



Use of Qualitative Research Approaches in Area of Banking and Customer Relationship Management: A Review of Existing Literature

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ABSTRACT

Qualitative research approach which is also known as word-based analysis is used when researcher need in depth information about a phenomenon. It is basically learning about the people's perspective about the world. This review paper is about the use of qualitative techniques in the area of banking and customer relationship management (CRM). It attempts to explain that how researchers have used different qualitative techniques in order to explore various dimensions of CRM. As qualitative method is used for in-depth exploration so the researchers have used these techniques to explore about new perspectives related to banking and customer relationship management. The paper discusses the literature about banking and CRM and how researchers have used qualitative techniques in their studies. Observations, in-depth interviews, case studies, multi-method qualitative research, focus group discussions are used by the researchers in this domain. These methods were suitable as most of the concepts were at their embryonic stage and in-depth exploration was required.



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1. Introduction

Qualitative research is a broad concept that encompasses research methodologies that analyze events by observing interactions, attitudes, and relationships without using statistics or mathematics or computational data processing (Merriam, 2009). The qualitative method, also known as word-based analysis, provides answers to research questions such as (a) what, (b) how, (c) where, and (d) when. Qualitative research, for example, can be described as a set of interpretive techniques aimed at describing, decoding, and translating concepts and phenomena rather than simply recording the frequency of such societal events (Maanen, 1983). Creswell (2007) identified five qualitative approaches to inquiry namely narrative study, phenomenology, grounded theory, ethnography and a case study (Creswell, 2007). Qualitative research methods are more natural since they need the researcher to analyze the data and reach a final conclusion based on his observations (Lincoln & Guba, 1985). Using a qualitative analysis technique, a researcher investigates interviews, summarizes, explains, analyses, and interprets phenomena in their true dimension. One of the most important advantages of qualitative analysis is that it allows for more in-depth investigation (Goertz & Mahoney, 2012). Researchers have broadly used qualitative research methods in different domains. In this paper qualitative researches in the field of banking and customer relationship management will be reviewed.

It will help in understanding that how researchers have used qualitative approaches for in-depth exploration of customer relationship management in banking sector.

Many scholars have described customer relationship management in various ways. CRM is described by Dyche' (2002) in his book as: "The infrastructure that enables the delineation of, and increase in customer satisfaction, as well as the proper methods for motivating valuable consumers to stay loyal—indeed, to buy again." Customer Relationship Management (CRM) gained popularity as banking institutions became more competitive. CRM enabled banks to better consider their customers' current requirements, what they've done in the past, and what they want to do in the future to achieve their own objective (Xu, Yen, Lin, & Chou, 2002). According to Crosby (2002), using knowledge about consumer desires intelligently would result in a long-term two-way interaction with consumers. This would benefit the banking industry because long-term clients are less expensive to service and smooth-running relationships need fewer resources. In general, every organization's CRM consists of two tasks: customer acquisition and improving sales to existing customers so CRM researches mostly involve improving these two tasks.

The remaining review paper consists of the following sections. In the 2nd section basic concepts will be discussed. The third section will include the review of literature studied. In last section conclusion and future recommendations will be discussed.

2. Basic Concepts

2.1. Customer Relationship Management (CRM)

The concept of CRM is as old as a business is. It is considered as a strategy for enabling a company to enhance revenues and improve service quality and customer value by satisfying customer needs. CRM is basically a synthesis of various principles from relationship marketing.

CRM systems are divided into three categories: operational systems (which are used to automate and improve CRM processes), analytical systems (which are used to analyze customer data and knowledge), and collaborative systems (which are used to monitor and coordinate contact networks and customer engagement touch points) (Khodakarami & Chan, 2014).

With the advancement in technology, the concept of eCRM is evolving. eCRM is a set of ideas, resources, and processes that enable a company to get the most out of its e-business investment. It enables businesses to increase the effectiveness of their customer interactions while still making them more personal through individualization. Companies must adapt offerings and campaigns to prospects and consumers in order to thrive with eCRM. Its goal is to intelligently handle the consumer life cycle in three stages: attracting consumers, growing customer satisfaction, and keeping healthy customers (Mahdavi, Cho, Shirazi, & Sahebjamnia, 2008).

In his book, Dyche (2002) proposes that "the bank will like a complete picture of its customers through the different networks that hold their data" before applying any CRM program. If the bank could monitor consumer behavior, executives would have a greater understanding of customer preferences and be able to forecast potential behavior. As a result, the data and applications will assist the bank in managing its client relationships while also allowing it to expand and develop.

Incorporating a CRM scheme into the banking industry enables companies to gain insight into customer behavior and capitalize on the importance of those clients (through the use of technologies and human resources). If the CRM system performs as anticipated, the company will be able to offer improved customer service, make call centers more efficient, efficiently cross-sell products, assist sales personnel in closing transactions faster find potential customers and raise consumer profits by simplifying marketing and distribution processes (Onut, Erdem, & Hosver, 2006).

Customers are usually divided into categories of banks depending on the number of items they use and the amount of money they have in their accounts. In his article, Day (2000) distinguishes between two groups of consumers that interact with banks. Customers that have a small number of goods and small bank accounts have a relationship with the banks known as a "transactional exchange relationship." Banks concentrate on providing cost-effective offerings to these clients. Customers with a large number of goods and high potential balances, on the other hand, can find themselves in a "value-adding" or "collaborative" arrangement with their banks.

According to the author, a transactional exchange relationship may be turned into a value-added relationship as consumers accept staff advice for additional items such as investments or higher savings accounts, perhaps through automated funds transfer to maximize interest. Because of the amount of goods and services available, the account becomes valuable to the bank (Day, 2000). So CRM can help in retention of existing customers as well as in acquiring new customers.

2.2. Qualitative Research Approaches

Qualitative research is used to learn about people's perspectives on the world. Though qualitative analysis has a variety of methods, they all rely on maintaining rich meaning when processing data. Grounded theory, ethnography, action research, phenomenological research, and narrative scientific research are all popular methods. They have some similarities, but their goals and viewpoints are very distinct. In grounded theory, researcher collected extensive evidence on a subject of interest and inductively build theories. In ethnography, for better understanding the cultures of communities or organizations, researchers immerse themselves in them. In the same way in action research, to accelerate social progress, researchers and participants collaborate to connect theory to reality. In phenomenology living experiences of participants are defined and interpreted by researchers as they study a phenomena or occurrence. In narrative research, researchers look at how stories are told and learn more about how people interpret and make sense of their experiences (Creswell, 2007).

3. Literature Review

Qualitative approaches are generally used by the researchers for in-depth exploration of a phenomenon. Ahmed et al., (2019) attempts to capture banking service providers' perspectives on how to re-establish their customers' interest in the UK banking industry. Twenty frontline workers (FLEs) with customer-facing tasks were interviewed, and the interview transcripts were analyzed thematically. Results were described in the context of a trust rebuilding model, which emerged from the emergence of three main themes and a variety of sub-themes. Three main trends emerged from the interviews as an action framework for regaining customers' interest. To begin with, banks are increasing transparency in their operations by properly reporting core features of their lending and other banking activities. Second, they're putting in place strategies and practices to improve their partnership banking, such as increasing employee and customer service programs to benefit small businesses and the community. Finally, they were enhancing organizational performance by investing properly in information technology systems (Ahmed, Bangassa, & Akbar, 2019).

Similarly e-CRM is studied through qualitative research with descriptive approach. As many businesses have adapted their platforms to market digitization and engaged customers to improve competitiveness by creating proximity and quick reaction as a result of technological revolutions. Customer interest will be boosted as a result of this digital transition. As a platform to develop customer engagement, an e-CRM program is used in conjunction with a database, website, e-mail, and social media marketing. The findings indicate that the use of internet technologies in banking, such as websites, online customer care, e-mail, and social media marketing, has resulted in substantial long-term partnerships. As a result, the introduction of e-CRM has clearly resulted in customer retention and solutions (Hendriyani & Raharja, 2018).

Similarly customer relationship management was examined at the bottom of the pyramid (BOP) by using qualitative interaction research method. The study on CRM's implementation at the BOP was conducted using case studies. The main results suggest that CRM is a crucial competitive strategy that firms can use at the BOP, and that it is enabled by firms' partnerships and access to customers' social networks (Chikweche, Chikweche, & Fletcher, 2013).

Another research looked at the online corporate social responsibility (CSR) communication of UAE-based domestic and international banks. The study discusses the methods banks use to advertise their CSR programs on their corporate websites using a qualitative content approach. According to the findings, domestic UAE banks use all CSR marketing tactics, with cause-promotion, philanthropy, and socially responsible business practices being the most common. Government-owned and traditional banks exhibit characteristics similar to those seen in the global sample (Georgiadou & Nickerson, 2021).

The issue of financial exclusion has been tackled from various perspectives. In this perspective, a review of literature was conducted; researcher took a financial ecology perspective and offers a systematic method for analyzing the various forms of difficulties (access, usage, and perception) that disadvantaged financial consumers encounter in their relationships with banking institutions, as well as the underlying causes. Financial inclusion was defined as the availability of long-term financial services and goods that are tailored to individual needs. A particular category of urban vulnerable consumers was analyzed: individuals who are under banked and face insecurity and social exclusion. Focus group data was collected, coded, and analyzed using qualitative data analysis tools. The findings indicate that usage issues are the most common, followed by interpretation issues. The key causes of these financial problems were bank distress and a lack of financial experience. Discrimination' of a large number of their residents in the use of conventional financial services has created a distinct financial ecology in poorer neighborhoods. The study demonstrates the socio-spatial significance of exclusion and calls for further studies into the role of policy responses in limiting abusive practices (Cuesta-González, Paredes-Gazquez, Ruza, & Fernández-Olit, 2021).

Kumar et al., (2018) developed a scale for determining a customer's perception of a bank's customer relationship management (CRM) initiatives CRM technology capability has been defined as a multidimensional construct consisting of technology, individuals, and business resources, based on a resource-based perspective (process). The aim of this research is to provide a quantitative scale for measuring CRM technology capacity and customer satisfaction. For developing a scale, a qualitative inquiry was conducted through literature review for item generation; this was followed by expert opinion and focused group study. This scale was specifically developed for the banking sector (Dubey & Sangle, 2018).

Another study investigated that how representatives from many existing major Swedish banks felt about the digitalization process and its effect on consumer relationships. The data was collected through a series of semi-structured in-depth interviews with managers from various banks who had a deep understanding of the banks' digitalization mechanism and its impact on customer relations/satisfaction and digitalization. This study was a qualitative, phenomenological investigation. The goal was to elucidate the causal dynamics of how bank managers from various major banks viewed the effect of digitalization on consumer loyalty, so an exploratory research strategy was chosen. A systematic literature review was conducted using the PRISMA criteria to assess the availability of studies in the field. Two related papers emerged as a result of the selection process. Neither of them addressed the idea of loyalty as it is viewed by bank executives. This highlights the need for further analysis (Larsson & Viitaoja, 2017).

Dubey et al., (2020) studied the role of digital technology ecosystem and shared networks in customer relationship management (CRM) which is unraveling novel possibilities for joint co-creation in the Indian banking context. It was difficult to begin with a hypothesis or a series of theories, given the rapid evolution of the CRM landscape and the lack of prior research on its relationship with collaboration platforms and co-creation. Given the contemporary nature of phenomena, which was difficult to analyze in isolation, case-study approach was found to be extremely relevant in this field of information system science. Because of its nature to "focus on a single environment or situation," this research used the case-study approach, which has been endorsed as an appropriate method for exploratory studies. The usefulness of the case-study approach in researching such problems has already been proven in previous studies. Results indicate that technology has dramatically expanded avenues of dialogue and access, as well as added openness to the partnership, allowing for co-creation and increasing CRM's reliance on technology. A longitudinal methodology clarified how the bank used technologies to improve the consistency and result of relationships in various areas of CRM.

Apart from these methodologies, some researchers have also used qualitative multi-method research as it not only uses more than one method of collecting but also of analyzing data. One such study is conducted by Reis et al., (2018) which aimed at identifying that how service providers can use their channels in order to handle customer complaints in online to offline era. It makes a timely impact by describing multichannel recovery activities, addressing consumer consequences, and identifying emerging developments. 50 consumer complaint records, ten semi-structured interviews, direct evaluation, and internal bank reports were used to gather data. According to the findings, multichannel consumers are unable to communicate

with a wide range of networks in order to address their problems, resulting in a high number of interactions. Since the subject is complicated, qualitative approaches were used in this study to look for trends and interrelationships across concepts. They encouraged the researchers to see things from a different perspective than quantitative approaches, which are more suited to study questions that are well described and bound by strict parameters (Reis, Amorim, & Melão, 2018).

As the company service landscape is rapidly changing due to technological advancements. Service organizations are continually using its strategic position in raising customer service standards. The application of technologies will improve the attributes and efficiency of services. Customers' contacts and transfers with banks have become more convenient with the Internet. In India, online banking is becoming more common as a way to provide consumers with greater convenience and connectivity. The majority of banks have their own websites in order to improve the consumer experience and provide online services.

So a study by Khare (2010) investigated the applicability of online banking in India, as well as its role in nurturing customer relationships and increasing their importance. Customers in India who are familiar with online banking were surveyed, and their attitudes toward the service were examined. Both exploratory and descriptive research designs were used in this study. Since there was limited knowledge about customers' and bank employees' views about online banking in India, an exploratory study was conducted first to determine the key characteristics of online banking. The data was used to create a questionnaire, which included the exploratory questions. (Khare, 2010).

Researchers have also used qualitative research approaches for exploring the adoption of new technologies in banking; one such study was conducted by Awasthi and Sangle (2013) for examining the framework for mobile customer relationship adoption model. The technology acceptance model (TAM) has dominated research into the factors that influence emerging technology acceptance. However, the model's two basic structures, ease of use and utility, do not adequately describe customer behavior in an emerging world. TAM has been expanded in this paper to examine the factors that contribute to the successful acceptance of a mobile CRM application. Perceived importance, compatibility, and protection and privacy considerations arose as core components. In the case of mobile CRM, a surprising powerful combined impact of factors such as risk, confidence, protection, and privacy was discovered. Mobile banking is also in its beginnings in terms of adoption. As a result, a qualitative approach based on interviews seems to be a better way to investigate important factors for CRM initiatives. Focus group interviews have been proposed as a good tool for exploratory studies, and previous testing has shown that they can be used to analyze new mobile services (Awasthi & Sangle, 2013).

4. Conclusion and Recommendations

Qualitative techniques have long been used in the area of banking and customer relationship management. The emergence of new technologies in banking and CRM led researchers to use qualitative research so that these can be understood in more detail. Various qualitative techniques such as case studies, phenomenology, observation and in-depth interviews have been used have been used by researchers. The use of qualitative techniques in this area helped researchers to understand new dimensions and concepts such as eCRM and e-banking. Future researchers can explore these in a more systematic manner. Meta-analysis study can be conducted in this domain.

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