

**IMPACT OF RELATIONSHIP MARKETING ON CUSTOMER
LOYALTY IN NEPALESE COMMERCIAL BANKS**

A Thesis

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T.U. Regd. No.: 7-2-147-16-2010

Exam Symbol No.: 391872/074

Submitted to

Office of the Dean

Faculty of Management

Tribhuvan University

*In Partial Fulfillment of the Requirement for the Degree of
Master of Business Studies (MBS)*

Kathmandu, Nepal

June, 2024

RECOMMENDATION

This is to certify that the thesis

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*has been prepared as approved by this Department in the prescribed format
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VIVA-VOCE SHEET

We have conducted the viva –voce of the thesis presented

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And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for the degree of

Master of Business Studies (MBS)

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DECLARATION

I hereby declare that the work reported in this thesis entitled "**Impact of Relationship Marketing on Customer Loyalty in Nepalese Commercial Banks**" submitted to Office of the Dean, Faculty of Management, Tribhuvan University is my original work conducted in the form of partial fulfillment of the requirement for the degree of Master of Business Studies (M.B.S) under the supervision of respected supervisors **Joginder Goet** of Shanker Dev Campus, T.U.

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ACKNOWLEDGMENTS

I would like to forward my supervisor **Joginder Goet** of Shanker Dev Campus who supported me with his invaluable scholarly supervision, constructive comments and suggestions that allow me to furnish this thesis report in this final format.

I would like to pay my sincere thanks to Asso. Prof. Dr. Sajeeb Kumar Shrestha, Head of Research Department; and Asso. Prof. Dr. Krishna Prasad Acharya, Campus chief of Shankar Dev campus. Besides, I would also like to thank other respected teachers of Shanker Dev Campus and all the staff of this campus for their help in providing me various kinds of suggestions, information and comments.

Further, my deep regard to known and unknown individual who helped to on this report writing.

It is the matter of my immense pleasure to express my deep sense of gratitude and heartfelt respect to my parents for their affection, inspiration and incredible support to precede my academic career.

Jyoti Acharya

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ABBREVIATIONS

AS	:	Assurance
Avg	:	Average
C ₁	:	Commitment
CL	:	Customer Loyalty
E	:	Empathy
F	:	Frequency
GIBL	:	Global IME Bank Ltd
HBL	:	Himalayan Bank Ltd
NABIL	:	Nabil Bank Ltd
NBL	:	Nepal Bank Ltd.
NICA	:	NIC Asia Bank Ltd
NIMBL	:	Nepal Investment Mega Bank Ltd
NMB	:	NMB Bank Ltd
RBBL	:	Rastriya Banijya Bank Ltd
Rel	:	Reliability
Res	:	Responsiveness
SBL	:	Sanima Bank Ltd
SD	:	Standard Deviation
SPSS	:	Statistical Package for Social Science
SRBL	:	Laxmi Sunrise Bank Ltd
T	:	Trust
V	:	Values

CHAPTER-I

INTRODUCTION

1.1 Background of the Study

The idea of relationship marketing is crucial for businesses to draw in and retain consumers. The shift in marketing emphasis from transactional to relationship marketing is reflected in the contemporary corporate environment. Building, preserving, and improving connections with customers has always been crucial to business. On the other hand, relationship marketing has grown significantly in the previous several years. Relationship marketing is a generally accepted idea in both the academic and professional worlds. Its objective is to strengthen existing bonds and win over disinterested clients to loyalty. Customer relationship marketing is determined by a number of factors, including trust, commitment, empathy, power, collaboration, financial and social relationships, reliance, duration, and rapport (Berry & Parasuraman, 1991).

Relationship marketing aims to build trusting relationships with clients by giving them information that is specifically tailored to their requirements and interests and encouraging candid conversation. This strategy frequently leads to an increase in word-of-mouth marketing, repeat business, and a customer's readiness to give information to the company. Contrasting with transactional marketing, which aims to increase the quantity of individual sales, is relationship marketing. According to Jumaa and Larsson (2009), the majority of businesses incorporate aspects of relationship and transaction marketing tactics.

An old phrase meaning having a strong bond with one's nation, clan, or friend is loyalty. Through "Brand Loyalty," loyalty has made its way into marketing science literature. However, customer loyalty has been defined in marketing literature as follows: a customer's strong desire to buy or use a product or service regularly in the future, leading to repetitive purchases of the same brand or set of brands, even in the face of situational influences and marketing initiatives that could encourage switching behavior (Oliver, 1999). Recurring customers and those who provide positive ratings, reviews, or feedback are considered loyal customers. Certain consumers provide a business with outstanding

service when they recommend a product to their friends and family, increasing the company's base of devoted patrons. Customer loyalty, though, goes well beyond that. It's a procedure, an initiative, or a collection of initiatives designed to satisfy customers and win their repeat business. The recognition that keeping current customers is significantly more cost-effective than acquiring new ones has led to an increased emphasis on the importance of customer loyalty for commercial enterprises. It has been proposed that building safe connections between consumers and sellers is one method to improve client retention. Surprisingly, nevertheless, not much empirical study has been done on the relationship between relationship marketing and consumer loyalty in a retail setting, despite the expanding corpus of literature on relationship marketing-related topics. Customer loyalty is important since it definitely affects the company's ability to survive and grow in the future (Morgan & Hunt, 1994).

Customer loyalty may be defined as a customer's devotion to a business or as their want to maintain a long-term connection with the provider. Getting and keeping consumers is the main objective of customer relationship marketing. Previous research indicates that the goal of all marketing initiatives is to cultivate client loyalty. It can also mean a strong and unwavering determination to stick with a product or service even in the face of external circumstances and marketing campaigns that could encourage a change in preferences. In order to sustain their business and increase its profitability, managers and marketers need to give careful consideration to building client loyalty (Krishnamoorthy & Srinivisan, 2013). Marketing methods date back to 7000 B.C., and the field of marketing as we know it today emerged from economics around the turn of the 20th century. The first three quarters of the twentieth century saw the field develop and gain speed, with a major concentration on exchanges and transactions. That being said, there is now a rethinking of the evolution of marketing as a discipline, shifting its focus from transactions to relationships (Koutziak & Sarriannids, 2010). Customer as the person who organization is willing to create values that influence on their behavior, as the main element and the center of all activities of organizations so that in terms of competitiveness, viability and survival of organizations in identifying and attracting new customers and retaining existing customers is expressed. This is a shift from a traditional economy to one of intense competition in modern dimensions. However, as a

consequence of better communication, the information age's development, and the introduction of new communication methods, businesses now have to deal with a wide range of distinct clientele and make several decisions that lead to both market instability and new customer acquisition (Gilaninia, 2011).

Companies want to build relationships with their consumers by offering advantages in order to get a competitive edge. The same is true for clients, who look for an advantage to establish a rapport and show their loyalty in return. Furthermore, a bank might have a long-lasting competitive edge if it cultivates and upholds positive client connections that are difficult for rivals to match. connection marketing, then, is all about creating a connection that benefits both the bank and its clients. It is crucial to do an empirical investigation into the true effects of relationship marketing's aspects on customer loyalty, as creating customer relationships fosters reciprocal benefits that benefit both the company and the consumer (Rashid, 2003). Nepal's banking business has seen significant change in recent years, going from being a government-dominated, slow-moving sector to one that is far more lucrative, competitive, and nimble. The recent emergence of many international banks has intensified rivalry between commercial banks. Banks are concentrating on offering superior customer services in order to get a competitive edge and draw in an increasing number of clients (Boot & Thakor, 2009). This study focuses on relationship marketing that effects customer loyalty in Nepal's banking sector since there aren't enough studies on the core components of relationship marketing and how it affects customer loyalty in Nepalese banks.

The purpose of this study was to determine how relationship marketing affected the loyalty of customers at Nepalese commercial banks. In the banking industry, effective relationship marketing is essential to building a solid working connection between banks and their clients. Through client happiness and trust, relationship marketing strategies will have a major impact on consumer loyalty. It is essential to comprehend how conflict resolution and effective communication techniques may enhance relationship marketing by providing clients with the right answers to their difficulties.

1.2 Problem Statement

The positive relationship between relationship marketing and customer loyalty is supported by relationship marketing's dimensions, which include trust, commitment, communication, conflict management, and competence (Seyyedeh et al., 2013). Relationship marketing and its dimensions are all significantly and highly related with customer loyalty. Three things make up trust: faith, reliability, and predictability. The social environment's stability and behavioral consistency are referred to as predictability. It grows with time and is founded on experience in a relationship. To have faith, one must see past the facts at hand and have confidence that the future will unfold in a way that makes sense from their history. According to Grossman (1998), dependability is the customer's confidence in the company's capacity to provide support in the event of an issue. Loyalty is mostly determined by trust. As two individuals get to know one another and build trust over time, they will progressively become more loyal to one another through transactions, such as particular investments in relationship-focused goods, services, or personnel (Selnes, 1998).

Relationships are constructed on commitment, which is why it has been said to be essential to their development. In the absence of clear benefits, commitment is a crucial component of relationship maintenance and may be a good indicator of a relationship's longevity. Without a commitment, the client might be gone forever. Successful relationships are also seen to depend heavily on communication (Morgan & Shelby, 1994). Generally speaking, communication fosters trust by giving partners a means of resolving conflicts. The procedures and tactics known as conflict management, or handling, are designed to lessen the damaging effects of conflict. Its goal is not to remove disagreement when individuals collaborate to improve team and organizational performance (Maricel, 2020).

The ability to comprehend and experience another person's "state of mind" or feeling is known as empathy. It's commonly described as the capacity to see oneself in other people's shoes or to feel another person's perspective or feelings inside oneself. To put it succinctly, empathy not only improves the degree and caliber of the relationship that exists between the company and its clients, but it also gives that relationship the ability to

provide more value, which leads to client retention, loyalty, and repeat business (Silvestro & Cross, 2000). Customer loyalty was found to have no link with commitment, but to have a positive and substantial association with trust and communication (Alrubaiee, 2010). Customer loyalty is significantly and favorably correlated with empathy and values (Kheng & Osman, 2010). According to Gilaninia's (2011) findings, the study's findings suggest that trust, conflict management, commitment, and loyalty have the greatest influence on customer loyalty. Retaining consumer confidence in the retail banking sector is critical since it affects the probability of gaining new business and keeping current clients.

Today's consumers, however, have access to a wide choice of goods and services, and if those don't readily suit their demands, they may select banks that offer prompt service together with a wide selection of goods and services (Afsar et al., 2010). Customers increasingly want more specialized and cutting-edge goods and services, and they are more informed, smart, and aggressive than ever. Therefore, rather than focusing solely on customer acquisition, which requires more capital, Nepalese commercial banks should attempt to employ innovative techniques to keep their present clientele. It has been stated that businesses spend six times as much on obtaining new clients as they do on keeping their present clientele (Halimi, 2011). Therefore, in order to make sure they are at the appropriate location at the right time, banks must maintain strong ties with their evolving clientele. Companies need to understand the benefits of relationship marketing and how it can help them enhance the lifetime value of their current clientele while also bringing in new ones (Magavilla, 2002). This study focuses on relationship marketing that effects customer loyalty in Nepal's banking sector since there aren't enough studies on the core components of relationship marketing and how it affects customer loyalty in Nepalese banks. Therefore, comparable research on the effect of relationship marketing on client loyalty in the context of Nepalese commercial banks is required. The study's conclusions will broaden the scant body of knowledge on this important topic and serve as a foundation for further investigation. Thus, the following topics are covered in this study:

- What are the factors of marketing dimensions?
- What is the relationship among trust, commitment, communication, empathy and values on customer loyalty in Nepalese Commercial Banks?

- What is the impact of relationship marketing on customer loyalty in Nepalese Commercial Banks?

1.3 Objectives of the Study

The major objective of this study is to examine the impact of relationship marketing on customer loyalty in the context of Nepalese Commercial Banks.

The specific objectives of this study are listed below:

- To assess the factors of marketing dimensions.
- To examine the relationship among trust, commitment, communication, empathy and values on customer loyalty in Nepalese Commercial Banks.
- To analyze the impact of marketing on customer loyalty in Nepalese Commercial Banks.

1.4 Rationale of the Study

This study aims to characterize how relationship marketing affects customers' loyalty. Organizations cannot improve or expand their enterprises without consumers. By analyzing and observing the behavior of their customers, businesses may create tactics that increase their profits. Businesses in the service industry, like the banking sector, must pay far closer attention to the demands and desires of their clients. Every bank must offer exceptional customer care to all of its clients in order to maintain its competitiveness in the market. It is hard for the businesses to meet their goals if they don't improve and sustain their services. Nevertheless, winning over a customer's allegiance is not easy. Accordingly, it is critical that every bank offers excellent services by attending to all of their clients' demands, raising client satisfaction levels, and eventually winning their loyalty (Bolton & Tarasi, 2003).

This study can offer in-depth research to obtain pertinent data on relationship marketing's effect on patron loyalty in Nepalese commercial banks. Additionally, it will help financial service providers in Nepal understand how to put strategies into place that would satisfy customers' needs and earn their loyalty.

1.5 Limitations of the Study

There are certain limitations of the study which are as follows;

- Since the study only looks at the banking business in one specific area of Nepalese Commercial Banks, more research in other areas may be required before drawing broad conclusions about the whole service sector.
- While there may be numerous factors, just six are taken into account when determining customer loyalty: trust, commitment, communication, handling conflicts, values, and empathy.
- Since the data are primary, there is a chance that the answers are biased and vulnerable to judgment. Thus, the respondents' status as bank customers limits the validity of the data.
- Other than Nepal's commercial banks, this research does not address relationship marketing or client loyalty in any other industry.

1.6 Organization of the Study

This study has been divided into five chapters: recommendation, literature review, research methodology, data presentation and analysis, summary, conclusion and recommendation. The first chapter includes the introduction part of the study. It includes background of the study, problem statement, objectives of the study, significance of the study, limitation of the study and organization of the study. The second chapter deals with conceptual framework of study and reviews of major empirical work in the area. This study is based on the framework provided by the chapter. The third chapter carries out research design, nature and source of data, data gathering process, population and sample and tools for data analysis. The fourth chapter presents the analysis of data and findings in the form of variables and figures and fifth chapter summarizes the whole spectrum of the study. It also offers recommendation for the improvement in future. Likewise, at the front part of the study, table of contents, acknowledgement, list of tables and figures, abbreviation are included where bibliography and annexure are included at the end of the study.

CHAPTER-II

LITERATURE REVIEW

2.1 Introduction

A literature review is a text of an academic publication that summarizes the state of the art on a certain topic, encompassing theoretical and methodological contributions as well as substantive discoveries. Reviews of the literature are secondary sources; they don't present brand-new or unique experimental work. A literature review serves as a foundation for research in almost all academic disciplines. It relates to population or sampling, data sources, data tabulation, diagrams and graphs, study design or methodology, either qualitative or quantitative, or both. The literature is reviewed in the following headings:

- Theoretical Review
- Empirical Review

2.2 Theoretical Review

2.2.1 Concept of Commercial Bank

A financial organization that provides checking account services, makes different types of loans, takes deposits, and gives certificates of deposit (CDs) and savings accounts to people and small companies is referred to as a commercial bank. Mortgages, vehicle loans, business loans, and personal loans are just a few of the loans that commercial banks provide and earn interest on. Fees and service charges generate revenue for banks. These costs can include account fees (monthly maintenance fees, minimum balance fees, overdraft fees, non-sufficient funds, safe deposit box fees (locker), and many other things, and they vary depending on the goods. Historically, commercial banks have been housed in facilities where patrons come to do their regular banking business using automated teller machines and teller window services. Economically speaking, commercial banks play a significant role. In addition to offering customers a necessary service, they also contribute to the creation of capital and liquidity in the market.

The two primary functions of a commercial bank are lending and borrowing, which refer to taking deposits and providing funds to businesses in order to generate interest (profit).

Spread refers to the variation between the lending and borrowing rates. There are three primary categories of deposits: fixed, savings, and current. Similarly, cash credit, demand loans, and short-term loans are the forms of advances and loans offered by commercial banks. Public sector banks, private sector banks, and foreign banks are the three main categories of commercial banks.

Types of Commercial Banks

Private Bank: The Company that own more than 51% of the share capital, then that banking company is a private bank.

Public Bank: When the government holds more than 51% of the share capital of a publicly listed banking company, then that bank is called as Public Sector Bank.

Foreign Bank: Banks set up in foreign countries, and operate their branches in the home country are known as Foreign Bank (*Kagan, 2021*).

2.2.2 Concept of Organizational Behavior

Analyzing, comprehending, forecasting, and controlling employee behavior within an organization in order to increase overall performance is the focus of organizational behavior. It is the study of how individuals behave inside an organization and how that behavior impacts the overall effectiveness of the organization. The terms "organization" and "behavior" combine to form organizational behavior. An organization is a group of people who collaborate via labor division to achieve a shared objective, whereas behavior is the range of actions and interactions that people take part in inside the organization.

The study of organizational behavior is a very fascinating and difficult endeavor. Multidisciplinary approach, distinct field, normative science, both art and science, goal-oriented focus, total system, people-orientedness, and environmental influence are a few traits of organizational behavior. On the other hand, according to Poudyal (2016), organizational structure, people, technology, and the external environment are some of the essential components of organizational behavior.

2.2.3 Concept of Consumer Behavior

A strong grounding in fundamental ideas from marketing, psychology, sociology, and anthropology is combined with a very practical emphasis on practical applications for today's corporate environment to create Consumer Behavior. Consumer behavior is the psychological study of how people decide what to buy and what drives them to do so. Consumer behavior insights serve as the cornerstone around which successful companies construct their marketing strategy. They are incorporating outside data into the mix to learn what customers want and how they want it, then connecting with them accordingly. They aren't only creating goods and marketing strategies based on their ideas. Nearly every aspect of marketing strategy may benefit from the application of consumer behavior data.

Customers' consumer behavior has a major impact on marketing due to three main elements. They are societal, psychological, and personal. There are several challenges that are specific to the way that consumers think. Consumer behavior insights serve as the cornerstone around which successful companies construct their marketing strategy. They are incorporating outside data into the mix to learn what customers want and how they want it, then connecting with them accordingly. They aren't only creating goods and marketing strategies based on their ideas. Following a satisfying customer experience, consumers are 3.5 times more likely to make additional purchases from a company (Jump, 2020).

2.2.4 Concept of Marketing

In order to gain the trust of consumers and establish lucrative, long-lasting relationships with them, marketing professionals employ one or more of the five marketing concepts. Marketing is defined as the process of "creating communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." The manufacturing idea, the product concept, the selling concept, the marketing concept, and the social concept are the five concepts. Over time, people and their needs have been the primary emphasis of marketing instead of money and things. Because these notions give consumers a sense of being heard and cared for, the modern customer is

more open to marketing and societal ideals. We will inevitably be somewhat successful as long as we prioritize the needs of the customer in our plan.

Marketing strategy aims to maximize the lifetime value of each customer by building good relationships with them and encouraging repeat purchases.

There are five Basic Marketing Concept and they are as follows:

- Production Concept
- Product Concept
- Marketing Concept
- Selling Concept
- Societal Marketing Concept

Since consumers won't pay much for goods or services, the main goal of the product idea is to make goods at a lower cost. In a similar vein, the goal of production is to provide goods for the general public. The selling idea is a very risky business strategy as it is predicated on the flimsy theory that the corporation should sell its items regardless of manufacturer rather than consumer desire. The philosophy of marketing is focused on the client. Using this approach, the marketer makes the assumption that the client is always right and that their needs and desires should come first. This concept's marketing approach focuses on meeting consumer requests and requirements in order to turn a profit. Lastly, because Societal Marketing Concept analyzes marketing strategy, it is predicated on the well-being of the entire society (Wilson, 2020).

2.2.5 Core Concept of Marketing

Marketing is a social and administrative process that enables people and organizations to create, market, and trade valuable things with one another in order to fulfill their needs and desires. The definition provided goes into additional detail about the following ideas: markets, exchange, transactions and relationships, value, cost and satisfaction, goods, requirements, desires and demand, and marketers.

- Needs, Wants, and Demand: The foundation of marketing theory is the knowledge that people have needs and wants. A human need is a manifestation of a sense of

unfulfilled desire. Wants are wishes for certain means of meeting those needs. Last but not least, demand is the desire for certain goods supported by the means and the willingness to purchase them.

- **Product or Service:** The term "product" refers specifically to the item that a manufacturer or vendor is selling. Anything that can be made available to the public in order to meet the wants and desires of the end customer is considered a product in general.
- **Value, Satisfaction, and Expectations:** The difference between total customer value and total customer cost is known as customer delivered value. The degree of a person's felt condition as a result of comparing the items and their expectations is called satisfaction. Buyers establish expectations based on a variety of sources, including prior purchasing experiences, remarks from friends and acquaintances, and information and assurances from competitors and marketers.
- **Exchange, Transactions, and Transfer:** An exchange occurs when two or more people or organizations give and receive valuables. The fundamental unit of commerce, a transaction is the exchange of values between two parties. Transfer is the distribution of value without receiving something material in exchange.
- **Market:** A market is a specific location where buyers and sellers come together to exchange products and services. Stated differently, a market is any gathering of buyers and sellers who trade and exchange values in a specific location (Shrestha, 2016).

2.2.6 Marketing Management

It is a crucial operational task for management. It handles every managerial task related to marketing. It is in charge of organizing, coordinating, managing, and planning the marketing-related tasks. It involves the planning, organizing, carrying out, and monitoring of activities intended to facilitate desired interactions with a wider audience for one's own or both parties' benefit. To achieve an effective reaction, it mostly depends on the modification and synchronization of product, price, promotion, and location.

Marketing management tasks are carried out based on the environment's trends and core marketing concepts. Development of marketing strategies, gathering marketing insights, customer interaction, strong brand building, market offering shaping, value delivery,

value communication, and long-term growth are the general responsibilities of marketing management. A businessman's primary responsibility is to discern long-term prospects and skills. A marketing manager must make fundamental decisions about budget allocation, marketing activities, and marketing expenditures before transforming a marketing strategy into a marketing program. Marketing managers should be able to communicate with clients to comprehend their requirements. The goal of marketing is to establish a powerful and positive perception of the brand (Kotler, 2010).

2.2.7 Concept of Relationship Marketing

Based on their differing ownership, Hong Kong's banking sector's relationship marketing strategies were divided into three groups (Chinese, non-Chinese, and combined). Data indicates that there were variations in relationship marketing strategies throughout banks with varied ownership structures. When implementing relationship marketing strategies, non-Chinese banks were more tactical and proactive. However, results indicated that there were no appreciable variations in the perception of *guanxi* (Chinese interpersonal relationships) between bank ownership types. *Guanxi*, on the other hand, is said to be more thorough and applicable to Chinese commercial connections than relationship marketing. The results of the study suggest that a bank's ownership structure may influence how much emphasis is placed on relationship marketing strategies. The report also warns academics and professionals that relationship marketing strategies are still underutilized in the banking sector and that, in order to preserve a bank's competitive edge, a more organized and thorough strategy must be developed. The results of the study suggested that a bank's ownership structure might influence how much emphasis is placed on relationship marketing strategies. The study serves as a warning to academics and industry professionals about the incomplete implementation of relationship marketing strategies in the banking sector.

Marketing initiatives that concentrate on creating enduring relationships with consumers are referred to as relationship marketing. It falls under the umbrella of customer relationship management (CRM), which seeks to establish enduring commercial relationships with customers.

Types of Relationship Marketing

- Basic Marketing
- Reactive Marketing
- Accountable Marketing
- Proactive Marketing
- Partnership Marketing

Relationship marketing is critical to company since it helps identify target audiences and facilitates ongoing communication with clients. These individuals, the workforce, provide priceless knowledge that may turn business around. Relationship marketing has the potential to boost customer happiness, retention rates, word-of-mouth advertising, conversion rates, teamwork and communication, favorable evaluations, and the development of devoted brand ambassadors. Growing a business is a result of a marketing strategy that prioritizes building connections with customers above increasing the market share of the company's goods and services. It seeks to increase word-of-mouth and repeat business to foster client loyalty.

Benefits of Relationship Marketing:

- Increased Life time Value Per Customer
- Repeated purchase or Use of Services / Products
- Business Growth Through Word of Mouth
- Larger Average Deal Size (*Gilbert & Choi, 2003*).

2.2.8 Market Segmentation and Consumer Behavior in Marketing

Market segmentation is the process of choosing one or more segments to target with a specific marketing mix by breaking a potential market into discrete sub-sets of customers with shared requirements and characteristics. By market segmentation, we mean that all of the market's desires are divided into smaller subsets. In order to understand the customer for marketing purposes, segmentation is crucial in consumer analysis. We can monitor the efficacy and efficiency of every communication for various audience segments by using market segmentation. Appropriate market segmentation will lead to improved resource use. Geographic, Demographic, Behavioral, Firmographic, and Psychographic segmentation are the five main categories. The most basic and popular

type of market segmentation is demographic segmentation. Income, religion, gender, employment, education, marital status, and many more categories are divided into several categories. In contrast, behavioral segmentation speaks about engagement, special events, occasions, loyalty, and usage. In a similar vein, geographic segmentation is carried out based on factors such as population density, nation, area, city, and weather prediction. Similar to this, psychographic segmentation is the practice of breaking down the market based on customer behavior. It consists of religious values, opinions, attitudes, and way of life. The technique of evaluating and grouping B2B clients and audience according to shared attributes that are important to you rather than how another company could be found is known as firmographic segmentation. According to Smith (2022), it comprises segmentation based on industry, annual revenue, company size, sales stage, performance, executive title, and location.

2.2.9 Approaches or Strategies for Relationship Marketing

Adopting appropriate tactics and techniques for the benefit of the client and the business is essential for a long-term partnership. Assurance of quality, financial benefits, social benefits, and technical benefits are a few of the primary strategies.

- **Quality Assurance:** This is relationship marketing's initial strategy. This strategy promises to provide premium goods and services at reasonable costs.
- **Money perks:** Offering clients money perks is the second strategy to improve your relationship with them. For instance, cash discounts, gift cards, and membership cards—all of which are intended to help customers financially in the long run.
- **Social advantages:** Giving consumers social advantages might improve your relationship with them. They receive social attention and esteem as a result.
- **Technological Benefits:** This strategy aims to keep the client informed about changes in technology. In today's environment, most customers want convenience, ease, speed, and security, and this is made possible by the employment of advanced technology (Shrestha, 2016).

2.2.10 Customer Relationship Building Process

Relationship marketing entails a protracted process of cultivating happy, devoted clients. It entails developing customers. Suspects, prospects, first-time users, repeat customers,

clients, members, advocates, and partners are the eight processes that make up the development process.

Suspects: It is important for relationship marketing to locate and draw in the suspects. The potential customers of our goods and services are known as suspects.

Those with a high prospective interest in the items and the financial means to purchase them are known as prospects.

Prospects who purchase the service or goods for the first time are considered first-time users.

Repeat customers are those who start making purchases after having a good experience.

Customers: Recurring customers that are delighted with our goods or services are considered valuable customers.

Members: Those who sign up to become program members in order to get benefits.

Advocates are customer groups that affiliate with other members who suggest the company's goods to others.

Partners: According to Shrestha (2016), the ultimate objective of relationship marketing is to turn some of the advocates into business partners.

2.2.11 Concept of Customer Loyalty

The notion of client loyalty has garnered significant attention and contemplation from scholars and professionals across several sectors. Building customer loyalty is viewed as essential to gaining market share and creating a long-lasting competitive advantage in increasingly competitive marketplaces. The banking sector is not an exception due to its high customer engagement rate; thus, managers need to be aware of the variables influencing consumers' loyalty to their individual banks. Since it is always expensive to bring in new business, managers focus on several aspects that increase the loyalty of their present clientele while also looking for strategies to keep their current clientele. It has been discovered that the elements influencing customers' loyalty include perceived quality, contentment, trust, switching cost, and commitment. These elements also have an impact on one another. The financial services industry has seen significant transformation over the last ten years, creating a market that is marked by fierce competition, slow primary demand growth, and more deregulation.

When customers consistently give a business their business, that is known as customer loyalty. Loyal customers frequently support a brand against its rivals and regularly decide to do business with it. A business has to provide an experience that encourages customers to come back time and time again in order to win their loyalty.

Loyal customers are those who:

- Make repeat purchase
- Are not interested in competitors
- Engage with on various channels
- Provide feedback how to improve company products and its offering
- Advocate and recommend products or services to others

Some of the characteristics of the Customer Loyalty are as follows;

- Customers do not search for different suppliers.
- They are willing to refer brand to family and friends.
- Customers do not open to pitches from competing companies.
- They are open to other goods or services provided by the business.
- Customers are understandable for solving the issues and disputes towards business.
- They offer feedback on how a brand can improve products and services.
- As long as need, they keep purchasing the products from the business.

Regardless of the size of a company, customer loyalty is essential. For the first time it is hard to convince the customer because, they do not have any experience of the products and services offered by the business.

Some of the way to Build Customer Loyalty are as follows;

- Reward Loyal Customer with loyalty program
- Make customer care a priority for the brand
- Boost customer experience by introducing VIP tiers
- Segment your clients
- Send event-based emails
- Optimize the businesses' referral program

- Encourage customers to give feedback regarding company's services and products (*Bilal, et.al, 2010*).

2.2.12 Concept of Emotional Intelligence and Managerial Communication

Emotional Intelligence is the ability to understand, use, and manage emotions in positive ways to relieve stress, communicate effectively, empathize with others, overcome challenges and defuse conflict.

Emotional Intelligence involves the ability to carry out accurate reasoning about emotions and the ability to use emotions and emotional knowledge to enhance thought. Communication occurs when there is intervention into some ongoing activity through the invention of techniques, devices, and procedures that aim to redesign interactivity and thus result to communication. Communication is considered to be one of the most important tools in the process of management. Managerial Communication explores what the managers do in business, meaning that managers use the communication system to plan, organize, direct and control activities and people. Management cannot function without the techniques of communication covered in managerial communication. Continuous effort to improve emotional courage leads to enhanced communication skills, better team environments and increased productivity. They found that corporations need managers to understand Emotional Intelligence and personality strategies to enhance their managerial communication effectiveness (*Tiffany, et.al, 2019*).

2.2.13 Concept of Personal Selling and Sales Promotion

Selling is a challenging profession where as both the company and the customers expect a lot from a salesperson. To be successful, a salesperson needs to possess in-depth knowledge of products and company policies and also the required skills to sell the products. Personal selling consists of interpersonal interactions with customers and prospects to make sales and maintain customer relationships. It is one of the oldest professions in the world. The people who do the selling go by many names; salespeople, sales representatives, district managers, account executives, sales consultants, sales engineers, agents, and account development reps to name just a few. Today, most salespeople are well-educated, well trained professionals who add value for customers

and maintain long-term customer relationships. They listen to their customers, assess customer needs, and organize the company's efforts to solve customer problems.

A salesman needs to become proficient in several steps of the Personal Selling Process. The aim of these processes is to acquire new clients and place orders with them. Nonetheless, the majority of salespeople dedicate a significant portion of their workday to sustaining current clientele and fostering enduring connections. There are seven phases in the selling process: prospecting and qualification, preapproach, approach, managing objectives, presentation and demonstration, close, and follow-up. Advertising and personal selling frequently go hand in hand with sales promotion, another marketing strategy. Short-term incentives used to promote the acquisition or sale of a good or service are known as sales promotion. The majority of businesses, including producers, distributors, retailers, and non-profit organizations, utilize sales promotion techniques. Final consumers, merchants and wholesalers, corporate clients, and sales staff members constitute the target audience.

The goals of sales promotions differ greatly. Merchants can utilize customer promotions to incentivize customers to make short-term purchases or to improve customer engagement with their brand. Sales promotions should support the product's positioning and foster enduring relationships with customers (Kotler, et al., 2020).

2.3 Empirical Review

The review of related Journal and Articles are done for the different hypothesis in different sub headings below:

2.3.1 Review of Journals and Articles

In a research titled "The Impact of Service Quality on Customer Loyalty," Lo Liang (2010) discussed the maturing financial sector as well as the introduction of new banking channels such phone banking, internet banking, and automated teller machines. They investigate the necessity of concentrating on the banking system's evolving role and its vibrant financial market. This study employed the five-dimensional SERVQUAL underlying model to assess the relationship between customer satisfaction and service

quality and customer loyalty among bank customers in Penang, Malaysia. The results demonstrate that raising the caliber of services can increase client loyalty. In this equation, the characteristics of service quality that are most important are assurance, empathy, and dependability.

In order to investigate the causal link between customer loyalty and retail banking in Northern Malaysia, Mukhiddin (2012) performed a research titled "Impact of Relationship Marketing on Customer Loyalty in the Banking Sector." The study examines the marketing literature on client loyalty, specifically as it relates to perceived value, perceived service quality, commitment, and customer happiness.

Using customer pleasure and customer trust as the intervening factors, Mohamad's (2014) research on "Relationship Marketing and Customer Loyalty" looked at the relationship between the two. 150 private banking responses were used as the sample by the researchers. It looked at how customers saw the qualities of customer satisfaction and their level of trust in the honesty and dependability of their exchange partner as mediating variables in their development of trust in the banking services. The outcome showed that relationship marketing strategies had a major impact on client loyalty through increased customer satisfaction and trust.

In order to find out more about how relationship marketing affects customer loyalty, Cherinet (2015) carried out a research titled "The Effect of Relationship Marketing on Customers' Loyalty." The study also looked into how top management commitment mediated the link between customer loyalty and relationship marketing. Primary and secondary samples of various kinds were taken from Zemen Bank in Addis Ababa. According to the study's findings, relationship marketing and client loyalty are significantly and positively correlated. Furthermore, the research indicates a noteworthy correlation between the variables of trust, commitment, communication, and thankfulness and the prediction of consumer loyalty. Based on the results, bankers should develop a relationship marketing plan to guarantee banks' ongoing competitiveness and profitability in order to maintain client loyalty.

In order to shed light on how relationship marketing strategy affects customer loyalty in Pakistan's retail banking industry, Mudassir et al. (2016) conducted study on the topic of "Relationship Marketing and Customer Loyalty." Four important relationship marketing components were evaluated using multiple regression analysis: trust, commitment, communication, and conflict resolution. The survey's results show that four variables have a positive and significant impact on consumer loyalty. It demonstrates how relationship marketing that focuses on developing trust, proving dedication to service, promptly communicating with clients, and effectively resolving dispute can foster client loyalty.

In her research, "Online Relationship Quality: Testing an Integrative and Comprehensive Model in the Banking Industry," Isabelle (2016) looked at online relationship quality as a multifaceted integrative construct that includes satisfaction, commitment, and trust. 476 participants of a sizable consumer panel who utilize online banking were given the study's administration. The results show that, in the banking industry, website features are particularly crucial for promoting high-quality online relationships.

In order to investigate the significance of comprehending, evaluating, and researching consumer behavior and behavior models for research purposes, Vjosa (2017) carried out a study titled "Analyzing Consumer Behavior in Banking Sector of Kosovo." The goal of the research was to gather information on the current customer behavior models in the banking industry by studying the Kosovo banking system.

In order to examine the direct and indirect effects of trust, commitment, and conflict resolution on customer retention, Mahmoud (2018) carried out a study titled "The Effect of Trust, Commitment and Conflict Handling on Customer Retention." A structured questionnaire was utilized in a cross-sectional study to collect data from mobile communications carriers' clients. The results showed that the only factor directly and significantly affecting customer retention was dispute handling. Customer satisfaction was also directly and significantly impacted by trust and dispute resolution techniques. In order to please and keep consumers, the research advises managers to efficiently handle customer complaints and establish their credibility.

In the Ghanaian telecommunications sector, George (2019) carried out a study on "Relationship Marketing Orientation, Brand Equity and Firm Value" and provided an explanation of how customer value and brand equity both mediate the relationship between relationship marketing and firm value. In Accra, Ghana's capital city, four major telecom firms participated in the study, and 1000 clients were given questionnaires. The results show a considerable positive effect of all five Relationship Marketing characteristics on brand equity: trust, empathy, shared value, communication, and bonding. Additionally, the investigation showed that brand equity far outpaces both consumer and business value. According to the research, the relationship marketing idea and brand equity may be leveraged to address difficulties with firm value and customer value in Ghana's telecom sector.

In a research titled "The Impact of Customer Relationship Management and Company Reputation on Customer Loyalty with Customer Satisfaction," Yashar (2020) clarified that customer satisfaction is a prerequisite for both customer loyalty and corporate reputation. The purpose of the survey was to find out what Pakistani consumers thought about the company's reputation. The results indicate that customer loyalty is positively and significantly impacted by customer relationship management and corporate reputation. Additional research reveals that the link between customer loyalty, corporate reputation, and customer relationship management is partially mediated by customer satisfaction.

In a research titled "Role of Client Relationship Marketing in Banking Sector of Pakistan," Mohsin et al. (2020) provided insight into how businesses might succeed in the market by depending on relationship marketing. A total of 325 participants were surveyed in order to draw a conclusion. Data from responders to bankers and customers was gathered via a closed-ended questionnaire. There was no use of statistical methods; instead, qualitative and quantitative research methods were employed. The study concludes that client relationship marketing significantly affects service quality, which in turn fosters customer happiness and trust.

In a research titled "Determinants of Relationship Marketing that Improve Customer Satisfaction in Banking Industry of Pakistan," Maqsood et al. (2022) provided an explanation of how relationship marketing contributed to higher customer satisfaction in the banking industry. Five key factors were tested in a pilot study that was carried out. Using the convenience approach, 382 answers from Lahore banking customers were gathered. The data's normality was assessed using histograms and P-plots, and the main key marketing determinants were examined using linear regression analysis. According to this survey, customers who feel that a bank is trustworthy tend to be more committed to them, react to complaints promptly, communicate clearly, and use technology well.

Table 2.1

Review of Empirical Studies

Author/Date	Topic	Objectives	Methodology	Findings
Lo Liang (2010)	The Impact of Service Quality on Customer Loyalty	To examine role of the banking system and its dynamic financial market	Sampling Technique	Improvement in service quality can enhance customer loyalty
Mukhiddin (2012)	Impact of relationship marketing on customer loyalty in the banking sector	To examine the causal relationship of customer loyalty in the context of retail banking in Northern Malaysia	Sampling technique	The study review there is relationship between relationship marketing and customer loyalty
Mohamad (2014)	Relationship marketing and customer loyalty	To examined the linkage between relationship marketing and customer loyalty by using customer satisfaction and customer trust as the	The technique used for research is descriptive statistical method, and Cronbach's Alpha	The result revealed that the relationship marketing tactics affected customer loyalty significantly through customer trust and customer satisfaction.

		intervening variables		
Cherinet (2015)	The effect of relationship marketing on customers' loyalty	To study to investigate the influence of Relationship marketing on customer loyalty	Multiple regression analysis was administered to measure the customer satisfaction dimensions.	The study reveals that there is a significant effect of trust, commitment, communication, and gratitude on predicting customers' loyalty.
Mudassir (2016)	Relationship Marketing and Customer Loyalty	To provide an insight into the impact of relationship marketing strategy on customer loyalty of retail bank sector in Pakistan.	Multiple Regression Analysis Technique	Relationship marketing done with building trust, demonstrating commitment to service, communicating with customers in a timely and handling conflict efficiently can create loyalty to customer.
Isabelle (2016)	Online Relationship Quality: Testing an Integrative and Comprehensive Model in the Banking Industry	To examines online relationship quality as a multidimensional, integrative construct comprising trust, commitment, and satisfaction.	Binary probit model was used.	The findings demonstrate that website characteristics are especially important for fostering online relationship quality in the banking sector.
Vjosa (2017)	Analyzing consumer behavior in banking sector of Kosovo	To examine the importance of understanding, analyzing and studying consumer behavior and behavior model to conduct a	The SPSS and Microsoft Excel were used to analyze the data.	The study revealed that consumer behavior play important role in banking sector.

		research		
Mahmoud (2018)	The Effect of Trust, Commitment, and Conflict Handling on Customer Retention	To analyze the direct and indirect relationships amongst trust, commitment, and conflict handling on customer retention.	The model of SERVQUAL method (five dimension) was used.	The findings revealed that only conflict handling had a direct significant effect on customer retention.
George (2019)	Relationship Marketing Orientation, Brand Equity and Firm Value	to understand how customer value mediates the relationship between relationship marketing and firm value, and how brand equity mediates the relationship between relationship marketing and firm value in the telecommunications industry in Ghana	The technique used for is sampling method	The findings demonstrate that all the five dimensions of Relationship Marketing-trust, empathy, shared value, communication, and bonding have a significant positive influence on brand equity
Yashar (2020)	The Impact of Customer Relationship Management and Company Reputation on Customer Loyalty with Customer Satisfaction	To examine the customer believes regarding the company reputation	The Technique used for research is mean, frequency and chi square	Customer relationship management and company reputation have a positive and significant impact on customer loyalty
Mohsin et.al	Role of Client	To examine the	The technique	Relationship

(2020)	Relationship Marketing in Banking Sector of Pakistan	role of client relationship marketing in banking sector of Pakistan	used for research is qualitative and quantitative research method.	marketing have a significant impact on the service quality which helps to achieve customer trust and customer satisfaction.
Maqsod et.al (2022)	Determinants of Relationship Marketing that Improve Customer Satisfaction in Banking Industry of Pakistan	To examine how the determinants of relationship can improve customer satisfaction in banking industry	The technique used for research are Histogram, P-plots and linear regression	There is significant impact of determinants to improve customer satisfaction.

2.3.2 Review of Thesis

Petruzzellis (2007) researched on “*Loyalty and Customer Satisfaction in Retail Banking*”. The study examined the loyalty and customer satisfaction in retail banking and investigate which dimensions are important in customer relationship with the banks. The study tries to study the effect of social network in establishing long lasting relationship that will minimize the customers switching costs. The finding suggest that both financial service provider and their clients have to construct a model for the management of long term marketing relationships, in which social bonds play a vital role.

Scholastica (2010) conducted study on “*Relationship Marketing and Customer Loyalty*”. The study examined the relationship marketing and customer loyalty from the approach of customer service operation and customer loyalty in Nigerian Companies. 2400 respondents were selected based on convenience sampling method and stratified into the categories of manufacturing, service and others, operating in Nigeria. The major finding shows that there is significant relationship between relationship marketing practices in customer service operation and customer loyalty, relationship marketing can be used to increase sales through customer loyalty via effective customer services and that

relationship marketing has positive effect on customer satisfaction and organizational profitability.

Bontis (2012) conducted a study on *“The Mediating Effect of Organizational Reputation on Customer Loyalty and Service Recommendation in the Banking Industry”*. The purpose of the study was to develop an understanding of the mediating effect of organizational reputation on service recommendation and customer loyalty. Data were taken from the 8,098 respondents and tested by using the Partial Least Square (PLS) procedure. The finding shows that customer satisfaction enhances reputation in the service environment. It was also discovered that reputation partially mediates the relationship between satisfaction and loyalty, and that satisfaction partially mediates the relationship between satisfaction and recommendation.

Mwanyisa (2012) conducted a study on *“The Relevance of Relationship Marketing on the Sustainability of Zimbabwe Banks”*. The study investigated that changes in the marketing environment have led to the development of new concepts such as relationship marketing. Five independent variables (customer relations, product attributes, promotion and service delivery and information technology) were identified and were tested against on dependent variable (sustainability of banks). The approach uses the quantitative method of research to establish causal relationships. The findings suggest that there was a relationship between service delivery and sustainability of Zimbabwean Banks.

Aris (2013) conducted a study on *“The Influence of Internet-based Customer Relationship Management on Customer Loyalty”*. The study investigated the relationship between the marketing efforts of electronic customer relationship management and loyalty in Hong Kong’s banking industry. A quantitative approach was conducted and out of 150 respondents, 119 valid questionnaires were selected for the sampling. Reliability testing and multiple regression analysis were used to determine the relationships between various dependent and independent variables. The findings of the research show that all four e-CRM marketing tactics (direct mail, interpersonal communication, preferential treatment, and tangible rewards) play vital roles in building customer relationships and make positive impact on customer loyalty.

Anhar (2014) conducted a study on *“The Impact of Relationship Marketing on Customer Loyalty at Tesco PLC, UK”*. The researcher aimed to find out the relationship marketing on customer loyalty considering the context of Tesco plc. On this study, researcher discussed about formation and factors of relationship marketing such as trust, commitment, communication and promise fulfillment. A questionnaire was completed by 100 Tesco customers. The finding suggest that quality of product is dominate factor of relationship marketing to make loyal customer. And the study suggest that relationship marketing has important to gain and sustain loyal customer in the long run in product quality.

Faraj (2019) conducted a study on *“Impact of Relationship Marketing on Customers’ Loyalty of Islamic Banks in the State of Kuwait”*. The study aimed to investigate the impact of relationship marketing on Customers Loyalty of Islamic banks in the state of Kuwait. The five dimensions of relationship marketing was included in the study: Trust, Communication, Commitment, Competence, and Cooperation whereas customer loyalty was measured by two dimensions: Attitudinal Loyalty and Behavior Loyalty. In the study four Islamic Banks were chosen and 600 questionnaire were distributed to the respondents, out of it 560 were valid. The result indicated that there is a significant impact of relationship marketing dimensions on Customer Loyalty of Islamic banks in the state of Kuwait.

Narciso (2019) conducted a study on *“Service Performance Predictors of Customer Satisfaction and Loyalty in the Banking Industry”*. This study was conducted to design an award-wining service performance for banks to be executed on their service counters. The study aimed to determine which were working as desired and streamline weak service performances of employees of the concerned banks. The study used the correlational research design to describe the service performances of employees of the concerned banks. Multiple regressions were used in determining the SERVPEF dimensions, which were the most influential predictors of customer satisfaction and loyalty. The study’s findings revealed that service performances of working staff did not meet the “Strongly Agree (SA)” expectations of the customer respondents despite bank officials’ objectives set on their service counters. Thus, bank officials and working staff may start replacing

their service patterns. Tangibility aspects were also found a highly significant predictor in retaining and turning customers into advocates of banks products and services.

Gnar (2021) conducted a study on *“The Influence of Relationship Marketing on Customer Loyalty: Customer Satisfaction as a Mediation Variable”*. The study aimed is to examine and explain the effect of relationship marketing on customer loyalty mediated by the customer satisfaction. The sample was taken in 120 respondents who were the customer of Livingstone Café and Bakery Semiyak Bali. The sample was analysis by using purposive sampling method, path analysis and sobel test. The result of the test indicates that relationship marketing has a positive and significant effect on customer satisfaction and make positive impact on customer loyalty respectively.

Yonca (2022) conducted a study on *“Effect of Relationship Marketing on Hospital Loyalty: the Mediating Role of Patient Satisfaction”*. The main purpose of the study was to reveal the mediating role of patient satisfaction on the impact of relationship marketing on hospital loyalty. The study was conducted on 401 patients in private hospitals using purposive sampling method. Descriptive statistics, correlation analysis were used to analysis of the data. The finding indicates that relationship marketing has an impact on hospital loyalty, and this effect is enhanced by patient satisfaction.

Rosdiyatma et.al (2022) conducted a study on *“The Influence of Problem Handling, Commitment, Trust, and Communication on Customer Loyalty at Rural Banks”*. The main purpose of the study was to determine whether problem solving, commitment, trust and communication affect customer loyalty. Quantitative analysis with multiple linear regression analysis were observed in 110 respondents in this study. The result of the study indicates that the variables of problem handling, commitment, trust, and communication simultaneously have a significant effect on customer loyalty at rural banks.

2.4 Research Gap

The influence of relationship marketing on client loyalty in Nepalese commercial banks was demonstrated by the aforementioned research. However, there is little consistency in the results from the earlier research. It is not possible to extrapolate the empirical findings

from the other nation to Nepal. Conceptual research gaps were found after a survey of the banking industry literature was conducted. The gap in the literature is related to the dearth of empirical studies on relationship marketing's components and how they affect client loyalty in the context of Nepalese banks. Little research has been done on the aspects of relationship marketing in the banking sector in Nepal, despite the fact that several worldwide empirical studies have been carried out on the subject of relationship marketing in the global financial services sector. As of right now, no empirical study that has been published looks at how relationship marketing affects patron loyalty in Nepalese commercial banks.

While a few studies have examined relationship marketing specifically, none have examined the link between relationship marketing and client loyalty.

CHAPTER-III

RESEARCH METHODOLOGY

A study's general plan is outlined in the research methodology. It offers the fundamental structure around which the research is built. The research technique must be explained before the analysis and interpretation of the results are presented. This section also includes the practical point of view presentation of the selected data collection and analysis strategy, along with a comparative analysis of the benefits and drawbacks of different approaches that may or may not be applicable to this particular study. The study design, methodology, sample strategies, and tools used for data collection are all covered in this chapter. Without a technique, there's a chance that the findings reached may be interpreted incorrectly.

3.1 Research Design

Based on descriptive cum correlation research, this study is a survey. Structured questionnaires are the primary tool used to collect data. Comparative analysis is also the foundation of research. In this case, descriptive research is required to gather relevant data on the variables influencing customer loyalty, and comparative analysis is required to determine how relationship marketing affects customer loyalty across various commercial banks. Additionally, this design has been used to evaluate client thoughts and impressions. Respondents from Nepal's commercial and state banks provided the data for this poll. For data analysis, the terms percentage, mean, frequency, and standard deviation are utilized. Questionnaires about relationship marketing and customer loyalty across public and private commercial banks are distributed to a sample of 500 respondents from various commercial banks. Respondents' personal details, including their bank account number, age, occupation, degree of education, and gender, are included in the questionnaire. In accordance with several criteria, such as yes/no, tick mark, rating, Likert scale, and open-ended questions, it also contains respondents' expectations and beliefs of relationship marketing and their degree of loyalty.

3.2 Population and Sample, and Sampling Design

Since commercial banks account for a large portion of the banking industry in Nepal, "A" class commercial banks were the study's primary focus. In Nepal, there are presently twenty commercial banks operating in the country. The commercial banks' clientele makes up the whole population for this study. The poll was conducted in the Kathmandu Valley and drew responses from a total of 500 people.

Convenience Sampling

Convenience sampling is a sampling strategy that involves gathering data from respondents who are readily available. Due to its size and difficulty in reaching, it is nearly impossible to test the whole community.

3.3 Nature and Sources of Data, and the Instrument of Data Collection

Primary sources of data provided the basis for this investigation. Because the data are qualitative in nature, the population is defined using a cluster sampling technique and a stratified random sample of commercial banks based on the research title. The purpose of the questionnaire survey is to gather consumer opinions and perceptions regarding customer satisfaction and service quality in Nepalese commercial banks. The main goal of the survey is to learn what respondents think about the relationship marketing strategies that their banks use. Out of the twenty-one banks, the database including 10 banks is regarded as a sample frame.

A sample of five hundred employees from several commercial banks is surveyed on their relationship marketing strategies. Respondents' personal details, including their gender, age, occupation, degree of education, and monthly income, are included in the questionnaire. In addition, it contains the respondents' expectations and opinions of the quality of the services provided by banks and their degree of satisfaction based on a variety of factors, including yes/no, tick mark, ranking, Likert scale, and open-ended questions.

For research purposes, primary data have been gathered using the questionnaire. 500 responders from particular commercial banks receive questionnaires. The elements

pertaining to client loyalty are connected to the questionnaire. The primary data-gathering tool to get the customer's perspective on the relationship marketing component is a topic-related, customer-focused questionnaire.

Details of the inquiry for the study. The customer profile includes information on age, gender, education, and employment. The questionnaire for assessing the effect of relationship marketing on a customer's degree of loyalty to a commercial bank is included in the research question.

3.4 Methods of Analysis

In this research different tools are used like SPSS, MS Excel and few statistical techniques such as Cronbach's alpha, mean, standard deviation, percentage frequency distribution, and correlation analysis is used. To analyze the reliability and validity of the data Cronbach's alpha (α), analysis the deviation between mean and actual values standard deviation, to find out the relationship between service quality and customer satisfaction spearman correlation have been used in this study.

Descriptive Analysis

It is method describing the characteristics of the population. Descriptive methodology mainly focuses on the 'what' of the subject than the 'why' of the research subject. It is quantitative research method that attempts to collect quantifiable information for statistical analysis of the population sample. This uses observational methods to conduct the research so there is no controlled variables in the hand of researchers. Cross sectional study is also done in the descriptive analysis. The data collected and research done are basis for further research.

Cronbach's Alpha

Cronbach's Alpha, α is another name for consistency and it is used to see if multiple questions Likert Scale surveys are reliable or not. These questions measure latentvariable – hidden or unobservable variable like: a person's conscientiousness, neurosis or openness.

Formula for Cronbach's Alpha,

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N-1) \cdot \bar{c}}$$

Where,

N = the number of items.

\bar{c} = average covariance between item-pairs.

\bar{v} = average variance.

Arithmetic Mean Average

The central valued that represents the characteristics of the whole distribution or the values around which hall items of the distribution tend to concentrate are called average. Arithmetic Mean or arithmetic Average is one of the important statistical measure of average. The arithmetic mean of a given set of observation is their sum divided by the number of observations that is denoted by X.....

Standard Deviation

Standard Deviation is the measure of dispersion, that is used to quantify the amount of variation or dispersion of a set of data values. It can be defined as the positive square root of variance. A useful property of the standard deviation is that, unlike the variance, it is expressed in the same units as the data. If the data points are further form the mean, there is higher deviation within the data set. Thus, the more spread out the data, the higher the standard deviation.

Percentage

It is the most important tool for the comparison of variables. Percentage refers per hundred. In other words, it is the fraction of 100 denominator which is called as percentage.

Correlation Coefficient (r)

It is defined as the association between two variables i.e. dependent and independent. Its values can range from -1 to 1. The values of -1 coefficient describe as negative or inverse

correlation. Similarly, coefficient of 1 shows positive coefficient or direct relationship and 0 refers there is no relationship between variables.

Regression Analysis

A collection of statistical procedures for determining the relationship between the variables is called regression analysis. The purpose of this study is to use the simultaneous equation model to examine how relationship marketing affects consumer loyalty. Relationship marketing characteristics as independent variables include trust, commitment, communication, handling of conflicts, empathy, and values. One considers customer loyalty to be a dependent variable. This study examines the effect of relationship marketing on customer loyalty using multiple regression models.

The multiple regression models used in this study are:

$$CL = \alpha + \beta_1 T + \beta_2 C_1 + \beta_3 E + \beta_4 V + \beta_5 C_2 + \beta_6 C_3 + \varepsilon \dots\dots\dots (i)$$

Where,

CL = Customer Loyalty

T= Trust

C₁= Commitment

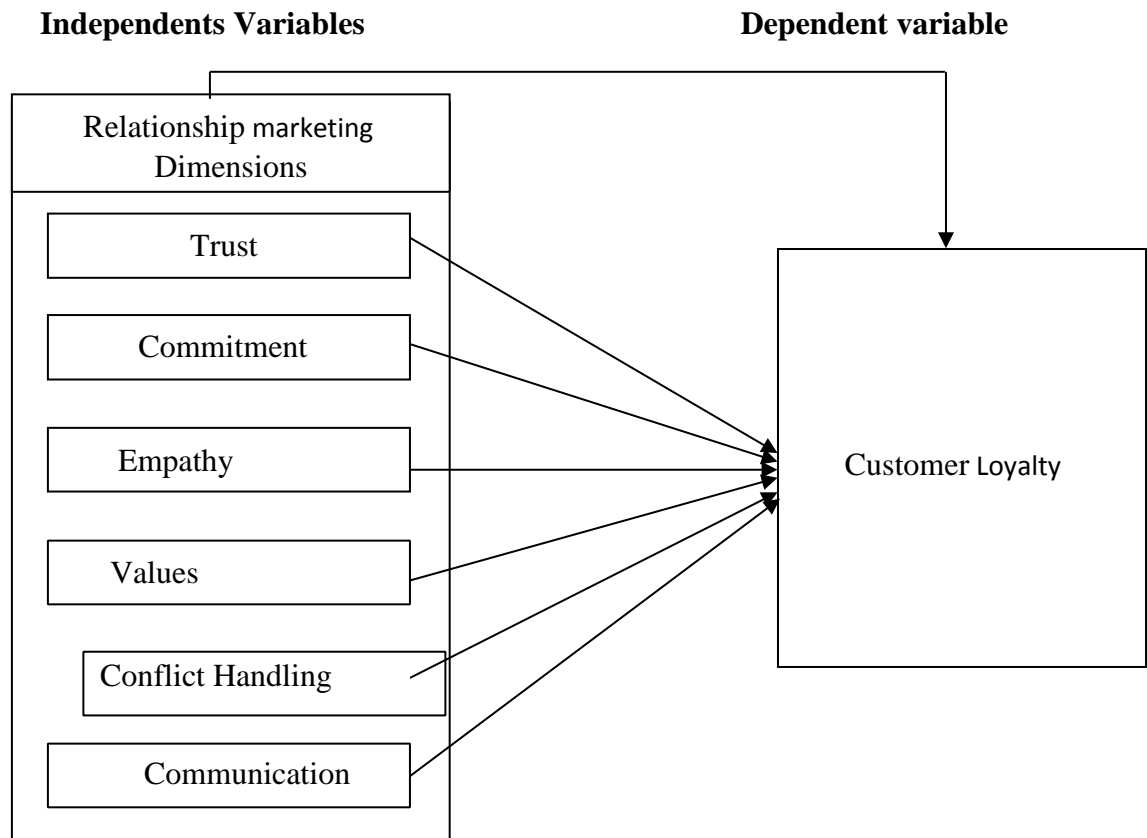
E= Empathy

V= Values

C₂: Handling Conflicts C₃: Interaction The beta coefficients of the explanatory variables that need to be calculated are β_1 , β_2 , β_3 , β_4 , β_5 , and β_6 . α represents the intercept of the dependent variable. Error word is employed since the connection between dependent and independent variables cannot be fully explained by an equation.

3.5 Research Framework and Definition of Variables

A research framework has been used to help focus on the variables in the study. From the theoretical and empirical literature reviews, the following research framework of the study is developed by the researcher.



(Source: Ndubisi, 2022)

Figure 3.1 Research Framework

3.6 Definition of Variables

a) Independent Variables

The independent variables can play a vital role on impact of relationship marketing on customer loyalty in Nepalese commercial banks.

Trust

According to Wong and Shoal (2002), trust is the willingness to rely on and trust an audience. It also represents the relationship and the amount to which one may regard another person's commitment. The research employs many metrics to assess trust, including transaction security, service quality, dedication to consumers, staff conduct, and promises made by the bank.

Commitment

According to Rashid (2003), it is the goal to keep up or preserve a relationship with the other person. The research assesses a bank's commitment by looking at how well its offerings align with the demands of its customers and how adaptable it is to their changing needs.

Communication

All formal and informal interactions that result in a timely, relevant information exchange between the buyer and the seller are considered forms of communication (Ranjbarian & Barari, 2009). In this study, communication is evaluated using parameters like accurate and timely information, sharing information about new developments, tariffs, services, and goods, and timely and trustworthy information.

Conflict Handling

According to Ndobisi and Wah (2005), conflict handling is the cooperative supplier's attempt to minimize adverse effects from a major potential engagement. A common knowledge of the outcomes, problem-solving techniques, resolving client concerns, and preventing conflict are some of the metrics used to quantify conflict handling.

Empathy

The capacity to identify and comprehend another person's feelings is known as empathy. It serves as a stimulant for generosity, endurance, and assistance (Snively, 2019). Customers' degree and quality of connection with the company not only increases, but it also gives the relationship the ability to produce higher value, which leads to customer retention, loyalty, and repeat business.

Values

Values refer to what is important to an individual. Values are stable feelings of importance that arise pursuant to one's influences, such as life experience, interactions, and relationships (Gordon, 2022). Factors affecting values are measured by the services provided to customers like increase in interest rate, gift vouchers during festive seasons, immediate counter service, tariffs and more.

b) Dependent Variable

The dependent variables are the variable that changes as a result of independent variables manipulation. It depends upon independent variable.

Customer Loyalty

It is a collection of attitudes aligned with a series of purchase behaviors that systematically favor one entity over competing entities (*Watson et.al, 2016*). Customer Loyalty is a process that unfold its full potential by enriching the customer's perception of the brand.

CHAPTER-IV

DATA PRESENTATION AND ANALYSIS

In order to address a variety of concerns regarding the effect of relationship marketing on client loyalty in Nepalese commercial banks, such as Laxmi Sunrise Bank Ltd, Nabil Bank Ltd, Sanima Bank Ltd, Nepal Investment Mega Bank Ltd, Himalayan Bank Ltd, NIC Asia Bank Ltd, Global IME Bank Ltd, NMB Bank Ltd, Rastriya Banijya Bank Ltd, and Nepal Bank Ltd, this chapter addresses the methodical presentation, interpretation, and analysis of the data that has been gathered.

4.1 Data Presentation and Results

The results of a questionnaire survey given to Nepalese commercial bank clients are reported in this section. The purpose of the questionnaire survey was to gather respondents' perspectives. A series of questionnaires, each consisting of many sections, was created and given to commercial bank clients. The next parts provide the profile of the respondents, their personal traits, and the survey findings.

4.1.1 Respondents' Demographic Profile

The profile of the respondent provides information on the respondent, including personal characteristics combined based on age, gender, academic background, position/occupation, and length of time spent with the bank. Information from respondents is often utilized to understand the characteristics of customers. The general responder data comprises the following: age, gender, educational background, bank transaction history, and more. The respondent profile from the survey, which is displayed in table 4.1, is displayed in this section.

Table 4.1
Respondents' Profile

Particulars	Frequency (N)	Percent (%)
Gender		
Male	296	59.25
Female	204	40.75
Total	500	100.00
Age group		
18-25	114	22.75
26-35	224	44.75
36-45	90	18.00
46-60	60	12.00
Above 60	12	2.5
Total	500	100.00
Academic qualification		
Masters	184	36.75
Bachelors	196	39.25
Higher Secondary	104	20.75
Below SLC	16	3.25
Total	500	100.00
Occupation		
Business	60	12.00
Student	226	45.25
Service	165	33.25
House Wife	44	8.75
Others	5	0.75
Total	500	100.00
Association with the bank		
Less than a year	86	17.25
1-5 Years	210	42.00
5-10 Years	164	32.75
More than 10 years	40	8.00
Total	500	100.00

(Source: Opinion Survey, 2024)

Table 4.1 shows gender of respondents along with frequency and its percentage values. Among the total 500 respondents 59.25% were male respondents and 40.75% were female respondents.

To measure the age of respondent, age of the respondents were classified into various age groups. The chronological age of the respondents is classified into following categories and their percentage of respondents are: 22.75% of respondents fall under below 25 years, 44.75% of respondents fall under 26 to 35 years, 18% of respondents fall under 36 to 45 years, 12% of respondents fall under 46 to 60 years, 2.5% of respondents fall under above 60 years.

To measure the academic qualification of respondents, academic qualification of the respondent was classified into different categories. Among 100 percentages 36.75% of respondent fall under masters & above, 39.25% of respondent fall under Bachelors, 20.75% of respondent fall under intermediate, 3.25% of respondent fall under SLC. Most of the respondents on this survey are bachelor degree holder.

The professions of customer were classified into different categories like business, student, service, house wife and others to measure the profession of respondents. 12% of the respondent is fall under business, 45.25 % of the respondent fall under student group. Similarly 33.33% of respondent fall under service. 8.75% fall under house wife.

However, only 0.75% of the respondent falls under other groups. Table also shows that 17.25% of respondent have less than one year of experience with the bank, 42% of the respondent have 1-5 years of experience with the bank. Similarly, 32.75% and 8% of respondent have more than 10 years' experience with the bank respectively.

4.2 Relationship Marketing Practices in Nepalese Commercial Banks

The objective of the study was to measure the relationship level between customers and Nepalese commercial banks. This section discusses about the various statement regarding relationship marketing practices variable under which different questions are prepared on basis of it.

4.2.1 Trust Associated with the Commercial Banks

Belief of one party that its demands will be met in the future by the other party's actions, subject to the existence of trust and ambiguity (Bilal et.al, 2010). The answer from 500 consumers across 10 commercial banks in Nepal is displayed in the table below. The

frequency, responder percentage, mean, and standard deviation are displayed here. It is assessed using Likert scales with five points. The numbers 1 through 5 indicate strongly disagree, disagree, disagree, don't know, and agree. The confidence level pertaining to Nepalese commercial banks is presented in Table 4.3.1.

Table 4.2 i) Trust Associated with the Commercial Banks

This table shows trust associated in the Nepalese commercial banks. The number as frequency, percentage, mean and standard deviation(StdDev) of respondent in five Likert scale 1 as strongly disagree (SD), 2 disagree, 3 neutral, 4 agree and 5 strongly agree (SA) are shown.

Statements		SD.....SA					Total	Mean	Std.D	Rank
		1	2	3	4	5				
The bank is very concern with security for my transactions	F %	44 8.75	40 8.0	120 24.0	190 38.0	106 21.25	500 100	3.55	1.167	III
The bank's promises are reliable.	F %	36 7.25	84 16.75	116 23.25	210 42.0	54 10.75	500 100	3.32	1.101	V
The bank is consistent in providing quality service	F %	34 6.6	48 9.3	153 30.6	175 35.3	90 18.0	500 100	3.49	1.098	IV
Employee of the bank show respect to customers	F %	38 7.3	37 7.3	100 20.0	233 46.7	92 18.7	500 100	3.62	1.097	II
The bank fulfills its obligation to customers	F %	10 2.0	28 5.5	162 32.5	212 42.5	88 17.5	500 100	3.68	0.892	I
I have confidence in the bank's services	F %	24 4.75	36 7.25	124 24.75	240 47.75	76 15.25	500 100	3.62	0.988	II
Weighted Average								3.52		

(Source: Opinion Survey, 2024)

On the trust associated with the commercial banks, “The bank fulfills its obligation to customers” with mean value 3.68 has the highest ranking followed by “Employee of the bank show respect to customers” and “I have confidence in the bank’s services” with same mean value of 3.62. Whereas, “The bank’s promises are reliable” and “The bank is consistent in providing quality service” has the lowest ranking with mean value 3.32 and 3.49 respectively. The weighted average is 3.52, which is above average and shows that the respondents have higher agreement towards trust. This shows that bank should focus on providing quality service.

4.2.2 Commitment Associated with the Commercial Banks

Exchange partners should have a long-term perspective toward the relationship and be prepared to make short-term sacrifices in order to reap long-term advantages. This can be done by an implicit or explicit commitment of relational continuity (Filip & Anghel, 2009).

The answer from 500 consumers across 10 commercial banks in Nepal is displayed in Table 4.4. The frequency, responder percentage, mean, and standard deviation are displayed here. Likert scales with five points are used to quantify it; 1 represents severely disagree, 2 disagree, 3 don't know, 4 agree, and 5 strongly agree. The amount of commitment linked to Nepalese commercial banks is displayed in Table 4.3.2.

Table 4.2 ii) Commitment Associated with the Commercial Banks

This table shows commitment associated in the Nepalese commercial banks. The number as frequency, percentage, mean and standard deviation (StdDev) of respondent in five Likert scale 1 as strongly disagree

(SD), 2 disagree, 3 neutral, 4 agree and 5 strongly agree (SA) are shown.

\Statements		SD.....SA					Total	Mean	Std. D	Rank
		1	2	3	4	5				
Bank offers personalized services to meet customer's need	F	19	81	200	160	40	500	3.25	0.941	IV
	%	3.25	16.75	40.0	32.0	8.0	100.0			
Bank is flexible when its services are changed	F	31	100	133	176	60	500	3.27	1.098	III
	%	6.25	20.0	26.5	35.25	12.0	100.0			
Bank is flexible in serving customers' needs	F	30	60	150	186	74	500	3.43	1.07	II
	%	6.0	12.0	30.0	37.25	14.75	100.0			
Bank has maintained a good relationship with its customers	F	35	36	146	190	93	500	3.55	1.084	I
	%	7	7.25	29.25	38	18.5	100			
The bank will still put its customers in a first priority even under economic recession	F	54	100	210	66	70	500	3.00	1.153	VI
	%	10.75	20	42	13.25	14	100			
Bank makes adjustments to suit my needs	F	28	130	212	90	40	500	2.97	0.99	VII
	%	5.5	26	42.5	18	8	100			
Bank offers personalized services to meet customer needs	F	28	76	226	116	54	500	3.19	0.999	V
	%	5.5	15.25	45.25	23.25	10.75	100			
Weighted Average								3.23		

(Source: Opinion Survey, 2024)

On the commitment associated with the commercial banks, “Bank has maintained a good relationship with its customers” with mean value 3.55 has the highest ranking followed by “Bank is flexible in serving customers’ needs” and “Bank is flexible when its services are changed” with mean value of 3.43 and 3.27 respectively. Whereas, “The bank will still put its customers in a first priority even under economic recession” and “Bank makes adjustments to suit my needs” has the lowest ranking with mean value 3.00 and 2.97

respectively. The weighted average is 3.23, which is above average and shows that the respondents has higher agreement towards commitment. This shows that bank should have a strategy on customizing their product and service packages to suit the customers need.

4.2.3 Empathy Associated with the Commercial Banks

The "ability" to comprehend and experience another person's "emotion" or "state of mind" is known as empathy. The fundamental concept of empathy is that one can instantly detect someone's emotions by seeing their facial or body language expressions, or by listening to their tone of speech (Ndubisi, 2004).

The answer from 500 consumers across 10 commercial banks in Nepal is displayed in the table below. The frequency, responder percentage, mean, and standard deviation are displayed here. It is assessed using Likert scales with five points. The numbers 1 through 5 indicate strongly disagree, disagree, disagree, don't know, and agree. The amount of empathy linked to Nepalese commercial banks is seen in Table 4.3.3.

Table 4.2 iii) Empathy Associated with the Commercial Banks

This table shows empathy associated in the Nepalese commercial banks. The number as frequency, percentage, mean and standard deviation (StdDev) of respondent in five Likert scale 1 as strongly disagree (SD), 2 disagree, 3 neutral, 4 agree and 5 strongly agree (SA) are shown.

Statements	SD.....SA					Total	Mean	StdDev	Rank
	1	2	3	4	5				
Services of the bank are in line with our social values	F 13	52	159	206	70	500	3.54	0.931	II
	% 2.5	10.5	31.75	41.25	14.0	100.0			
Services of the bank are consistent with my personal values	F 8	75	183	150	84	500	3.45	0.987	V
	% 1.5	15.25	36.5	30.0	16.75	100.0			
Services of the bank are consistent with my life goals	F 24	40	210	176	50	500	3.38	0.938	VI
	% 4.75	8.0	42.0	35.25	10.0	100.0			
My bank value me as a customer	F 10	58	102	232	98	500	3.7	0.974	I
	% 2.0	11.5	20.5	46.5	19.5	100.0			
Service of this bank contributed to the welfare of the society	F 8	70	180	152	90	500	3.5	0.988	III
	% 1.5	14.0	36.0	30.5	18.0	100.0			
The bank tries to solve my problem in a nice manner	F 25	56	153	188	78	500	3.48	1.034	IV
	% 5	11.25	30.5	37.75	15.5	100.0			
Weighted Average							3.51		

(Source: Opinion Survey, 2024)

On the empathy associated with the commercial banks, “My bank value me as a customer” with mean value 3.7 has the highest ranking followed by “Services of the bank are in line with our social values” and “Service of this bank contributed to the welfare of the society” with mean value of 3.7 and 3.5 respectively. Whereas, “Services of the bank are consistent with my life goals” and “Services of the bank are consistent with my personal values” has the lowest ranking with mean value 3.49 and 3.38 respectively. The weighted average is 3.51, which is above average and shows that the respondents has higher agreement towards empathy. This shows that the commercial banks has also

contributed to the welfare of society by conducting different corporate social responsibility programs.

4.2.4 Values Associated with the Commercial Banks

Service companies like banks that give better value through improved offerings can raise customer satisfaction by making the client feel that they are getting more for less, which in turn improves customer retention (Ravald, 1996).

The answer from 500 consumers across 10 commercial banks in Nepal is displayed in the table below. The frequency, responder percentage, mean, and standard deviation are displayed here. It is assessed using Likert scales with five points. The numbers 1 through 5 indicate strongly disagree, disagree, disagree, don't know, and agree. The values related to the commercial banks in Nepal are displayed in Table 4.3.2.

Table 4.2 iv) Values Associated with the Commercial Banks

This table shows values associated in the Nepalese commercial banks. The number as frequency, percentage, mean and standard deviation(StdDev) of respondent in five Likert scale 1 as strongly disagree (SD), 2 disagree, 3 neutral, 4 agree and 5 strongly agree (SA) are shown.

Statements		SD.....SA					Total	Mean	StdDev	Rank
		1	2	3	4	5				
Employees of the bank deal with customer's in a caring fashion	F	48	50	176	182	144	500	3.25	1.063	III
	%	9.5	10.0	35.25	36.5	28.75				
Bank employee's give the individualized attention to customers	F	20	56	181	206	37	500	3.37	0.923	II
	%	4.0	11.25	36.25	41.25	7.25				
The employees of the bank understand your specific needs	F	18	117	132	189	44	500	3.25	1.018	III
	%	3.5	23.5	26.5	37.75	8.75				
The bank employees have the customer's best interest at heart	F	15	116	163	176	30	500	3.19	0.951	IV
	%	3	23.25	32.5	35.25	6.0				
The bank has operating hours convenient to all its customers	F	14	40	156	210	80	500	3.607	0.940	I
	%	2.75	8.0	31.25	42.0	16.0				
Weighted Average								3.33		

(Source: Opinion Survey, 2024)

On the values associated with the commercial banks, “The bank has operating hours convenient to all its customers” with mean value 3.607 has the highest ranking followed by “Bank employee’s give the individualized attention to customers” with mean value of 3.37. Whereas, “The bank employees have the customer’s best interest at heart” has the lowest ranking with mean value of 3.19. The weighted average is 3.33, which is above average and shows that the respondents has higher agreement towards values. This shows that the employees of the bank show respect and give attention to their valued customers. Also, the employees of the Nepalese bank should focus on listening the customers and value them so that the customer also feel that they are looked as the valued customers by the bank employees.

4.2.5 Conflict Handling Associated with the Commercial Banks

Conflict is characterized as a measure of general disagreement in professional interactions. One crucial factor is the seller's capacity to retain customers (Dwyer, 1987).

The answer from 500 consumers across 10 commercial banks in Nepal is displayed in the table below. The frequency, responder percentage, mean, and standard deviation are displayed here. It is assessed using Likert scales with five points. The numbers 1 through 5 indicate strongly disagree, disagree, disagree, don't know, and agree. The amount of disagreement with the Nepalese commercial banks is seen in Table 4.3.5.

Table 4.2 v) Conflict Handling Associated with the Commercial Banks

This table shows conflict associated in the Nepalese commercial banks. The number as frequency, percentage, mean and standard deviation(StdDev) of respondent in five Likert scale 1 as strongly disagree (SD), 2 disagree, 3 neutral, 4 agree and 5 strongly agree (SA) are shown.

Statements		SD.....SA					Total	Mean	StdDev	Rank
		1	2	3	4	5				
The bank tries to avoid potential conflict	F	20	50	178	212	40	500	3.41	0.920	II
	%	4.0	10.0	35.5	42.5	8.0	100.0			
The bank tries to solve conflicts before they create problems	F	14	98	112	242	34	500	3.37	0.959	III
	%	2.75	19.5	22.5	48.5	6.75	100.0			
The bank has the ability to discuss solutions when problem arise	F	30	46	123	246	55	500	3.49	1.008	I
	%	6.0	9.25	24.5	49.25	11	100.0			
The bank is responsive to my complaints on times	F	21	50	173	220	36	500	3.41	0.913	II
	%	4.25	10.0	34.5	44.0	7.25	100.0			
Bank maintains customers complaint boxes to handle potential problems	F	44	70	144	186	56	500	3.29	1.113	IV
	%	8.75	14.0	28.75	37.25	11.25	100.0			
Bank has appointed a separate staff to handle customers complaints		34	140	166	100	60	500	3.03	1.111	VI
		6.75	28	33.25	20.0	12.0	100.0			
Bank resolves the conflict within the expected time	F	34	80	180	133	73	500	3.27	1.103	V
	%	6.75	16.0	36.0	26.5	14.75	100.0			
Weighted average								3.33		

(Source: Opinion Survey, 2024)

On the conflict handling associated with the commercial banks, “The bank has the ability to discuss solutions when problem arise” with mean value 3.49 has the highest ranking followed by “The bank tries to avoid potential conflict” and “The bank is responsive to my complaints on times” with same mean value of 3.41. Whereas, “Bank has appointed a separate staff to handle customers complaints”, “Bank maintains customers complaint

boxes to handle potential problems” and “Bank resolves the conflict within the expected time” has the lowest ranking with mean value 3.03 and 3.27 respectively. The weighted average is 3.33, which is above average and shows that the respondents have higher agreement towards conflict handling. This shows that banks should improve on handling potential problems by placing complaint boxes and solve the issues so that customers are likely to provide feedbacks and bank can precede those feedbacks and take action on the necessary complaints.

4.2.6 Communication Associated with the Commercial Banks

Effective communication is seen a crucial component of productive partnerships. Research indicates that couples' trust levels rise when they communicate (Morgan & Hunt, 1994). Generally speaking, communication fosters trust by giving partners a means of resolving conflicts. Furthermore, it enhances partners' capacity to harmonize their thoughts and expectations (Alrubaiee, 2010).

The answer from 500 consumers across 10 commercial banks in Nepal is displayed in the table below. The frequency, responder percentage, mean, and standard deviation are displayed here. It is assessed using Likert scales with five points. The numbers 1 through 5 indicate strongly disagree, disagree, disagree, don't know, and agree. The level of contact with Nepalese commercial banks is seen in Table 4.3.6.

Table 4.2 vi) Communication Associated with the Commercial Banks

This table shows communication associated in the Nepalese commercial banks. The number as frequency, percentage, mean and standard deviation(StdDev) of respondent in five Likert scale 1 as strongly disagree (SD), 2 disagree, 3 neutral, 4 agree and 5 strongly agree (SA) are shown.

Statements		SD.....SA					Total	Mean	StdDev	Rank
		1	2	3	4	5				
Bank frequently gathers customers' complaints	F	33	112	192	133	30	500	3.04	0.989	VII
	%	6.5	22.5	38.5	26.5	6.0	100.0			
Bank does encourage its customers to raise their complaints	F	24	140	150	132	54	500	3.11	1.075	VI
	%	4.75	28.0	30.0	26.5	10.75	100.0			
Bank responds to customer's complaints immediately	F	26	80	177	173	44	500	3.25	1.005	IV
	%	5.25	16.0	35.5	34.5	8.75	100.0			
Bank has sufficient staffs to listen my problems	F	30	136	136	134	64	500	3.13	1.131	V
	%	6.0	27.25	27.25	26.75	12.75	100.0			
Bank update about its products and services to the customer timely	F	25	80	146	193	56	500	3.36	1.032	III
	%	5	16.0	29.25	38.5	11.25	100.0			
Electronic message or broadcasting are helpful	F	17	44	113	236	90	500	3.68	0.978	II
	%	3.5	8.75	22.5	47.25	18	100.0			
The information provided by bank is trustworthy	F	6	56	120	218	100	500	3.69	0.962	I
	%	1.25	11.25	24.0	43.5	20.0	100.0			
Weighted average								3.32		

(Source: Opinion Survey, 2024)

On the communication associated with the commercial banks, “The information provided by bank is trustworthy” with mean value 3.69 has the highest ranking followed by “Electronic message or broadcasting are helpful” and “Bank update about its products and services to the customer timely” with mean value of 3.68 and 3.36 respectively.

Whereas, “Bank does encourage its customers to raise their complaints” and “Bank frequently gathers customers’ complaints” has the lowest ranking with mean value 3.11 and 3.04 respectively. The weighted average is 3.32, which is above average and shows that the respondents has higher agreement towards communication. This shows that the bank should take necessary steps for gathering feedbacks and complaints from their valued customers.

4.2.7 Customer Loyalty Associated with the Commercial Banks

According to Oliver (1999), customer loyalty is the deep commitment of a customer to buy or use a product or service frequently in the future, leading to repetitive purchases of the same brand or set of brands, even in the face of external influences and marketing campaigns that could encourage switching.

The answer from 500 consumers across 10 commercial banks in Nepal is displayed in the table below. The frequency, responder percentage, mean, and standard deviation are displayed here. It is assessed using Likert scales with five points. The numbers 1 through 5 indicate strongly disagree, disagree, disagree, don't know, and agree. The level of contact with Nepalese commercial banks is seen in Table 4.3.7.

Table 4.2 vii) Customer Loyalty Associated with the Commercial Banks

This table shows customer loyalty associated in the Nepalese commercial banks. The number as frequency, percentage, mean and standard deviation(StdDev) of respondent in five Likert scale 1 as strongly disagree

(SD), 2 disagree, 3 neutral, 4 agree and 5 strongly agree (SA) are shown.

Statements	SD.....SA					Total	Mean	StdDev	Rank
	1	2	3	4	5				
I am a customer loyal to my bank	F 18	27	113	200	142	500	3.85	1.006	I
	% 3.5	5.5	22.5	40	28.5	100.0			
I would always recommend my bank to other	F 15	56	144	193	92	500	3.59	1.004	IV
	% 3	11.25	28.75	38.5	18.5	100.0			
I do not like to change to another bank	F 36	64	160	166	74	500	3.35	1.106	VII
	% 7.25	12.75	32.0	33.25	14.75	100.0			
If I had to do it over again, I would still choose to use the bank	F 24	64	200	136	76	500	3.36	1.038	VI
	% 4.75	12.75	40.0	27.25	15.25	100.0			
My feedback about bank to other people are always positive	F 25	6	150	233	86	500	3.71	0.931	II
	% 5	1.25	30.0	46.5	17.25	100.0			
I always give suggestions to my bank for better services	F 15	66	100	206	113	500	3.68	1.051	III
	% 3	13.25	20.0	41.25	22.5	100.0			
I feel associated while dealing with the bank	F 24	48	186	162	80	500	3.46	1.021	V
	% 4.75	9.5	37.25	32.5	16.0	100.0			
Weighted average							3.57		

(Source: Opinion Survey, 2024)

On the loyalty associated with the commercial banks, “I am a customer loyal to my bank” with mean value 3.85 has the highest ranking followed by “My feedback to other people

are always positive” and “I always give suggestions to my bank for better services” with mean value of 3.71 and 3.68 respectively. Whereas, “I feel associated dealing with the bank” and “If I had to do it over, I would still choose to use the bank” has the lowest ranking with mean value 3.46 and 3.36 respectively. The weighted average is 3.57, which is above average and shows that the respondents has higher agreement towards customer loyalty. This shows that most of the customers are loyal to their corresponding banks.

4.3 Descriptive Statistics

Descriptive statistics have been utilized, among other things, since this study used a descriptive research methodology to characterize the connection marketing's effects and dimensions on consumer loyalty during the study period. Descriptive analysis includes the computation of statistical metrics like mean and standard deviation in this case.

Independent variables including trust, empathy, values, communication, and conflict resolution were measured using a five-point Likert scale with "Very unsatisfied" = "1" and "Very satisfied" = "5" as the anchor points. Similar to this, customer loyalty items for the dependent variable were also scored on a five-point Likert scale with "Strongly disagree" at 1 and "Strongly agree" at 5. These values aid in the researcher's analysis of the data in relation to variables and research topics, as well as frequency and aggregate.

Table 4.3 Descriptive Statistics

This table summarizes the descriptive statistics of trust, commitment, values, empathy, conflict handling, communication and customer loyalty. It shows descriptive statistics—mean values and standard deviation

Variables	N	Minimum	Maximum	Mean	Std. deviation
Trust	500	1.00	5.00	3.52	0.774
Commitment	500	1.00	5.00	3.23	0.813
Empathy	500	1.00	5.00	3.51	0.752
Values	500	1.00	5.00	3.33	0.761
Conflict	500	1.00	5.00	3.32	0.731
Communication	500	1.00	5.00	3.33	0.788
Loyalty	500	1.00	5.00	3.57	0.815

The descriptive statistics, mean values, and standard deviation of the various variables employed in this investigation are displayed in Table 4.4. To get the needed data, a Likert scale—where 1 denotes strongly disagree and 5 denotes strongly agree—was employed.

Commitment obviously ranges from a minimum of 1 to a high of 5, with a mean value of 3.23. In a similar vein, trust has an average of 3.52 on a scale of 1 to 5, while empathy has an average of 3.51. The values and communication span a mean value of 3.33 and a minimum value of 1. Similarly, the average for conflict is 3.32, with a range of 1 to 5. The loyalty scale has a mean value of 3.57 and a standard deviation of 0.815, ranging from 1 to 5.

4.4 Correlation Analysis

This research part explains the relationships between trust, commitment, values, empathy, handling conflict, and communication with consumer loyalty. For every independent and dependent variable, a correlation analysis was performed using the Pearson correlation coefficient. There were 500 people in the study's sample. It is therefore reasonable to anticipate that these pairings of variables will have some sort of statistically significant association. Thus, the purpose of this part is to elucidate the strength and direction of the relationships between various pairings of these variables.

The Pearson correlation coefficient between the dependent variable, customer loyalty, and the independent variables, trust, commitment, values, empathy, and conflict resolution, is displayed in Table 4.4.

Table 4.5: Pearson correlations coefficient

This table shows the correlation between dependent variable customer loyalty and explanatory variables trust, commitment, empathy, values, conflict and communication

Variables	CL	T	C ₁	E	V	C ₂	C ₃
CL	1						
T	0.639**	1					
C ₁	0.648**	0.800**	1				
E	0.726**	0.687**	0.735**	1			
V	0.582**	0.572**	0.572**	0.644**	1		
C ₂	0.683**	0.534**	0.624**	0.656**	0.756**	1	
C ₃	0.778**	0.601**	0.602**	0.685**	0.541**	0.736**	1

(Source: Opinion Survey, 2024)

** denote that the results are significant at 1% level of significance respectively.

Table suggests that all variables are positively correlated and significant at 1% level of significance. Communication variables seem to be very closely related with customer loyalty as it explains about 77.8% of the variables. The significance level, shown on the

1% level of significance shows that all the variables as trust, commitment, empathy, values, conflict and communication are all the important factors for customer to be loyal for Nepalese commercial bank. Among all components of relationship marketing, communication and empathy is highly correlated with customer loyalty. It shows that to attract customers via customer loyalty in the bank, bank should communicate and associate bank as their own, show empathy to the customers. The table shows that the customer loyalty has a little bit low for variables like values and trust has low correlation with customer loyalty. It shows that customers are more interested in action. They want banks to interact and update about every activities happening and want effective services and build trust among customers.

4.5 Regression Analysis

In this part of analysis, regression between the independent variables namely are trust, commitment, empathy, values, conflict and communication as well as the regression between the dependent variable, customer loyalty. The pooled cross section data for weighted average response for each aspects and each component of seven variables given by 500 respondents are used.

A correlation analysis can only tell whether or not a strong relationship exists between two variables. Even if a correlation coefficient indicates that a strong relationship exists between two variables, but the exact shape of the relationship between two variables is unknown. A regression analysis provides more information about the slope of the relationship. It is used to describe the nature of a relationship and to make predictions. For deeper understanding of the relationship between relationship marketing with customer loyalty, the regression analysis has been undertaken. Table 4.6.1 shows the results of regression analysis, which demonstrate that customer loyalty is dependent on independent variable relationship variable.

Table 4.5 Relationship between customer loyalty, trust, commitment, empathy, values, conflict and communication

The results are based on weighted mean value of perceived Likert value of commercial banks of 2023 survey by using linear regression model. The model is,

$$CL = \alpha + \beta_1 T + \beta_2 C1 + \beta_3 E + \beta_4 V + \beta_5 C2 + \beta_6 C3$$

Note: i) Figures in parentheses are t- values

ii) **and * denotes that the result are significant at 1 % and 5% level of significant respectively.

Models	Regression coefficient							Adjusted R2	F- Value
	Constant	C3	V	C1	C2	E	T		
1	0.896 (4.914)**	0.805 (15.074)**						0.606	227.237
2	1.493 (6.104)**		0.624 (8.716)**					0.335	75.96
3	1.47 7.018			0.649 (10.342)**				0.416	106.9
4	1.037 (4.548)**				0.762 (11.387)**			0.463	129.6
5	0.809 (3.680)**					0.787 (12.857)**		0.524	165.291
6	1.197 (4.983)**						0.674 (10.11)**	0.405	102.362
7	0.93 (10.34)**	0.355 (3.34)**	0.379 (3.74)**					0.453	62.723
8	0.452 (2.272)**	0.638 (10.131)**					0.284 (4.423)*	0.647	137.646
9	0.698 (3.216)**			0.248 (3.054)**		0.59 (6.716)**		0.55	91.959
10	0.327 1.726	0.52 (7.723)*		0.14 (1.994)*		0.303 (3.648)**		0.678	105.649
11	0.285 1.453	0.481 (5.861)**		0.128 1.785	0.072 0.827	0.294 (3.510)**		0.677	79.23
12	0.194 0.942	0.457 (5.461)**		0.055 0.626	0.089 1.011	0.274 (3.233)*	0.12 1.397	0.68	64.196
13	0.182 0.876	0.472 (5.359)**	0.047 0.546	0.05 0.565	0.054 0.502	0.262 (2.983)**	0.114 1.316	0.678	53.285

Table 4.5 displays the uni-variate regression of communication on customer loyalty, as per Model Specification 1. The outcome demonstrates that, at the one percent level, the variable communication is determined to be positive and significant. A relationship marketing attribute called communication accounts for 60.6% of the change in customer

loyalty, according to an R-square value of 0.606. The remaining 39.4% of the change in customer loyalty is attributable to unexplained variability.

Customer loyalty will grow by 0.805 units for every unit increase in communication, according to regression coefficient (B1) communication. According to the findings, there is a positive correlation between communication and client loyalty.

The findings indicate that there was a substantial correlation between customer loyalty and 60.6 percent of the variance (R-Square). According to the previous premise, we can thus infer that there is a strong association between communication and client loyalty at the 1% level. In other words, there is a strong correlation between the communication component and consumer loyalty. As a consequence, the outcome is comparable to (Seyyedeh, et al., 2013).

The uni-variate regression of values on customer loyalty is displayed in model specification 2. The outcome demonstrates that the variable values were determined to be significant and positive at the 1 percent level. The values component, one of the characteristics of relationship marketing, accounts for 33.5 percent of the change in customer loyalty, according to the R-square value of 0.335, with unexplained variability accounting for the remaining 67.5 percent. A one unit rise in values will result in a 0.624 unit increase in customer loyalty, according to the regression coefficient (B1) values. The findings suggest that a positive correlation exists between values and consumer loyalty.

It may be inferred that there is a substantial association between values and customer loyalty at the 1% level since the values variable is shown to be positive and significant, which is in line with the prior hypothesis. In other words, there is a modest association between the values component and consumer loyalty. Consequently, the outcome is comparable to (Osman, 2010).

The uni-variate regression of commitment on customer loyalty is displayed in model specification 3. The outcome demonstrates that, at the one percent level, the variable commitment is determined to be positive and significant. The relationship marketing feature of commitment factor accounts for 41.6 percent of the change in customer loyalty,

as indicated by the R-square value of 0.416. The remaining 58.4 percent of the variation in customer loyalty may be attributed to unexplained variability. Customer loyalty will grow by 0.649 units for every unit increase in commitment, according to regression coefficient (B1) commitment. The findings suggest that consumer loyalty would increase with more commitment.

It may be inferred that there is a strong association between commitment and customer loyalty at 1% since the commitment variable is shown to be positive and significant, which is consistent with the prior hypothesis. In other words, there is a modest link between the commitment component and the loyalty of consumers. Consequently, the outcome deviates from (Alrubaiee, 2010).

The uni-variate regression of conflict on customer loyalty is displayed in model specification 4. The outcome demonstrates that, at the 1 percent level, the variable conflict is determined to be positive and significant. The conflict factor, one of the characteristics of relationship marketing, accounts for 46.3 percent of the change in customer loyalty, according to the R-square value of 0.463, with unexplained variability accounting for the remaining 63.1 percent. Customer loyalty will grow by 0.762 units for every unit increase in conflict, according to regression coefficient (B1) conflict. The findings suggest that consumer loyalty would increase with a larger level of conflict.

It may be inferred that there is a substantial association between conflict and customer loyalty at the 1% level since the conflict variable is shown to be positive and significant, which is in line with the prior premise. In other words, there is a modest association between the conflict dimension and consumer loyalty. As a result, the outcome is comparable to (Gilaninia, 2011).

The uni-variate regression of empathy on customer loyalty is displayed in model specification 5. The outcome demonstrates that, at the one percent level, the variable empathy is determined to be positive and significant. The empathy factor, one of the characteristics of relationship marketing, accounts for 52.4 percent of the change in customer loyalty, according to the R-square value of 0.524; the remaining 57.6 percent is

attributable to unexplained variability. The regression coefficient (B1) for empathy is 0.787, meaning that an increase of one unit in empathy will result in 0. Increased consumer loyalty by 787 units. According to the findings, client loyalty would increase with empathy.

It may be inferred that, at the 1% level, there is a substantial association between empathy and customer loyalty since the empathy variable is shown to be positive and significant, which is in line with the previous premise. In other words, there is a strong correlation between the empathy component and consumer loyalty. As a consequence, the outcome is comparable to (Kheng& Osman, 2010).

The uni-variaded regression of trust and client loyalty is displayed in table 4.5.1, model specification 6, and model specification 1. The outcome demonstrates that, at the one percent level, variable trust is determined to be positive and significant. The relationship marketing feature of trust accounts for 40.5 percent of the adjusted R-square value of 0.405, or the change in customer loyalty, while the remaining 59.5 percent is explained by unexplained variability. Customer loyalty will grow by 0.667 units for every unit increase in trust, according to regression coefficient (B1) trust of 0.674. It is possible to infer that there is a substantial association between trust and customer loyalty at the 1% level since the trust variable is shown to be positive and significant, which is in line with the prior hypothesis. Put another way, there is a modest link between the dimension of trust and the loyalty of consumers. As a result, the outcome is comparable to (Filip & Anghel, 2009).

Table 4.5, Model Specification 7, indicates that the independent variables, communication and value, account for 45.3% of the dependent variable, customer loyalty, as described by the corrected R square from the regression study. The combined coefficient for value and communication is 0.93. Therefore, if all other factors remain constant, it is expected that customer loyalty will improve by 0.93 units for every unit increase in communication and value combined.

According to the corrected R square from the regression analysis in model 8, the independent variables value and communication account for 64.7% of the variance in the dependent variable, customer loyalty. The combined coefficient for value and communication is 0.452. Therefore, if all other factors remain equal, a 0.452 unit increase in customer loyalty is projected for every unit increase in communication and value combined. The regression analysis in model 9's modified R square indicates that the independent variables of trust and communication account for 55% of the explanation of the dependent variable, customer loyalty. The combined coefficient for empathy and commitment is 0.698. Therefore, if all other factors remain equal, a 0.698 unit increase in customer loyalty is projected for every unit rise in commitment and empathy combined. The regression analysis in model 10's modified R square indicates that the independent variables of communication, commitment, and empathy account for 67.8% of the dependent variable, which is customer loyalty. The total coefficient for empathy, commitment, and communication is 0.327. Therefore, assuming all other factors remain constant, it is expected that customer loyalty will grow by 0.327 units for every unit increase in communication and value combined.

According to the modified R square from the regression analysis in model 11, the independent variables trust and communication account for 67.7 percent of the explanation of the dependent variable, customer loyalty. The total coefficient for conflict, commitment, communication, and empathy is 0.285. Therefore, assuming all other factors remain equal, it is expected that consumer loyalty will grow by 0.285 units for every unit increase in communication, commitment, conflict, and empathy combined.

The regression analysis in model 12's modified R square indicates that the independent variables of trust and communication account for 68% of the explanation of the dependent variable, customer loyalty. The combined coefficient for trusts, empathy, commitment, communication, and conflict is 0.194. Therefore, if all other factors remain equal, a 0.194 unit increase in customer loyalty is projected for every unit increase in communication and value combined. The corrected R square from the regression analysis in model 13 indicates that all independent factors account for 67.8 percent of the dependent variable, which is customer loyalty. The coefficient is 0.182 when considering

all independent factors together. Therefore, it is expected that consumer loyalty will grow by 0.182 units for every unit increase in communication and value combined.

Relationship marketing and customer loyalty are shown to be significantly correlated, as supported by the previous premise, and the relationship marketing variable is determined to be positive and significant. As a result, the outcome is comparable to (Scholastica, 2010).

4.6 Major Findings

The major findings of this study are summarized as under:

- Of the 500 respondents in total, 40.75 percent were women and 59.25 percent of the respondents were men. Of the respondents, the largest age group (44.75 percent) is under the age of 26 to 35.
- Of all respondents, 39.25 percent hold a bachelor's degree, making up the majority of respondents. Furthermore, 45.25 percent of the responders were students, making up the bulk of the sample. In a similar vein, 42% of the respondents who had worked for the bank for one to five years were the majority.
- The total weighted mean of the bank-affiliated trust was 3.52, which is somewhat above normal. Similar to the commitment factor, which had a weighted mean of 3.23, the trust factor appears to be good among the consumers. Customers of the commercial bank have an average level of commitment. The commercial bank must take the required actions to resolve disputes or stay out of them.
- The weighted mean of the empathy factor linked to Nepalese commercial banks is determined to be 3.51. It appears that the majority of clients are considerate of their affiliated bank and vice versa.
- The values' weighted average mean is 3.33, which is somewhat above average. The value component appears to be acceptable to Nepali commercial bank clients.
- The weighted mean of the conflict factor was 3.33 as well. Customers of the commercial bank have an average level of dispute. The commercial bank must take the required actions to resolve disputes or stay out of them.

- It is discovered that the Nepalese commercial bank's communication factor has a weighted mean of 3.32. A few things need to be fixed, including compiling consumer complaints and paying attention to their issues.
- The statement customer loyalty has an above-average mean value of 3.62, indicating that customers are loyal to commercial banks.
- According to the regression results, consumer loyalty and the trust dimension are positively correlated (adjusted R square = 0.405). This implies that if a consumer has faith in a bank, they will remain faithful to it. One key factor influencing the quality of a connection is trust. As a result, a company that is thought to be honest by its clients is more likely to have enduring and solid relationships with all of its clients.
- Another element taken into account to guarantee that clients will remain devoted to their bank is commitment. According to this study, there is a favorable correlation between the "commitment dimension" and client loyalty in the banking industry. R squared corrected is 0.419. This suggests that the respondents will take into account the dedication of bank staff to providing their services anytime they interact with their banks.
- It is also discovered that there is a positive correlation between the empathy dimension and client loyalty (adjusted R square = 0.524). For service providers to establish enduring relationships with their clients, empathy is essential. In order to keep their market share, banks must thus better understand their clients and regularly assess the quality of their services.
- The study's findings also show a favorable relationship between the values dimension and
- (Adjusted R square = 0.335) in the banking industry about client loyalty. The sense of honesty, trust, and concern that Nepalese bank customers receive from the bank is what matters most to them.
- It is also discovered that the conflict handling component positively affects consumers' loyalty (adjusted R square = 0.467). In summary, excellent dispute resolution will lead to excellent customer relationships.

- It is also discovered that communication has a favorable impact on customers' loyalty (adjusted R square = 0.603). Therefore, effective communication will lead to increased
- Customer loyalty and contentment.
- With 67.8 percent of the variance (R-Square), the finding also demonstrates a considerable positive association between relationship marketing and client loyalty.
- It is evident that, of all the relationship marketing communication elements, this one is the most important one. Therefore, it can be said that the relationship marketing component that has the biggest impact on client loyalty is communication.
- The conclusion is that there is a strong correlation between client loyalty and relationship marketing.

CHAPTER-V

SUMMARY CONCLUSION AND RECOMMENDATIONS

5.1 Summary

An essential component of the services sector is banking services. Typically, happy clients may also voice their dissatisfaction with the services given by that specific bank. Bank managers now understood that providing excellent customer service is critical to their business's survival in the fiercely competitive global banking market of today. In this regard, the bank has to prepare important information to establish a solid rapport with the clients in order to win their loyalty and keep them from moving to other banks. Accordingly, relationship marketing is seen as a tactic to draw in, keep, and strengthen client connections (Berry, 1983). The characteristics of relationship marketing in connection to client loyalty in the banking industry are the subject of this study. The study that was done is an extension of this one (Jesry & Ahmadi, 2013).

This study aims to investigate the six aspects of relationship marketing: trust, commitment, handling of conflicts, values, communication, and empathy for the loyalty of consumers in the banking industry in Nepal. Demographic variables that have been utilized to explain respondents' loyalty to their bank include gender, age, educational attainment, employment, and bank affiliation.

According to this study, 40.67 percent of respondents are women and 59.33 percent of respondents are men. A significant proportion of the responders, 44.70 percent, are between the ages of 26 and 30. Less than 20 age groups came next, at 22.70 percent. Impressively high education levels were attained by the respondents, with 39.33 percent holding a bachelor's degree. With 45.33 percent of the respondents in this occupation, students make up the bulk of the sample. In the same way, 33.33 percent worked in the service industry.

Primary sources of data provided the basis for this investigation. Respondents' opinions have been evaluated through the utilization of primary data sources. 500 valid replies were acquired from clients of ten commercial banks located in the Kathmandu Valley,

who were selected at random to provide the data. Following data collection, computer software (SPSS and Microsoft Excel) was used for analysis. Throughout the analysis, descriptive analysis was done. We performed regression analysis, correlation analysis, mean, standard deviation, and percentage frequency distribution. This chapter presents the findings summary.

This study has found six relationship marketing dimensions—trust, commitment, handling conflict, values, communication, and empathy—that have an impact on consumers' loyalty in the banking industry.

5.2 Conclusion

The study's main finding is that, in the context of Nepalese commercial banks, relationship marketing is crucial in determining client loyalty. In Nepalese banks, all the characteristics—trust, commitment, values, empathy, resolving conflict, and communication—have a strong positive correlation with client loyalty. Out of all the relationship marketing elements, communication and empathy have the greatest impact on client loyalty.

Likewise, trust and values have the least impact on consumer loyalty. The dimensions of commitment and conflict management have an average impact. The study's findings support the notion that relationship marketing and client loyalty have a strong and favorable correlation.

According to the study, relationship marketing in all its forms positively affects client loyalty. It has been noted that in order to increase their client base and win over customers' loyalty by establishing strong relationships with them and providing good information, Nepalese banks must produce valuable material. Relationship marketing is therefore seen as a tactic to get in, keep, and strengthen client connections.

5.3 Recommendations

On the basis of the major findings of this study, the following major suggestions/managerial implications have been purposed:

- The study found that relationship marketing has a favorable effect on client loyalty; thus, any bank hoping to boost customer loyalty should prioritize expanding its relationship marketing offering.
- The study found that trust has a favorable and substantial effect on client loyalty. Therefore, banks that wish to increase client confidence should concentrate on offering high-quality services and meeting their obligations.
- The results of the study demonstrated a strong positive correlation between dedication and client loyalty. Thus, banks should concentrate on several aspects, such as providing individualized products and services and giving consumers unique attention. Because pleased consumers are more likely to become loyal customers in the future, this will assist to raise the degree of commitment and customer satisfaction.
- Given that the study discovered a favorable correlation between empathy and customer loyalty, it is advised that banks concentrate on fostering long-term relationships with clients by providing personalized service and treating them with respect. This will guarantee client loyalty and foster a greater sense of empathy.
- The results of the study demonstrated a strong correlation between consumer loyalty and values. Financial institutions may cultivate a loyal client base by making contributions to societal well-being and offering goods and services that align with individual and societal ideals. Values will rise as a result, and client loyalty will grow.
- The results of the study demonstrated a strong correlation between client loyalty and dispute resolution skills. Therefore, commercial banks that wish to boost client loyalty have to steer clear of disputes and attend to client grievances. The banks can address the problem on a regular basis and come up with ways to resolve it.
- Despite the study's findings that communication and customer loyalty had a beneficial influence, a few respondents expressed dissatisfaction with how the banks handled their complaints. At this point, building customer loyalty depends greatly on paying attention to the needs and complaints of the consumer and coming up with answers.

- The majority of respondents concur that relationship marketing has a significant impact on loyalty. In order to strengthen the long-term relationship with consumers, the bank should work to maintain, grow, and improve its relationship marketing efforts. Customers will be less likely to transfer banks as a consequence, which will eventually contribute to increased customer loyalty.

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APPENDICES

APPENDIX - I

Survey Questionnaire

Dear sir/madam, this questionnaire is aimed to get your personal opinion about relationship marketing on customer loyalty and will only be used in analysis of academic purpose. So, kindly answer all questions sincerely. All responses are kept completely confidential and only aggregate analysis will be presented.

PERSONAL INFORMATION

Name (Optional) _____

Gender:

1. Male	2. Female
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Please tick the appropriate option below:

Age	Occupation	Qualification	Associates with Bank (In Years)
1. 18 - 25	1. Student	1. Below SLC	1. Less than 1 year
2. 26 - 35	2. Business	2. Higher Secondary	2. 1 – 5 year
3. 36 - 45	3. Service	3. Bachelor	3. 5 – 10 year
4. 46-60	4. Housewife	4. Masters	4. 10 years above
5. Above 60	5. Others (Please Specify)	5. Others(Please Specify)	

1. Please indicate the extent to which you agree or disagree with the following statements. Where 1 indicates: Strongly Disagree (SD), 2 indicate: Disagree (D), 3 indicates: Neutral (N), 4 indicates Agree (A) & 5 indicates: Strongly Agree.

Trust

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. The bank is very concern with security for my transactions					
2. The bank's promises are reliable.					
3. The bank is consistent in providing quality service					
4. Employee of the bank show respect to customers					
5. The bank fulfills its obligation to customers					
6. I have confidence in the bank's services					

Commitment

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Bank offers personalized services to meet customer's need.					
2. Bank is flexible when its services are changed.					
3. Bank is flexible in serving customers' needs					
4. Bank has maintained a good relationship with its customers.					
5. The bank will still put its customers in a first priority even under economic					

recession.					
6. Bank makes adjustments to suit my needs.					
7. Bank offers personalized services to meet customer needs.					

Communication

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Bank frequently gathers customers' complaints					
2. Bank does encourage its customers to raise their complaints					
3. Bank responds to customer's complaints immediately.					
4. Bank has sufficient staffs to listen my problems.					
5. Bank update about its products and services to the customer timely					
6. Electronic message or broadcasting are helpful					
7. The information provided by bank is trustworthy					

Conflict Handling

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. The bank tries to avoid potential conflict.					
2. The bank tries to solve conflicts before they create problems.					
3. The bank has the ability to discuss solutions when problem arise.					
4. The bank is responsive to my complaints on times					
5. Bank maintains customers complaint boxes to handle potential problems					
6. Bank has appointed a separate staff to handle customers complaints					
7. Bank resolves the conflict within the expected time					

Empathy

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Services of the bank are in line with our social values.					
2. Services of the bank are consistent with my personal values					
3. Services of the bank are consistent with my life goals.					
4. My bank value me as a customer.					
5. Service of this bank contributed to the welfare of the society.					
6. The bank tries to solve my problem in a nice manner.					

Values

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Employees of the bank deal with customers in a caring fashion.					
2. Bank employee's give the individualized attention to customers.					
3. The employees of the bank understand your specific needs.					
4. The bank employees have the customer's best interest at heart.					
5. The bank has operating hours convenient to all its customers					

Customer Loyalty

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. I am a customer loyal to my bank					
2. I would always recommend my bank to other					
3. I do not like to change to another bank.					
4. If I had to do it over again, I would still choose to use the bank.					
5. My feedback about bank to other people are always positive					

6. I always give suggestions to my bank for better services					
7. I feel associated while dealing with the bank					

2. Would you like to recommend anything related to the topic?

.....
.....
.....

Thank you

IMPACT OF RELATIONSHIP MARKETING ON CUSTOMER LO...

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CHAPTER-I

INTRODUCTION 1.1 Background of the Study The idea of **relationship marketing is** crucial for businesses **to** draw in **and** retain consumers. **The** shift **in**

marketing emphasis from transactional to relationship marketing is reflected in the contemporary corporate environment. Building, preserving, and improving connections with customers has always been crucial to business. On the other hand, relationship marketing has grown significantly in the previous several years. Relationship marketing is a generally accepted idea in both the academic and professional worlds. Its objective is to strengthen existing bonds and win over disinterested clients to loyalty. Customer relationship marketing is determined by a number of factors, including trust, commitment, empathy, power, collaboration, financial and social relationships, reliance, duration, and rapport (Berry & Parasuraman, 1991). Relationship marketing aims to build trusting relationships with clients by giving them information that is specifically tailored to their requirements and interests and encouraging candid conversation. This strategy frequently leads to an increase in word-of-mouth marketing, repeat business, and a customer's readiness to give information to the company. Contrasting with transactional marketing, which aims to increase the quantity of individual sales, is relationship marketing. According to Jumaa and Larsson (2009), the majority of businesses incorporate aspects of relationship and transaction marketing tactics. An old phrase meaning having a strong bond with one's nation, clan, or friend is loyalty. Through "Brand Loyalty," loyalty has made its way into marketing science literature. However, customer loyalty has been defined in marketing literature as follows: a customer's strong desire to buy or use a product or service regularly in the future, leading to repetitive purchases of the