rate and cancellation charge of NPR 500 flat.
-) Multiple Future Accounts can be opened with a link to single saving account.

9. Special Savings Account:

Special Savings Account has specially been designed to interest conscious customers. The customers have to maintain minimum balance comparatively higher than other normal savings account and can enjoy the special facilities including higher interest rate. The features of this account are:

-) **6.5%** Annual Interest with Minimum Balance of NPR 25,000.00
-) Free Accidental Death Insurance up to NPR 200,000.00
-) Free Good for Payment and stop payment facilities.
-) Discount on loan processing charges and waiver on ATM card renewal charge.
-) Free cheque book, i-banking, SMS banking, mobile/telephone bill payment and unconditional free ABBS facility.
-) Free ATM Card Issuance with free withdrawal facility from over 900 ATMs of SCT-Network.

d. Fixed Deposit Account:

A Fixed Deposit involves locking a particular amount of money for a certain time period at a much higher rate of interest than being given on amount in a savings account. CEDB also offers the Fixed Deposit Account facilities to its customers. Fixed Deposits are accepted for minimum

monthly, quarterly, semi-annually, annually and maximum for any period agreed upon. The interest on such deposits are paid monthly, quarterly, annually or at maturity. The general features of fixed deposit accounts are:

-) The interest rate on Fixed Deposit Account is 7.75% p.a for 3 to 9 months, 8.0% for 1 year and above and 7.75% for clean 1 year FD (Monthly Interest Payment).
-) Interest will be paid monthly, quarterly semi-annually, or at maturity or as agreed at the time of deposit.
-) The interest of the deposit can be credited to Current account or saving account, as the case may be.
-) Fixed Deposits can be opened with any amount.
-) Loan up to 90% of the deposit is available in case of emergency at coupon rate +2% int.
-) Premature cancellation in emergency cases is allowed with a condition that the account holder shall be provided interest @ 3% less than the coupon rate and cancellation charge of NPR 1,000.00 flat.

2.1.4.3Cash Counter

We know that customer should be happy and satisfied always we treat our customer well so CEDB has provided the token system in cash counter with well trained tailors and with operating cash counting machines. There is enough space for customer to be seated while waiting.

Fig. 5
Cash counter



Source: fieldwork study

2.1.4.4 CREDIT FACILITIES:

CEDB provides various credit facilities to its customers based on their request, nature of investment, repayment capacity, background of the client, etc. Credit department at CEDB provides credit facilities to individuals, organizations, business enterprises, etc. after necessary credit appraisal. The focus of this department is to promote and offer the assets products (credit products) to the customers. CEDB provides various types of loans and advances designed to suit the varied requirements of industrialist, business houses, professionals, entrepreneurs and individuals. Types of loan facilities provided by CEDB are:

a) Personal Loans:

-) Overdraft
-) Home Loan
-) Vehicle/Hire Purchase Loan
-) Term loan
-) Guarantees
-) Demand Loan
-) Education loan
-) Revolving/ Terminating Loan

b) Business Loans:

-) Business Overdraft
-) Short Term Working Capital Loan
-) Term Loan
-) Guarantees
-) Hire Purchase Loan
-) Demand Loan
-) Real Estate Loan
-) Corporate/Multinational Loan
-) Margin Loan& Consortium Finance

2.1.4.5 LOCKER FACILITY

Lockers are safe used for valuable gold documents and other jewelries. There are different types and sizes of lockers available for the customer and locker users. Every day customers can use their valuables during the official time except holidays. They can choose the locker drawer as their choice.

2.1.3.4 REMITTANCE FACILITY

Remittance now days are very essential and normal practice that has made our lives so easy to get our money from place to place national and international place. Remittance is the process of sending or receiving money from one place to another. Remittances are the portion of earned

income that migrant workers choose to send to the families they have left behind. Migrant workers may move to different regions in their own countries, or leave their countries of origin completely in order to earn more income. In the context of global labor market several millions people are now living and working in another countries, far away from their countries of birth. CEDB has provided this facility in our bank that once a customer opens there any account in the bank they do not have to visit every time to find their money send by the respective country or city. Once they open the account their account their money will be transferred to their accounts as the sender sends the amount at definite account numbers. Some Remittance Company with us work is as follows:

-) Crystal Worldwide Money Express
-) Reliable Remit.
-) Laxmi Remit
-) Hulas Remit
-) Western Union Money Transfer
-) Continental Financial Services (CFS)
-) International Money Express (IME)
-) Prabhu Money Transfer
-) Nepal Money Remit
-) World link Financial Services
-) Nabil Remit.
-) United Remit
-) Money Gram.
-) Kuwait Asian International Exchange
-) City Express

a) Swift Transfer

SWIFT stands for Society for Worldwide Interbank Financial Telecommunication System, which is a reliable communication network speeding up fund transfer and other financial messages. This mechanism can be used to transfer fund easily anywhere in the world. For the

swift transfer facility, CEDB has nostro correspondent with Standard Chartered Bank Ltd. The bank has correspondent with Standard Chartered Bank Ltd., New York, USA for US Dollar Transfer, Standard Chartered Bank Ltd., Frankfurt, Germany for Euro Transfer and Standard Chartered Bank Ltd., Mumbai, India for Indian Rupees transfer.

b) Demand Draft

This method is used by individuals to make transfer payments from one bank account to another. CEDB draws demand drafts in currencies like USD, and INR through its correspondent bank Standard Chartered Bank Ltd. Located at Mumbai, Frankfurt and New York. These demand drafts are issued in favor of beneficiary to whom the payment is to be made by the local customer and firms for various purposes like payment of student fees overseas and their living expenses, payment as per Performa Invoice for export of goods, etc.

c) Manager's Check

It is a cheque drawn by CEDB on itself, where the funds are withdrawn directly from the bank's funds, not from an individual's account. It is a secure and reliable instrument. It is a Beneficiary can send the cheque on collection or through clearing or can deposit it in his/her account with CEDB itself.

d) Cheque Purchase/ Bills Purchase

Cheque Purchase/Bills Purchase facilities are facilities given only to the prime customers where the bank purchase the cheques/bills issued by other local/international bank till the date the cheques realize. It is given to the prime and trusty customers who are in immediate need of money. The bank charges some commission from the customer and sends the cheque for realization. The local cheques generally realize within three working days and the international cheques realize within one month.

2.1.4.7 ATM SERVICES AND DEBIT CARDS ISSUANCE

CEDB issues ATM / SCT Debit cards in favor of its customers on demand. The bank has installed its own Automated Teller Machines (ATM) counters at its branches located at Sitapaila, Thapathali, Phidim and Gorkha through ATM; bank provides 24 hours service as customers can draw money anytime as per their requirement. Through CEDB's SCT debit card, customers can withdraw up to maximum NPR 100,000/- per day through its own ATM counters and NPR 50,000/- through other ATM counters in Nepal where as withdraw up to maximum of INR 10,000/- per day or INR 100,000/- per month in India and Bhutan. The card can also be used in visa networks with in these countries. CEDB has provided free withdrawal facility to its client from over 900 ATMs of SCT-Network in Nepal through the CEDB ATM cards.

2.1.4.8 INTERNET BANKING

CEDB has provided free Internet banking facility to its customer. Through Internet banking customer can view and print their balance statement with the use of web at their ease. They don't have to visit the bank to get balance statement which saves both the time and effort of the customers.

2.1.4.9 ANY BRANCH BANKING SERVICES (ABBS)

CEDB has provided ABBS facility to its customers. Customers can take the banking facilities from any branch inside Kathmandu valley as well as outside the valley. Customers are facilitating withdrawal and deposit of cash and cheques, view and print of balance certificates or statements, etc. from any branch. Customers maintaining account with any branch can walk in to any another branch convenient to them for operation of the account, which means they are not restricted to a particular branch for operating that account. As a result, the customers can enjoy true freedom of anywhere banking anytime with instant fund transfers across the cities, collection of cheques, deposit of funds, instant access to account statements and other exclusive banking services.

2.1.4.9 FOREIGN CURRENCY TRANSACTION

CEDB provides the foreign currency transaction facilities to its customers throughout its entire branches. Customers can purchase and sale the foreign currencies (currencies allowed by NRB to transact) from the bank as per the exchange rate published by the bank on daily basis. The bank also accepts the Travelers' Cheque (TC). Customers, if eligible, may also open the USD account and deposit or withdraw from that.

2.1.4.10 OTHER SERVICES

CEDB provides other various types of services or facilities to its customers which include transit facility, free employ salary management, privilege counter, evening counter and 365 days banking, telephone or mobile bill payment facilities, E-pin of Prepaid Mobile phone, etc. Out of these facilities, the 365 days banking and privilege banking is currently available in head office Sitapaila only.

2.1.4.11 ENERGY SERVICES

Unlike other financial institutions, CEDB also provides Clean Energy Development & Energy Efficiency services to the customers. The bank has established a separate division 'Energy Division'. In this division the bank has recruited experts or specialists who work for the research and development of clean energy, esp. the hydro power sectors. They also provide the expert knowledge regarding the hydropower projects in need. The division is headed by Dr. Janak Lal Karmacharya who is the power and utility management expert who has contributed more than 40 years in the energy sector and has served as the Vice President of International Hydropower Association as well as the Managing Director of Nepal Electricity Authority. CEDB's energy development services include the following:

1) Hydropower Development

CEDB has a greater role in hydropower development. The bank has contributed a lot in the hydropower development by the performance of following roles:

i) Early stage development support:

Although the govt. issued many licenses for the development of hydropower, the desired level of progress could not be made due to the lack of financing and technical expertise of the license holders so that the license holders were unable to even carry out the initial feasibility of the project. To address the situation, CEDB with the help of USAID came up with an innovative product, i.e. the CEDB Hydro Fund (CHF). This product raised NPR 230 Million from the general public and as of today it stands extremely successful with a total 100 MW worth of projects under various stages of development. CEDB believes that this endeavor will go a long way in the development of hydro power and will be a major mile stone for such progress in Nepal.

ii) Technological Support

CEDB has been actively utilizing its in-house capability brought in by its energy experts for the due diligence and feasibility studies of medium and small hydro power projects. In addition, CEDB also has a strategic alliance agreement with DFCC Bank and DFCC Consulting Private Limited of Sri Lanka. Under this alliance, CEDB and DFCC Group are working jointly towards identifying, analyzing and exploring prospective hydro power projects in Nepal. In addition, CEDB formed a Strategic Partnership Agreement with Northwest Hydro Consulting Engineers (NWH) - one of the world's leading hydropower consulting companies from China. The agreement envisions fulfilling techno-financial analysis and a transfer of cost effective technology for medium and large size hydropower projects bringing together the Bank's in-house expertise and the vast knowledge of NWH in this domain.

iii) Equity Support

CEDB has inked an agreement with the renowned Dragon Capital Limited, a company based in Vietnam, for Mekong Brahmaputra Clean Development Fund (USD 100 million) for equity investment in hydropower projects. The agreement envisions to Identify, assess and finance quality hydropower projects in Nepal and Bhutan.

iv) Debt Financing

CEDB has attempted to resolve the underlying constraints in funding options for hydro power projects through local financial intermediaries in Nepal, limited to investment capabilities of a single 50 MW project or a total setup of 100 MW- by gaining access to debt financing support for large hydro projects through the international financial community.

2. Carbon Emission Reduction Financing

CEDB has been working closely with GTZ-SHPP, AEPC and SNV for Clean Development Mechanism (CDM). It is also exploring the options of linking carbon revenues with its energy products and has partnered with Germany based KfW carbon fund and South Pole Carbon Assets Management, in the development of CDM-PIN (Project Identification Note) and PDD (Project Design Document). CEDB's CDM project aims to encourage small and medium scale enterprises to adopt technologies that make a substantial contribution towards reducing fossil-fuel usage.

3. Energy Efficiency Cooperation

Energy Saved is Energy Generated. In line with this vision CEDB has taken an initiative to build awareness, identify technologies and arrange resources in this direction, whereby a position is created to save huge wastage of precious energy. To support this initiative, CEDB has signed an agreement with International Finance Corporation (IFC), a member of the World Bank Group, which promotes sustainable economic growth in developing countries by financing private sector investment, mobilizing capital in the international financial markets and providing advisory services to businesses and governments. The agreement includes training staff members to improve their skills when evaluating proposals on energy efficiency and renewable energy financing, as well as product development and marketing. It also involves engineering due diligence for energy efficient projects, benefits from IFC's initiatives in Nepal on energy auditor development, market potential studies and targeted awareness with training activities related to sustainable energy finance.

4. Research and Usage of Energy Efficiency Technologies

CEDB promotes the usage of energy efficiency technologies. For this, purpose, the bank supports the customers who are interested towards such energy efficiency technologies. The bank is in the continuous process of doing research and introducing such technologies which can support in the development of the nation. The bank supports the following energy efficiency technologies:

i) Electric Vehicle Financing

SAFA (clean) Tempo – a three-wheel public transport, powered by electricity, also known as Electric Vehicle or the EV – is promoted by CEDB. EVs were brought to replace the diesel powered three-wheelers from operating in the Kathmandu Valley. The US Asia Environmental Partnership (US-AEP) and Global Resources Institute (GRI), a US-based NGO, showed interest and successfully converted one diesel tempo to run on electric power. At the end of the pilot project in early 1996, a group of Nepali entrepreneurs bought the 7 EVs and started the first EV Company, Nepal Electrical Vehicle Industry (NEVI), in Kathmandu which is now one of the business partners of CEDB. There are currently 300-400 owners for more than 600 vehicles plying on the streets of the Kathmandu valley and 37 charging stations and five EV manufactures. The successful commercial operation of SAFA tempos and the financing by CEDB has made it economically viable to apply these cleaner technologies in Kathmandu and other parts of the country.

ii) Solar Financing

CEDB has been providing Solar Loan to different Solar Companies working under "Solar Energy Support Program" initiated by the Government of Nepal and supported by different donor agencies. CEDB has also entered into the rural solar energy market by using its wide network of Solar Companies and Micro Finance Institutions to facilitate rural electrification in remote parts of the country. CEDB has been introducing the latest solar platforms and affordable financing solutions to empower the country.

iii) Biogas Financing

CEDB has been providing Biogas Loan to different Biogas Construction Companies working under "Biogas Support Program" initiated by the Government of Nepal and supported by different donor agencies. CEDB has been financing small scale biogas plant by using the wide networks of Biogas Construction Companies through vendor financing models.

iv) Micro Hydropower Projects

Nepal has over 6,000 rivers of length over 2 km. Therefore, mini and micro- hydro technology has enormous potential to promote environmentally sound sustainable development of Nepal. At present about 16 companies manufacture and install micro-hydro plants in Nepal. So far about 17.6 MW of power has been generated from about 3,000 micro-hydro plants including peltric sets. Most of these turbines are installed solely for agro- processing. Some of the units are also coupled with electric generators. CEDB has been providing affordable and flexible financing solutions to exploit this potential into the future.

v) Husk Power Project

Nepal has immense potential for rice husk energy. The need of capitalizing this energy potential into electricity generation is more pressing at this time given the country's huge power deficit. Rice husk systems have been successfully demonstrated to be a clean form of technology in India. CEDB is exploring the possibility of generating electricity using rice husk and has already signed an agreement with Husk Power Systems Pvt. Ltd., India - a company that has successfully implemented several Husk Power Projects in India. CEDB has signed this agreement to facilitate a convenient and lower cost rice husk technology to be made available to the people of Nepal; furthermore, the main advantage of the system is using rice husk which majority of the farmers consider as waste.

In addition, as a part of its marketing strategies, CEDB is also committed towards the following duties:

i) Public awareness building

CEDB is principally focusing on the production and usage of clean energy from the country's abundant natural resources. As a result, the bank has been creating awareness through its CSR program, the "Clean Circle". This initiative has been established to make our societies cleaner, greener and more eco-friendly through conservation, minimization of waste and efficient usage of energy resources to curb global warming and climate change, while also advocating the multiple benefits of using our own natural resources over imported fossil fuel.

ii) Linkage between stakeholders

CEDB, with its various activities, is able to create linkage between government authorities, investors and technocrats, which is giving impetus to come to one forum for sustainable development of energy sector mainly hydro and solar power.

iii) International networking

CEDB, through its international association and its own effort, is playing a key role in creating positive awareness for the country's energy sector for foreign investment. This has been possible due the bank being recognized in the international community - as a prominent Nepalese financial institution that specializes in facilitating the commercial use, of renewable energy and energy efficiency technologies within Nepal.

iv) Policy advocacy

CEDB has successfully been influencing, supporting and recommending the development of policies in establishments associated with energy such as the government, the central bank, the Nepal Electricity Authority and other developmental bodies - while trying to replicate the success of innovative technologies by assessing them in the Nepalese context. The bank has also been successful in persuading policy makers to incorporate various suggestions to mitigate financial hunches and technical difficulties on numerous fronts.

v) Rural approach

CEDB has extended its services to various rural areas through its branch networking in Phidim (Panchthar), Katari (Udayapur) and Taplejung. The rural activity of the bank has also been extended through partnering with local financial institutions to provide services to the grass root levels of economy. CEDB has been in the forefront of combining microfinance activities with Renewable Energy Technologies (RETs) financing. CEDB has been providing microfinance loans to individual customers in rural areas for the installation of biogas plants, solar home system loans and financing micro hydro projects in association with the local community.

CEDB is also in the process of establishing a subsidiary - microfinance development bank that will focus on empowering the deprived population in the remote mountainous regions of Nepal. This institution will aim to facilitate economic capacity building in people who lack financial collateral through innovative microfinance products and access to affordable renewable energy technologies while socially mobilizing the communities in conjunction with various developmental intermediaries. All of these activities have not only supported CEDB to become a devoted national level bank but have also made CEDB dedicate micro loans worth 100MW to rural activities, in the process.

2.2 SWOT ANALYSIS OF CEDB:

SWOT analysis refers the Strength, Weakness Opportunities and SWOT is a tool for making an appraisal of an organization and its environment. SWOT analysis is the vital stage of planning which helps marketers to focus on key issues. Organisation should know about their SWOT analysis to make the position strong and analyze the weakness to come up with the situation. Strengths and weaknesses are internal SWOT factors. Opportunities and threats are external SWOT factors. Like other institutions, CEDB also has some strengths, weaknesses, opportunities and threats which are mentioned below:

Strength

-) CEDB has joint venture with the FMO-Netherland which gives it level of national development bank.
-) CEDB has been providing different accounts and its products for customer.

-) CEDB has been providing banking services through its 9 branch networks including its main office. The location of the bank and its branches are in the suitable areas in business point of view.
-) CEDB has been providing qualitative services with the use of various modern technologies to its customers. The services provided by the bank are directed towards customer satisfaction.
-) CEDB not only provides banking services, but also provides freelance services related to renewable energy and has also been investing in renewable energy sector which has created a good image of the bank in the nation.
-) CEDB has been technically or financially supported by various national and international organizations like FMO, USAID, Winrock International, EPF, etc.
-) Free Atm services, prompt action Internet services and heartily welcome to the customer is CEDB's strength.

Weakness

-) The bank has not focused much on advertising and marketing aspects. The bank regards investment in marketing as expenses rather than investment.
-) Bank has not coverage its branches to whole country it has few branches to urban areas.
-) CEDB is lacking motivation towards its staff few numbers of staff motivating programs like training, meeting and seminars are happening.

Opportunity

-) The market of the bank is in increasing trend. The faith and trust of people upon the bank has been increasing. Due to this, the number of customers banking with CEDB is increasing day by day.
-) CEDB has alliance with various national and international organizations. The bank has also signed the MOU for the merger with NMB Bank Ltd.
-) CEDB has a major investment in renewable energy sectors including the investment in hydro power which has a great prospect in the context of Nepal, which is suffering from the problem of load shedding or energy scarcity.

-) CEDB has its unique status in the country which is perhaps the only Bank to have a focused developmental agenda towards harnessing the nation's abundant natural resources in addition to uplifting the standards of living of the people of Nepal.
-) The government, including Nepal Rastra Bank, is supporting the financial sectors of the country in order to uplift the economy of the nation by creating favorable environment to run them.

Threats

-) With the increase in competitors providing similar types of products and services in the market, there has been increase in competition in the market.
-) There has been increase in price or interest wars with competitors. There has been increase in wars with competitors regarding higher interest rates on deposit and lower interest rates on loans.
-) The economic condition of the country is poor with negative growth in industrial sectors. The country is also facing higher political instability.
-) Excess pressure or unfavorable rules and regulations from NRB and government may create adverse environment for the bank to operate.

2.3 REVIEWS OF RESEARCH PAPERS

Review of literature comprises of previous research study articles concerned with the study and other studies with a view for supplement the present research and such review adds to the dimensions of the study. In order to conceptualize the issue of research of activities helps to identify the adequate relevant literatures. This sort of activities helps to identify the research problem as well as to determine the methodology for the study. It also avoids unintentional replication of previous studies. For this study, relevant literatures have been reviewed from books, journals, magazines, published and unpublished articles and so on. Reports of previous research and dissertation

Works have also been reviewed during the study. Relevant literatures are also cited from related web sites. Libraries and online libraries including encyclopedias are frequently visited for this purpose. This chapter presents an outline of the literature reviewed during the study. Some previous Thesis review are as follows:

a. In 2004, Mr. Rabin Shrestha conducted a research on "A marketing strategy for KIA Picanto" KIA Picanto was a new product by KIA Motors, a form of car, which was soon to be introduced in the Nepalese market. The study had the basic objective of developing market-Strategy for KIA Picanto.

b. A study on "Market potential of Aluminium products in valley" suggests that there are of such products in Kathmandu valley is in increasing trend, and so on is the no. of establishments producing such goods as so on in the target sales (Baral 2001).

c. A study of Mr. Basnyat on study of Gandaki noodles factory in Kathmandu valley researched that majority of **customer preferred** Rara Brand of Gandaki noodles. At the time, all among other brand available.

d. Dhakal (2006), in his study entitled "A comparative study of Financial Performance of Private Sector Banks in Nepal especially of Nabil Bank Ltd. and Nepal Investment Bank Ltd." concludes that the banks with a successful track and a strong capital base along with adequate reserves have helped the banks in creating trust among the common public which has led to their growth and higher profits. Both the banks are found to be efficient in utilizing most of their total assets by minimizing their operational expenses, mobilizing resources more efficiently and extending their banking facilities to the rural areas. The trust and service that has been created through their customized banking services and access to the major areas of Nepal has led to increase in customers banking with them. The Banking services and satisfaction level among the customers have also been satisfactory till date.

e. Hari Prasad Dahal (2006), in his study of "A Report Study on Performance Evaluation of Chaudhary Group for **customer satisfaction** in instant noodle" has made remarkable efforts for evaluating Chaudhary Group on the customer satisfaction in instant noodles. He focused on

customer satisfaction specially noodles products produced by Chaudhary Group. Dahal focused on his report writing that customer is the king of market and product should be produced according to test and want of customer and then only company can earn profit in competitive market. Goods should be produced as per above provision and after sale service should be provided and lastly the customers feedback about the sold products should be responded. Finally, he recommended that the company should focus on customer test and satisfaction rather than prizes and schemes, expand its new market area and expand its product line with the test and want of customer.

f..Khatiwada (2007), in her study entitled- “Internship Project Report on **Customer Strategies** of Nepal Credit and Commerce Bank”, has indicated that NCC Bank’s marketing strategies are mainly directly towards customer need’s satisfaction. The bank has offered a variety of innovative products and services in the market with the help of new technology. As a consequence of competition, the challenge of the bank includes market segmentation, product positioning and innovative delivery channels, cross selling etc.

2.4 RESEARCH GAP

Customer relationship management is unique and quite critical to find out due to its less research from the beginning. Not only in banking field it is necessary in every aspect even in the simple shop the relation with the customer is essential. The research study about various tools of marketing like advertising, promotion, etc in various fields has been carried out several times by several researchers previously. However, the research in the field of customer relationship management of banks and financial institutions in Nepal is rare and has carried out in a very limited number. In Nepal, there are 31 commercial banks, 87 development banks, 79 class C finance companies, 21 class D Micro Finance Credit Development banks, 16 Saving and Credit Co-operatives (Limited Banking) licensed by Nepal Rastra Bank. Each of these institutions has different CRM analysis. Very limited number of research has been carried out to study the CRM analysis of these financial institutions. Customer and its relationship are very essential but critical matter for any organization which the organization does not want to lose. Due to this, it has been found to be difficult for carrying out the research in this field which has resulted in conduct of few research works in the subject. Since the development of banking and financial

sector in Nepal is in the growth stage and most of them are in profit or in sound condition, there has always been curiosity about how these institutions function and how these organization design and implement their relationship with customer. Hence, for finding out such answer this research work has been performed. No research has been found to be conducted in the Customer relationship management of Clean Energy Development Bank Ltd. Due to this, the bank has been chosen for carrying out the research work.

CHAPTER-III

RESEARCH METHODOLOGY

3.1 ABOUT RESEARCH METHODOLOGY

The research methodology is systematic way of solving research problem. Research methodology refers to the overall research process, which a researcher conducts during their study. Research can be conducted on the basis of primary and secondary data. This chapter includes the methods to make a perfect research taken for the study. It is the time of liberalization & globalization and it is being realized that the economic growth/advancement of a country can be achieved only after the active involvement of banking sector in economic activities. Research methodology is the systematic way to solve the problem in research of the study. Research methodology can be as following:

- Analysis of principles of methods and its rules.
- Study of systematic methods.
- Documents collection and techniques as definition, collection and analyses etc...
- Study of descriptive methods.

Research Methodology describes specific methods to be followed in a given procedure or in attaining an objective. When proper to a study of methodology, such processes constitute a constructive generic framework; thus they may be broken down in sub-processes, combined, or their sequence changed. As such, methodology may entail a description of generic processer or, metaphorically, may be extended to explications of philosophically coherent concepts or theories as they relate to a particular discipline or field of inquiry. By similar reasoning methodology refers to the rationale and/or the philosophical assumptions that underlie a particular study or a particular methodology.

Steps of the scientific method are shaped like an hourglass - starting from general questions, narrowing down to focus on one specific aspect, and designing research where we can observe and analyze this aspect. At last, we conclude and generalize to the real world.

Researchers organize their research by formulating and defining a research problem. This helps them focus the research process so that they can draw conclusions reflecting the real world in the best possible way.

Research Methodology is the set of method and principles which are used for systematic investigation of the study. Thus, it helps a lot in establishing facts to reach in a new conclusion. In other words, research methodology is the way to systematically solve the research problem.

It is one of the important steps of research project. The quality of research methodology plays the vital role in the importance and usage of research report used in study. It helps in studying the entire research work in easy manner and also in presenting report in understandable way. It includes wide range of methods, including qualitative technique for analyzing and analysis of data and information collected. Therefore, research methodology refers to the methods and techniques used in the collection, tabulation and analysis of data and information collected to achieve the objective of study so that the outcome would be appropriate.

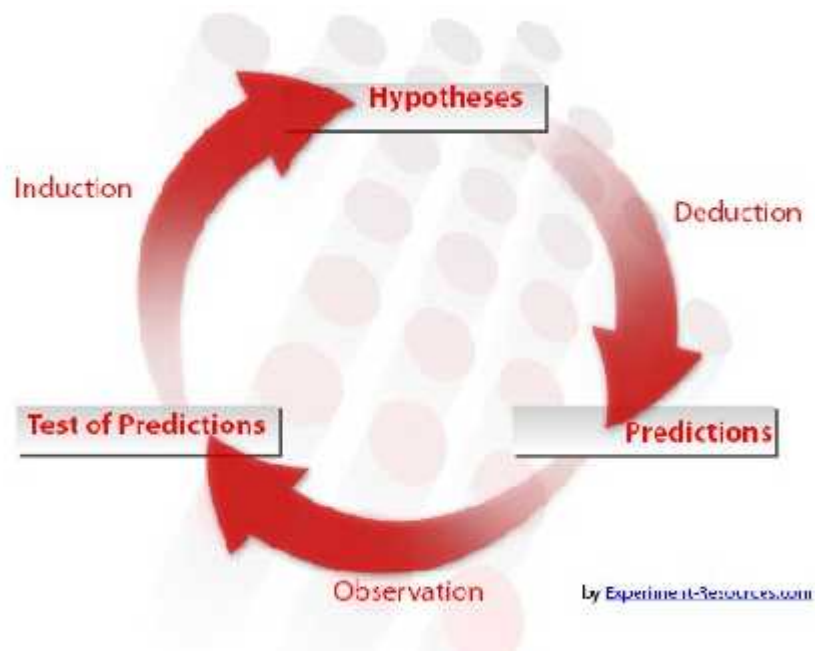
Researchers must follow various steps in order to be in the right path that will lead towards the solution of the problem identified. There can be instances where the researchers follow various steps at a time and the progress of the study can get clash and that will lead to confusion. Therefore, research should be designed in such a way that steps would not be clashed and misleading in order to find and solve the problem.

3.1.1 Formulating a Research Problem

Researchers organize their research by formulating and [defining a research problem](#). This helps them focus the [research process](#) so that they can [draw conclusions](#) reflecting the real world in the best possible way.

Fig. 6

Hypothesis phenomenon



Source: Management book

a. Hypothesis

In research, a hypothesis is a suggested explanation of a phenomenon.

A [null hypothesis](#) is a hypothesis which a researcher tries to disprove. Normally, the null hypothesis represents the current view/explanation of an aspect of the world that the researcher wants to challenge.

Research methodology involves the researcher providing an alternative hypothesis, a [research hypothesis](#), as an alternate way to explain the phenomenon.

The researcher [tests the hypothesis](#) to disprove the null hypothesis, not because he/she loves the research hypothesis, but because it would mean coming closer to finding an answer to a specific

problem. The research hypothesis is often based on [observations](#) that evoke suspicion that the null hypothesis is not always correct.

In the [Stanley Milgram Experiment](#), the null hypothesis was that the personality determined whether a person would hurt another person, while the research hypothesis was that the role, instructions and orders were much more important in determining whether people would hurt others.

b. Variables

A [variable](#) is something that changes. It changes according to different factors. Some variables change easily, like the stock-exchange value, while other variables are almost constant, like the name of someone. Researchers are often seeking to [measure](#) variables.

The variable can be a number, a name, or anything where the value can change.

An example of a variable is temperature. The temperature varies according to other variable and factors. You can measure different temperature inside and outside. If it is a sunny day, chances are that the temperature will be higher than if it's cloudy. Another thing that can make the temperature change is whether something has been done to manipulate the temperature, like lighting a fire in the chimney.

In research, you typically define variables according to what you're measuring. The [independent variable](#) is the variable which the researcher would like to measure (the cause), while the [dependent variable](#) is the effect (or assumed effect), dependent on the independent variable. These variables are often stated in [experimental research](#), in a [hypothesis](#), e.g. "what is the effect of personality on helping behavior?"

In explorative research methodology, e.g. in some [qualitative research](#), the independent and the dependent variables might not be identified beforehand. They might not be stated because the researcher does not have a clear idea yet on what is really going on.

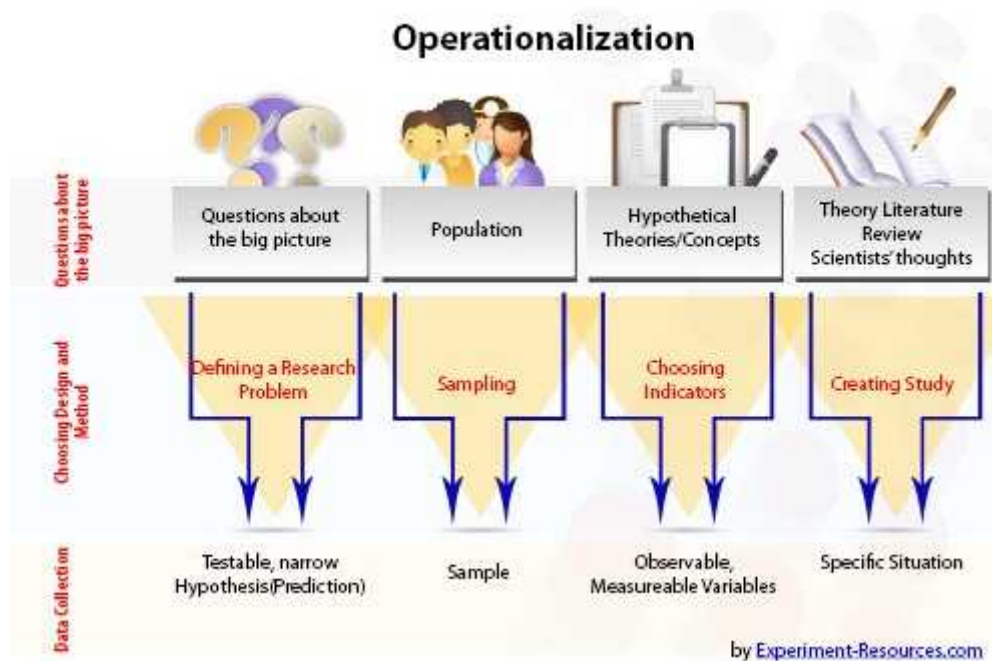
Confounding variables are variables with a significant effect on the dependent variable that the researcher failed to control or eliminate - sometimes because the researcher is not aware of the effect of the confounding variable. The key is to identify possible confounding variables and somehow try to eliminate or control them.

3.1.2 Operationalization

Operationalization is to take a fuzzy concept, such as 'helping behavior', and try to measure it by specific observations, e.g. how likely are people to help a stranger with problems.

Fig. 7

Operationalization



Source: Management book

3.1.2 Choosing the Research Method

The [selection of the research method](#) is crucial for what [conclusions](#) you can make about a phenomenon. It affects what you can say about the cause and factors influencing the phenomenon.

It is also important to choose a research method which is within the limits of what the researcher can do. Time, money, feasibility, [ethics](#) and availability to measure the phenomenon correctly are examples of issues constraining the research.

3.1.3 Choosing the Measurement

Choosing the [scientific measurements](#) are also crucial for getting the correct conclusion. Some measurements might not reflect the real world, because they do not measure the phenomenon as it should.

Results

Significance Test

To [test a hypothesis](#), [quantitative research](#) uses [significance tests](#) to determine which hypothesis is right.

The significance test can show whether the null hypothesis is more likely correct than the research hypothesis. Research methodology in a number of areas like social sciences depends heavily on significance tests.

A significance test may even drive the research process in a whole new direction, based on the findings.

The [t-test](#) (also called the Student's T-Test) is one of many [statistical](#) significance tests, which compares two supposedly equal sets of data to see if they really are alike or not. The t-test helps the researcher conclude whether a hypothesis is supported or not.

Drawing Conclusions

[Drawing a conclusion](#) is based on several factors of the research process, not just because the researcher got the expected result. It has to be based on the [validity and reliability](#) of the measurement; how good the measurement was to reflect the real world and what more could have affected the results.

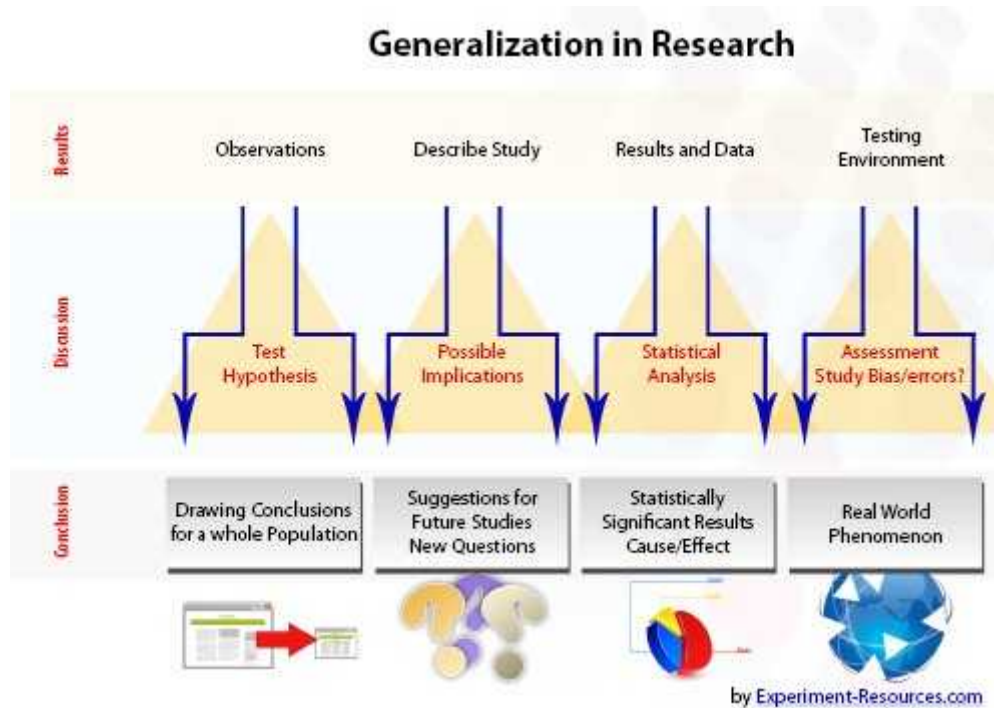
The observations are often referred to as '[empirical evidence](#)' and the logic/thinking leads to the conclusions. Anyone should be able to check the observation and logic, to see if they also reach the same conclusions. Errors of the observations may stem from measurement-problems, misinterpretations, unlikely random events etc. A [common error is to think that correlation implies a causal relationship](#). This is not necessarily true.

3.1.3 Generalization

[Generalization](#) is to which extent the research and the [conclusions](#) of the research apply to the real world. It is not always so that good research will reflect the real world, since we can only [measure](#) a small portion of the [population](#) at a time.

Fig.8

Generalization



Source: Management book

3.1.4 Validity and Reliability

Validity refers to what degree the research reflects the given research problem, while Reliability refers to how consistent a set of measurements are.

Fig 9

Validity and Reliability



Source: Management book

3.2 RESEARCH DESIGN

Research design refers to the entire process of planning and carrying out a research study. Identification, selection and formulation of a research problem may be considered as the planning stage of a research. The remaining activities refer to the designs, operation and completion of the research study. (Wolf and Pant, 1999: 203). In order to achieve the objective of the study an appropriate methodology becomes necessary, which is an essential part of study throughout the study. Thus, this study consists of research design, population & sample, nature and sources of data, data processing procedure and method of analysis.

A systematic research design is necessary to fulfill the objective of study. It means defined procedures & techniques that guide and propounds ways for research viability. Several typologies have been suggested for classifying a wide variety of research designs according to nature of research. The research design in this project is descriptive. Descriptive research includes surveys and fact-finding inquiries of different kinds. For this study, descriptive research design is used where the data is collected through the questionnaire. The information is gathered from the different customers of the banks as well as outside the bank in order to obtain and analyze the marketing effectiveness of the bank. To achieve the objective of the study, descriptive and analytical research design has also been used.

3.3 POPULATION AND SAMPLE

The data collection activity consists of taking ordered information from reality and transferring it into some recording system so that it can later be examined and analyzed for patterns. Population or universe refers to the entire group of people, events or things of interest that the researcher wishes to investigate. The method consisting of the selecting for study, a portion of the universe with a view to draw conclusions about the universe or population is known as sampling. In most of cases, we are not able to collect data of whole population or universe (an aggregate of the set of result of an operation). A statistical sample ideally purports to be a miniature model or replica of the collectivity or the population constituted of all the items that the study should principally encompass, that is, the items which potentially hold promise of information relevant to the purpose of a given research.

Due to lack of time and unavailability of the relevant data, it is not possible to study the customers of all financial institutions in Nepal. Hence, in this research, 200 respondents including the bank customers and prospects were randomly selected in order to seek fair and frank responses on effectiveness of marketing strategies of the bank. To achieve the objective of the study, descriptive and analytical research design has been used.

3.4 SOURCES OF DATA

Data are collected from two sources. They are primary and secondary sources. The data presented here are both primary and secondary types. Primary Data includes questionnaire, personal interview with the respondent and consultation with concerned staffs and customers which are made for the reliability and practicality of the data by making different types of questions i.e. open ended, ended, yes/no, choosing the best one to sampling method around 200 customers. Personal experience of the researcher during the work period was also a source of primary data. The opinion and general conception as per the researcher's observation and academic knowledge has also the instrumental role in obtaining data.

All the secondary data obtained from various sources are compiled, processed and tabulated in the time series as per the need and objectives. Formal and informal talks with the concerned authorities of the bank were also helpful to obtain the additional information of the related problem. Likewise, various data and information are collected from the official website of CEDB, NRB, yearly AGM, MIS report, different brochures and leaflets published from the bank, financial statistics published by NRB, customer service department record, strategy department record of the bank, economic journals, periodicals, bulletins, magazines and other published and unpublished reports and documents from various sources. Collected data are entered in to appropriate tables

CHAPTER-IV

4.1 PRESENTATION AND ANALYSIS OF DATA

This chapter the data gathered from Clean Energy Development Bank and surveyed and interviewed the various customers and are presented & analyzed. This chapter discusses the result of the survey and interviewed responded by 50-80 people/respondents visited to the bank according to the study. Prior to the initiation of the survey process, the purpose, the significance and objective of the study were relayed to the participants. They were also assured that all the information they had provided are solely for the purpose of the study while their identities would remain confidential. All question asked in the interview and structured questionnaire pertain only to the respondents' insights on the impacts of Customer Relationship Management and resistance to change that they see upon CEDB of well performed bank. For a clearer presentation, the findings of the survey are presented in graphs and tables. To give an appropriate flow of discussion, findings are also divided into sections. Section one gives a summary of the demographic profile of the participants used in the study. This part of the study shall be discussing the findings based on the self-administered questionnaire provided by the researcher. The primary objective of this study is to know whether the CEDB should have a common strategy or not. The study intends to investigate how the CEDB can position itself in the global market. It also aims to determine how much CEDB has performed for customer service and has managed its relationship which among other banking institutions considering the most competitive as perceived by the respondents. Furthermore, this also aims to determine how a common strategy should be implemented and which among the institutions could provide effective assistance to enhance the competitiveness of the CEDB in the global banking world. This profile was categorized according to the respondents' age, gender and employment status. The discussion of the Customer relationship status within CEDB as described by the respondents is presented on the second section. On the third section, focus is on the respondents' response to the status of the services offered by CEDB after its acquisition of well performed bank. For this

study, primary research and secondary research will be used. Primary research will be conducted using anonymous questionnaires that will be sent to the customer of CEDB. The questionnaires will be used to collect quantitative data. The conduct of this study entails the level and position of the respondents. It is assumed that the attributes of the respondents influence their behavior and answers on the survey questions.

Finally, section four will present the overall analysis of the data gathered in the semi-structured interview pertaining to the managers' concrete experiences, satisfaction level as well as their suggestion on how current CRM ideas and procedures within CEDB may be improved.

Section 4.1.1: Demographic Profile

A total of 85 respondents were used for the data gathering process of the study. The participants were Customers visiting at CEDB. For the purpose of gathering pertinent and reliable data, respondents of male and female were included in the sample. Of the 85 participants, the sample was divided equally according to two categories. These categories include the respondents' gender status. See Pie [chart and table](#) for a summary description.

Chart 1

Gender wise Description

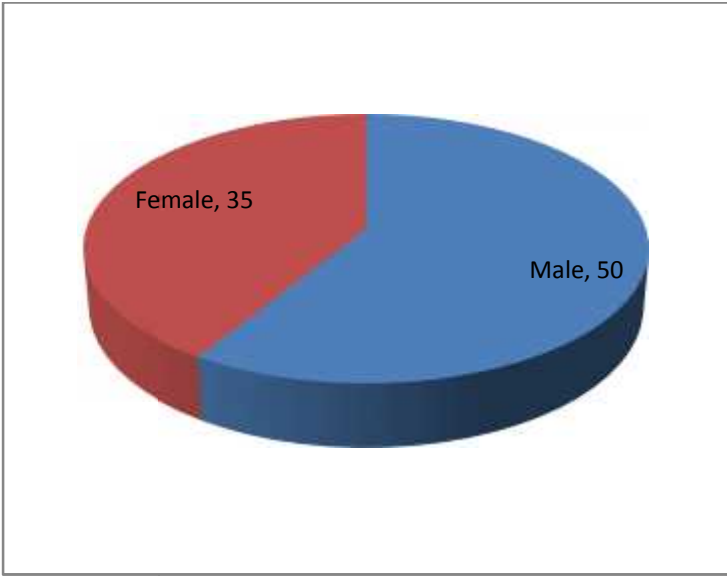


Table 2

Gender wise Description

Gender	
Male	50
female	35

Source: fieldwork study

4.1.2 Descriptive summary of the 85 no.s of Respondents of the study

According to the age wise separation 20-35 are about 20 no. person, about 10 people are 36-45, 56-65 and more than 75 years old similarly, 46-55 and 66-75 were about 15 and 20 no.s of people respectively and can represent the significant sample categories. This can be shown as following table as follows:

Table 3

Age wise Description

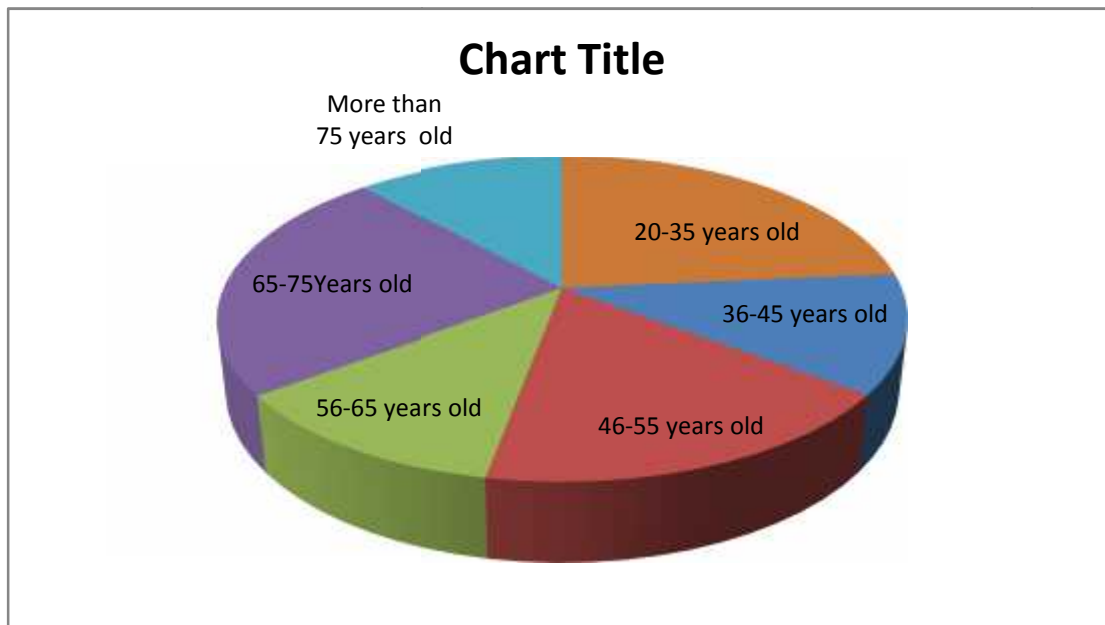
Age Frequency	No.of person
20-35	20
36-45	10
46-55	15
56-65	10
66-75	20
More than 75	10

Source: fieldwork study

The above description can be shown as pie chart as below:

Pie chart 3

Age wise Description



Section4. 1.3: Customer relationship Management status of CEDB

1. The study customer relationship management took better CEDB condition due to the study it was more clear. In Figure 1, a greater number of respondents said that the CEDB presents best results but it requires more effort on other parts. Thorough research it has found the conducting closed questions. The questionnaires were used to collect quantitative data and the interviews were used to provide qualitative insights into the data collected.

The second part has been the discussed with the respondents' perception in relation to the issue of having a common strategy for CEDB. The third part has been the determined of the most

competitive wine producing countries and which among them have used the most effective strategy to position themselves in the today's competitive situation of the banking area.

The fourth has been identified of the ways on how the strategy should be implemented and who among the banking institutions would be more helpful in shaping the objectives for the banking industry. The study has the discussion of the SWOT analysis for the CEDB. Lastly, the discussion has been included the strategy that should be used by the CEDB. The researcher has also placed tables and figures for greater clarity on the discussions.

The descriptions of the respondents in terms of:

- a. Satisfactory level in terms of service.
- b. Length of Service in the CEDB

4.1.4 Satisfactory level in terms of service of CEDB

**Table.4
Satisfactory Level**

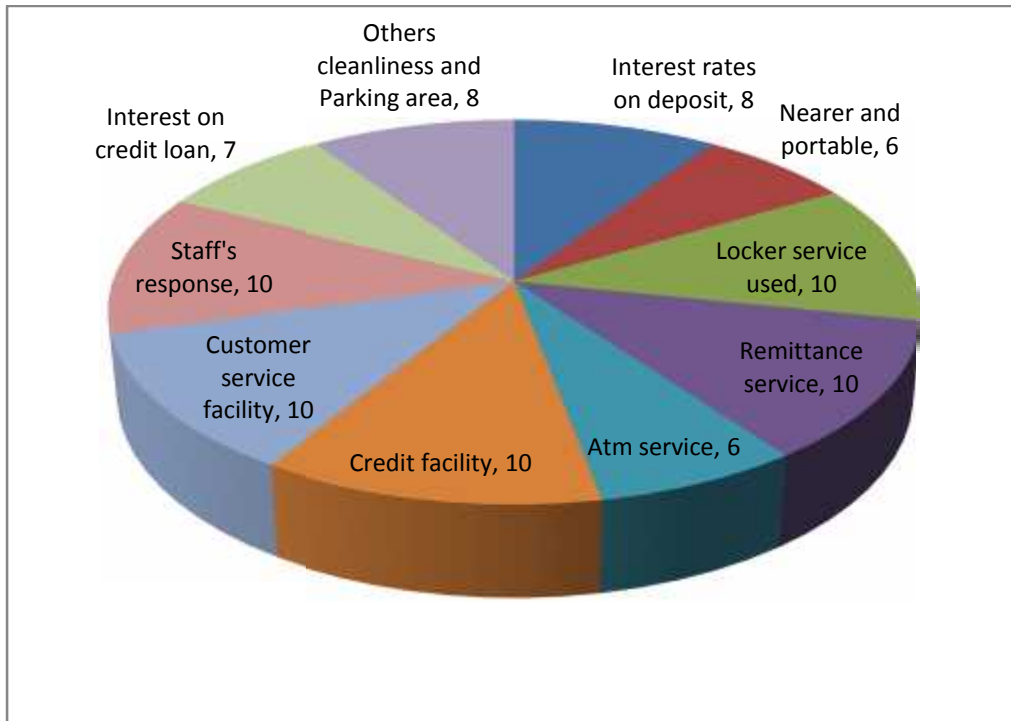
SATISFACTORY LEVEL IN TERMS OF SERVICE IN VARIOUS PRODUCTS OF CEDB	
Interest rates on deposit	8
Nearer and portable	6
Locker service	10
Remittance	10
Atm service	6
Credit facility	10
Customer service facility	10
Staffs' response	10
Interest on credit	7
Others cleanliness and parking area	8

Source: fieldwork study

According to the above table customer are very satisfied with locker service remittance credit facility and staffs' response. Well interest rates and cleanliness has to improve more that before.

Similarly, Interest on loan is getting much higher that is high for customer but location and Atm service is lowest comparatively to other facility. This can be shown as given Pie chart as follows:

Chart 4
Satisfactory Level



4.1.5 Length of Service in the Company

Table 5
Length of service

Number of Years	Percentage
1 – 2 years	20%
3 – 4 years	30.5%
5 – 6 years	40.5 %
Total	100%

Source: fieldwork study

The table and the figure above illustrated the number of years of the respondents employed in the CEDB. Based on the figure above 19% of the respondents has been getting service from the CEDB for 1-2 years. Similarly, by 3-4 years 30.5% of the total customers are getting service of

CEDB. The percentage of those customers visited for 5-6 years is 40.5% that is increasing day by day. It can be said that CEDB has recently more than half percentage of customers have been increased from its initial period. The pie-chart follows shows more efficiently:

Chart 5
Length of Services

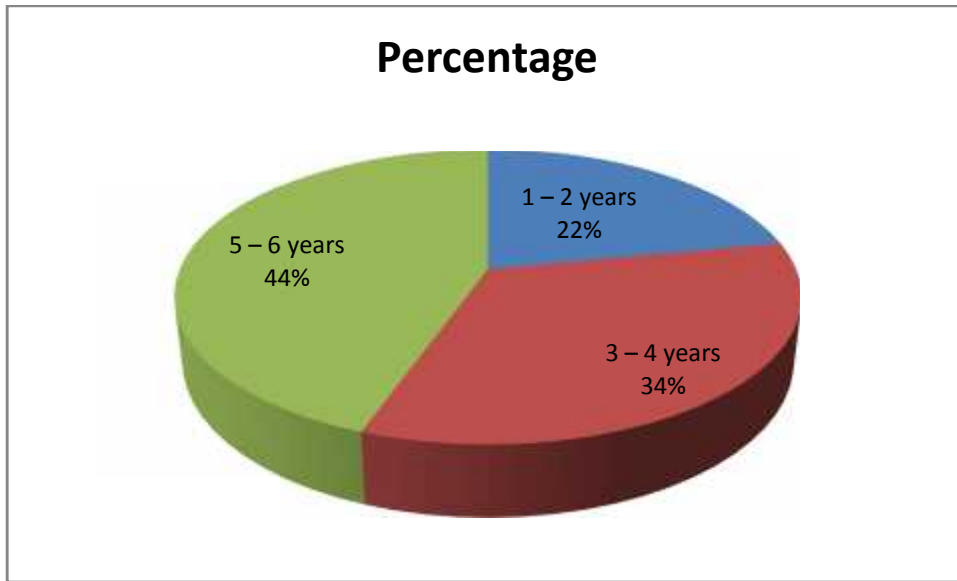


Table 6 On Having Management decision

Management statements
1. The main objective of the co. Is to have satisfied grow up.
2. Each customer should be treated equally and heartily.
3. The common strategy should be the profit and more and more profit.
4. Others branches whole over the Nepal is target.
5. Different products have been launched for more valuable customers.
6. Different social programs are been launched for more social intimation.

Source: fieldwork study

The management groups has decided the objective of CEDB is to own much profit as it can with its full performance it has great strategy .For this there are many social programs organized from

CEDB. Different new products have been launched for variety in products and there is much more branches would be open soon for better spread of an organization.

4.1.7 Branches frequency on Customers transactions

This part will show how are our frequency range of the customer in Head office and other Branches.

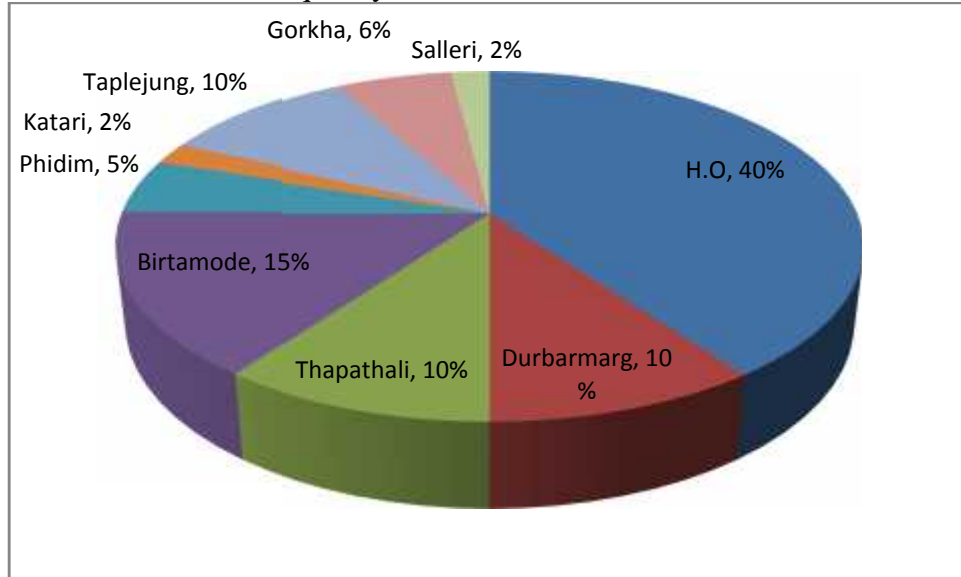
Table 6
Frequency on Customers transactions

Branches	Customer Frequency
H.O	40%
Durbarmarg	10%
Thapathali	10%
Birtamode	15%
Phidim	5%
Katari	2%
Taplejung	10%
Gorkha	6%
Salleri	2%
TOTAL	100%

Source: fieldwork study

The table above shows that most of the customers are having their accounts in Head Office; Birtamode branch has better performance than others. Durbarmarg, Thapathali and Taplejung three most competitive branches countries of CEDB. Similarly, Gorkha and Phidim have less number of transactions while Salleri and Katari have least customer due to the urban areas. Branches doing well should perform better for further and competitive branches should do more and do healthy competition and branches who have least numbers of transactions should think on their performance. This description is more effective from following Pie chart as below:

Chart 6
Frequency on Customers transactions



4.1.7 Customer Service feedback of CEDB

Respondents were asked about the customer service provided by CEDB. They were asked whether they are satisfied with the customer service of the bank, their answer was as under:

Table 7

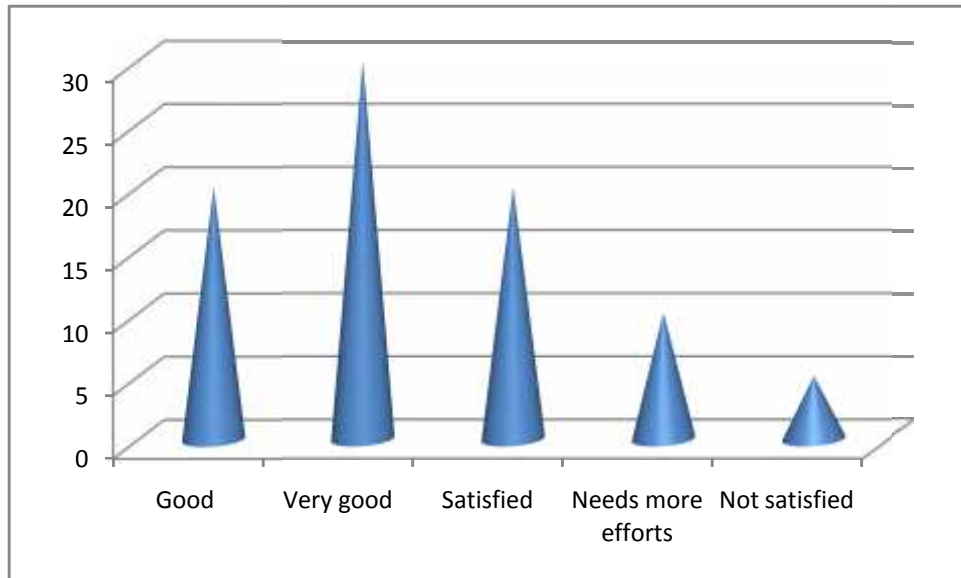
Customer Satisfaction

The overall impression of CEDB	Respondents' Answer
Good	20
Very good	30
Satisfied	20
Needs more efforts	10
Not satisfied	5

Source: fieldwork study

Chart 7

Customer Satisfaction



Out of 85 respondents, 30 thinks CEDB gives good service overall, 30 respondents says it is very good while 20 thinks it is just satisfied another 15 respondents thinks CEDB needs more efforts and it is not satisfied.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

Clean Energy Development Bank Limited was established in 2006 in a joint venture with FMO - Netherlands, as the first national level development bank to have a focused developmental agenda towards harnessing the nation's abundant natural resources in addition to uplifting the standards of living of the people of Nepal with its head office in Sitapaila, Kathmandu. Today, with a paid up capital of above 1.08 billion rupees, it is one of the full fledged national level development bank operating in Nepal. CEDB is also committed towards excellence in general banking business. It offers a wide range of corporate and retail banking services with a unique customer oriented approach. All in all, the bank is dedicated to achieving sound business growth and maximizing stakeholders' values by embracing team spirit, progressive technology and good corporate governance. The bank aims to serve the people of both the urban and rural areas and also aims to promote and preserve the natural resources of the country. Presently there are 8 branch offices of CEDB operating in the country.

The present study has been undertaken to examine and evaluate the Customer service and its relationship management with its performance of Clean Energy Development Bank. The researcher has used Primary and Secondary data and to make this study more effective and informative. This study has covered four year data from 2063/64 to 2068/69 of the bank. In this section, the researcher has tried to summarize the CRM performance of Clean Energy Development Bank.

Customer satisfaction is a customer's feeling of pleasure or disappointment regarding the performance of the product he consumes. Since, customers are the king of market, the success and failure of every organizations are basically dependent upon the satisfaction of the customers. Satisfied customers are most likely to share their experiences with other people to the order of perhaps five or six people. Equally well, dissatisfied customers are more likely to tell another ten people of their unfortunate experience. Furthermore, it is important to realize that many

customers will not complain and this will differ from one industry sector to another and it is the duty of marketer to know the psychology of people. Hence, while preparing and implementing the marketing strategies, organizations are concerned about connecting their products or services in such a way that satisfy the customer needs and demands. This study has been prepared with a specific objective of presenting about the marketing strategies of Clean Energy Development Bank Limited and to also assess the performance of the bank in terms of customer satisfaction, in which is the marketing strategies of the bank are directed towards.

The effectiveness of marketing is calculated on the basis of level of customer satisfaction. In order to retain the customers in every organization the service provider must know how to please their customers. Furthermore, it is important to realize that many customers will not complain and it is the duty of the marketers to understand the feelings of customers and the strategy should be developed on the basis of it. This research was undertaken to find out whether the marketing strategies of CEDB are effective or not mainly on the basis of customer satisfaction which is the major tools for measurement of marketing efficiencies.

As per research the means of advertisement used by the bank are seemed to be ineffective. However, the CSR campaigns followed by the bank are found to be effective in building the goodwill and brand image of CEDB. Majority of the account holders were from service sector with limited customers from agriculture sector. In terms of customer satisfaction, majority of account holders of CEDB were found satisfied. Some of the account holders were not satisfied with the interest rate, customer service and products or services offered by the bank but the majority of the account holder were found satisfied. Debit Card holders were found satisfied with the services provided to them but were dissatisfied by the problems they faced on the cards and were also demanding the credit card facilities too. Majority of the credit facility users were found satisfied with the services provided by CEDB. Majority of the customers were found to be unsatisfied with the limited features available in internet banking. Customers were found satisfied from the remittance services provided to them and were also satisfied with the services and behavior of the employees and overall impression of the bank was found to be good. In overall, the research revealed that the accountholders of CEDB were found to be satisfied and the marketing strategies of the bank are also found to be effective.

Although the observed period includes the six year when the bank was in the initial phase which shows the data fluctuation different in the initial period, it has tried to make adequate and accurate picture of the Management and better position of the bank. Apart from the initial year of the observation period of the bank, the bank has been able to maintain its position in the country as one of the leading development banks. Moreover, competition in the financial sector is getting tougher day by day. Instead of political instability, domestic unrest and threats, the bank is making all possible efforts to consolidate its business portfolio and cut down the cost in all operating areas to maintain the profitability.

The principle activities of the bank in past six years continued to be consumer and corporate banking, trade finance, credit card service and foreign exchange dealing. The bank has successfully installed and launched Automated Teller Machine (ATM). The number of card issued by the bank is increasing and the bank now has critical mass in its account base. The liquidity of a business firm is measured by its ability to satisfy its short term obligation as they come due. Customer service and relationship management has followed in serious way by the bank. Some table and charts are used to filter the position of Clean Energy Development Bank with the help of data of past six years of the bank. Frequency of customers and their values for bank measures the ideas and suggestions of out siders and is calculated by establishing relationship between different customers. The profitability of the bank has been good and increasing during the study period of six years. However the grown rate is increasing. However the rate of increment is positive and during the study period. The total investment of the bank has been increasing over the year which is mainly due to the bank's strategy of sate lending and also as a result of increase in customer deposits and limited opportunity in present scenario with increase in loans and advances; the bank has been holding adequate provision for loan loss.

5.2 Conclusions

This chapter summarizes the findings, generated conclusions and recommendations based on the analysis of the results of the study on Customer relationship Management of CEDB done by the researchers. The respondents of the study were composed of eighty five (85) 2063-2069. The descriptive method was applied by the researchers and designed. During the study period of six years that is 2063/64 to 2068/69 various analyses have been performed to find out the performance of Clean Energy Development Bank Limited. The major finding of the study are listed Chapter IV, of this report. Based on the finding the conclusions have been drawn.

Current CRM of Clean Energy Development Bank has less than 1 in initial period of year. In later period it has more than previous the year 2063 and similarly more in of 2067. In the study period of the year 2068 and 2069 is generally considered to have good short term financial strength. According to research there are lots of points for good performance but still for best performance there should be lots of effort on perfect Customer service and relationship management of a bank. More and more products should be launched for effective balance of customer relationship management. Consequently, some branches on Kathmandu valley are recommended. Fixed deposit account should bear more interest for customer retention. Other deposit accounts have fine deposit interest rates but recommended to perform more. Ratios are of the CEDB had presented through chart tables and some pie charts.

The collected deposits are mobilized in investment and loans to get profit. This ratio indicates the percentage of profit earned by using the total deposit. Interest earning is the major sources of a commercial bank. The analysis indicates that the ratio is in increasing trend in later period as compared to previous year. The analysis indicates that the net profit earned in comparison to total assets is in fluctuation or increasing trend.

5.2.1 Specially this study endeavored to answer the following:

1. Age.
2. Gender.
3. Service Status.
4. Staff's response.
5. Operation service.

6. Credit service.
7. The perspective of the Organization.
8. Nature of Business.
9. Number of Years in Operation.
10. Most Preferred in the Product Portfolio.
11. Most Common Customer.
12. Most Available Form of Sales.
13. Organization management.

5.3 Recommendation

On the basis of various analyses, the researcher came out with the following recommendations:

-) The bank should try to gain major share of public deposits.
-) The bank should hold stars such as foreign exchange to preserve market-share.
-) Focus on the business such as credit cards, debit cards, wealth managements, global market and cash management. As these all are high return businessman. If possible, diversify wealth management business to include a range of retailed foreign exchange products.
-) Borden the range of product and service offered to the customers, at the same time identifying those which can make a real contribution to profit.
-) Lending contributes to be very important part of business but it is not the sole driver behind a corporate relationship. Increase emphasis on cross selling and lending with higher value products in order to increase the overall relationship.
-) Focus more on non-risky lending such as mortgage, housing loan and personal loan.
-) Focus more on INGO and new project accounts to generate non-interest bearing accounts.
-) The bank has been maintaining excess liquid funds which should be reduced and invest in earning assets.
-) More and more branches are needed

This chapter the findings, generated conclusions and recommendation based on the analysis of the results of the study on underscoring the Operation Management of Clean Energy Development Bank researches are done through various research sources with different scales.

The respondents of the study were composed of 85 customer of CEDB. The study was conducted from 2063-2069. The descriptive method was applied by the researches and designed questionnaires as their primary instrument in gathering data. Preliminary research and unstructured interviews were also conducted to further increase their understanding about the subject matter. To ensure impartiality on presentation, analysis and interpretation of data, the researchers used statistical tools as: Frequency and percentage distribution; pie charts; tables and column charts of the information and researches.

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Appendix :I

Questionnaires

(This is the set of questionnaires prepared to conduct a project report on Customer relationship Management of Clean Energy Development Bank Limited, as the partial fulfillment of the requirement for the degree of Masters of Business Studies. The questionnaires must be filled by the respondents who are requested to fill up. The information obtained via this questionnaire will be kept confidential and will be used for this research purpose only).

Name:

Sex: Male/ Female

Occupation:

Age:

Address:

1. How you got to know about Clean Energy Development Bank Ltd?

- a) Advertisement
- b) Marketing of Bank staff
- c) Relatives and friends
- d) others

2. Which Account do you have in Clean Energy Development Bank Limited?

- a) Saving
- b) Current
- c) Fixed Deposit
- d) Others
- e) None

3. Why have you chosen CEDB out of number of other commercial or development banks?

(You can choose more than one option)

- a) Nearness
- b) Interest rate
- c) Reliability
- d) Services
- e) Attitude of bank staffs
- e) others (Please Specify)

4. What other facilities you have taken from CEDB besides deposit and withdrawal?

- a) Locker
- b) Remittance
- c) SMS banking
- d) ATM
- e) None

5. How often do you visit CEDB?

- a) Daily
- b) Sometimes
- c) Twice a day
- d) Once a month

6. What do you think about the interest rate on savings of CEDB?

- a) Very low
- b) Low
- c) Similar as other banks
- d) High
- e) Very high

7. What do you think about the interest rate on loans of CEDB?

- a) Very low
- b) Low
- c) Similar as other banks
- d) High
- e) Very high

8. What types of problem you have faced in CEDB?

- a) Late action
- b) Several mistakes
- c) No response to customer
- d) Less interest rate in accounts
- e) Needs more branches in city
- f) No problem at all

9. What is the positive point of CEDB to collect customer?

- a) Prompt action
- b) Good response
- c) Good Interest rate
- d) Various facilities

10. How often do you use the internet banking of CEDB?

- a) Very often
- b) Quite often
- c) Every now and then
- d) Seldom
- e) Very seldom

11. Are you satisfied by location of CEDB?

Appendix: II

Interview Questionnaires for CEDB Managers

1. Please provide the basic information and market performance of CEDB.
2. What are the objectives of marketing for CEDB?
3. What are the marketing strategies of CEDB? Are they effectively implemented?
4. What are the major competitors of CEDB?
5. What are your Unique Selling Points (USPs) compared with competitors?
6. What are the most important products or services of CEDB?
7. How does CEDB implement or market these products or services?
8. What measure have you implemented and going to implement for better customer satisfaction in your bank?
9. What are your further strategies regarding it?
10. What are your future plans for CEDB?
11. What are the strong points of CEDB?
12. What are the weak points of CEDB?

Appendix: III

Photographs

Clean Energy Development Bank, the first specialized bank in Nepal for clean energy financing, which was established in 2006 with a vision to actualize the dream of energy efficient Nepal. Since, then the bank has been playing leading role in the promotion of hydro power and renewable energy projects in Nepal.



Figure1: Clean Energy Development Bank, Head office Sitapaila.

Ever since its inception, CEDB has been offering the complete range of banking services of Nepal. The bank that the funds brought into the bank by investors and depositors are used to support energy projects and sustainable banking.



Figure 2: Cash Counter- CEDB, Head Office

FMO-The Netherlands, which has consistent credit rating of AAA from S&P is the foreign joint venture partner of CEDB. CEDB itself has been acclaimed as one of the most secure and sustainable bank in Nepal by the public.



Figure 3: Agreement with foreign partners

To promote energy efficient and environment friendly housing practice for the first time in Nepal, CEDB has promoted clean developers private limited.-a LEED certified company.



Figure 4: Clean developers sustainable living

More than 10,000 people participated in CEDB Green Marathon 2011 to plant equal number of plants at their houses. CEDB is committed to social good. IT does so through CSR programs directed towards energy, efficiency and other social causes. Gifting brightness, CEDB green Marathon and CEDB Eco Campaign are the major CSR programs organized every year by the bank in addition to regular blood donation and charitable programs.



Figure 5: CEDB Green Marathon 2011

CEDB in collaboration with USAID came up with an innovative deposit product on Hydropower deposit Account (HDA) to promote hydro power in Nepal. Today CEDB Hydro fund, established to channelise HAD, stands extremely successful with over 100 MW hydro projects under various strategies of development.



Hydro power project investment



(From L-R: Mr. Anand Pradhan, Mr. Prashidha Man Shrestha, Mr. Sushant Adhikari, Mr. Shashi Raj Shrestha, Dr. Janak Lal Karmacharya, Mr. Manoj Goyal, Ms. Barsha Shrestha, Mr. Kishore Dhungana, Mr. Zanak Bdr. Rawal, Mr. Mahesh Bajracharya and Mr. Birendra Rana) CEDB is managed by a team dynamic professionals having a proven track record in the banking and the energy sector.

CEDB arranged the blood donation program on its anniversary 7th Septmber annually naming **give blood give life**.



Blood donation program on CEDB

The most Valuable assets of CEDB is committed and visionary management team with proven track record. The bank is led by CEO Mr. Manoj Goyal who has been honored with many awards including manager of the year and has already led two commercial banks in the same capacity. He is also the president of Developing Bankers' Association Nepal. Similarly, Ms. Barsha Shrestha, GM was awarded as Best Woman Manager of the year. by prestigious Management Association of Nepal.