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Customer Relationship Management as a Driver of Customer Trust and Retention in Fintech Firms in Solapur City

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Abstract
Purpose: The aim of the present study is to research how the Customer Relationship Management (CRM) practices affect customer trust and retention among fintech companies that are located in Solapur, a tier 2 city in Maharashtra, India.
Methodology: It utilized a quantitative and cross sectional design in which the data was collected using 300 active fintech users who participated by filling in questionnaires. Practices of CRM, customer trust, and customer retention were taken by validated five-point Likert scales. Pearson correlation and regression analysis were used to analyze data in SPSS.
Findings: Results showed that there were significant positive correlations between CRM practices and customer trust ($r = 0.684$, $p < 0.01$), CRM practices and customer retention ($r = 0.721$, $p < 0.01$), and customer trust and customer retention ($r = 0.768$, $p < 0.01$). Regression analysis has verified that CRM practices account 46.8 percent of variance on trust and 52.0 percent of variance on retention and trust accounts 59.0 percent of the retention variance. The paper offers empirical research in a previously under-studied setting (tier 2 Indian city) and applies the theory of relationship marketing to the fintech field. Results provide practical ideas that should guide fintech companies in designing CRM strategy in new markets.

Keywords
Customer Relationship Management; Fintech; Customer Trust; Customer Retention; India; Tier 2 City.

Introduction

Financial technology (fintech) companies have become a groundbreaking disruptor in the financial services sector: they are digital alternatives to conventional banks in the form of payments, investments, lending, and insurance (Lee and Shin, 2018). Digital India efforts, the expansion of smartphone use, inexpensive data, and Unified Payments Interface (UPI) usage have spurred the Indian Fintech sector to grow exponentially (Tepe, Geyikci and Sancak, 2022). The market has potential to transform itself to reach a scale of 150 billion in the year 2025. In spite of this development, fintech companies continue to struggle with the issue of customer trust and retention (Zavolokina, Dolata, and Schwabe, 2016). The lack of trust is created by the lack of cybersecurity, privacy, unseen cost, and impersonality of online transactions (Kshetri, 2018). These problems are specifically acute among the emerging economies, where digital literacy differs among the demographic groups of customers. Customer Relationship Management (CRM) has become one of the solutions enabling fintech companies to enhance customers relations and build long-term ones (Payne and Frow, 2017). CRM is the set of practices, technologies, and strategies of managing customer interactions during the lifecycle to enhance service relationships and retention (Al Bashayreh et al., 2022). Finetech companies will be able to gain trust in their online platforms through individualized communication, attentive service, data security, and openness (Kim, Shin, and Lee, 2021). Nevertheless, there is a lack of empirical studies on the impacts of CRM on the building of trust and retention in fintech settings, especially in emerging economies (Barbu et al., 2021). Although there is a body of research on metropolitan cities, tier 2 cities such as Solapur that represent large and expanding fintech markets are poorly studied. Solapur is an industrial and commercial hub in Maharashtra that has been experiencing a growing digital penetration in financial services to the mixed population.

Research Objectives

1. To assess fintech awareness and usage patterns among Solapur City residents
2. To identify the most frequently used fintech products in Solapur City
3. To examine CRM practices impact on customer trust and retention

The study tests three hypotheses- (H1) CRM practices positively impact customer trust; (H2) CRM practices positively impact customer retention; and (H3) customer trust positively affects customer retention. By establishing these relationships, the research aims to provide actionable insights for fintech firms to design effective CRM strategies for emerging markets.

Literature Review and Hypotheses Development.

2.1 Theoretical Framework

The paper combines three theoretical approaches that are complementary in describing the links of CRM, trust and retention in the context of fintech.

A) Relationship Marketing Theory (Gronroos, 1994) is concerned with the relationships that are established with the customers over a long period of time by creating value and personalized relationships with the customers. The theory assumes that the end objective of marketing is to build, sustain and deepen customer relationships at a profitable margin. This implies that fintech CRM practices must be built to generate mutual value, engage and build long-term relationships. Individualized communication, customized services and responsive services are exactly compatible with relationship marketing principles.

B) The Trust Theory (McKnight, Cummings, and Chervany, 1998) assumes that trust is a set of competence, benevolence, and integrity dimensions, which has an impact on the willingness of the customers to participate in the relationships with uncertainty. The theory applies specifically to the fintech sector where the customers are very sensitive to the security of financial data. Competence (reliable service),

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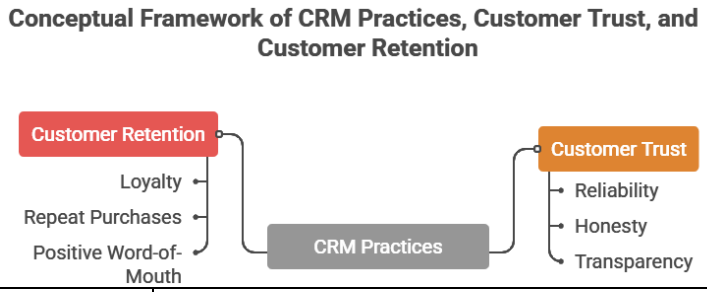
benevolence (customer-centric approaches), and integrity (transparent communication) are some of the effective CRM practices which can help build trust in a systematic manner.

C) Technology Acceptance Model (TAM) (Davis, 1989) is used to explain the adoption of technology in terms of ease of use and usefulness. The attitude of customers to fintech platforms depends on the usefulness and ease of use of CRM systems. The positive attitudes, trust in the platform, which are formed due to the perceived value of CRM used features (personalized recommendations, fast answer to queries), and a desire to navigate them, keep customers using the services.

Figure 1: Conceptual Framework Showing Relationships between CRM Practices, Customer Trust, and Customer Retention

Hypothesized Relationships:



Hypothesis	Path	Expected Effect
H_1	CRM Practices → Customer Trust	Positive (+)
H_2	CRM Practices → Customer Retention	Positive (+)
H_3	Customer Trust → Customer Retention	Positive (+)

Theoretical Foundations:

- **Relationship Marketing Theory** (Grönroos, 1994): Underlies CRM → Trust/Retention relationships
- **Trust Theory** (McKnight et al., 1998): Underlies Trust → Retention relationship
- **Technology Acceptance Model** (Davis, 1989): Underlies customer acceptance of CRM-enabled features

Construct Definitions:

Construct	Definition	Dimensions
CRM Practices	Strategies and technologies for managing customer interactions throughout the customer lifecycle	Personalized communication, accurate record-keeping, responsive service, relationship orientation, tailored services
Customer Trust	Customer belief that the fintech firm is honest, reliable, and will act in their best interests	Honesty/transparency, data security confidence, promise delivery, customer-centricity, reliability
Customer Retention	Customer's intention to continue using the fintech service and resist switching	Continuance intention, recommendation willingness, switching resistance, satisfaction, loyalty

H1: CRM practices have a significant positive impact on customer trust in fintech firms.

2.2 CRM and Customer Trust

The studies always show that CRM practices affect customer confidence in financial services. According to Verhoff, Kannan and Inman (2017), CRM systems can support individual communication and customized services that play a significant role in developing trust. The customers feel like they have been understood and appreciated by the firm when they receive communications in the form that they need and this boosts trust. The perceived risk and benefit mediate between the quality of the websites and trust in electronic commerce study by Kim, Ferrin, and Rao (2008). Trust in digital financial platforms can be improved through CRM systems that communicate their benefits adequately and do not create a perception of risks. Lee and Lin (2005) explored the quality dimension of e-services and customer trust in online banking and the results revealed that the site design, reliability, responsiveness, and personalization have a significant impact on the perceptions of trust. According to Kim (2018), the technological characteristics of CRM systems, especially the data privacy and security management, have a strong impact on the perception of trust. Choudhury and Harrigan (2014) established that customers trust companies with a more responsive service provision and a transparent data service even within CRM systems.

H1: Customer trust in fintech firms positively affects the CRM practices of the firms with a significant impact.

2.3 CRM and Customer Retention

Finetech firms are under intense competition and facing high acquisition expenses; this means customer retention is of vital importance. Retention has been made by Reinartz and Kumar (2003) as one of the objectives that have a big bearing on profitability. Retention in fintech where the switching cost is comparatively low poses a significant challenge but is necessary. According to Nguyen and Simkin (2017), CRM channels which enable e-marketing toward personalization, reward programs, and proactive service to customers are useful in powering retention. Payne and Frow (2005) emerged with strategic CRM framework which focuses on the companies who use CRM to engage in personal interaction attain greater retention rate. Xu, Teo, Tan, and Agarwal (2010) proved that fintech businesses that apply CRM to achieve personal interactions get better retention results. The latest studies focus on the use of AI to improve CRM. According to Zhang and Lee (2022), AI driven personalization, predictive analytics and automated service are highly effective in boosting engagement and retention. The conclusion made by Munira, Juthi, and Begum (2025) was that modern CRM has become AI-based decision support systems that enhance service experience and retention. These findings were supported by Rainy (2025), who opined that AI-enabled CRM systems can lead to better retention because of predictive analytics and proactive engagement. H2: The CRM practices play an important role positively in customer retention among fintech companies. 2.4 Customer Retention and Customer Trust. The retention relationship of trust is well established in the literature of marketing trust minimizes perceived risk, builds confidence with future interactions and forms psychological connectivity that deters switching (McKnight et al., 1998). Trust is more important in fintech, where no one is physically present, and transactions are not conducted in person. Verhoff et al. (2017) observe that trust has a positive effect on retention since it minimizes the uncertainty about the future communication and sets positive expectations regarding service quality. Trust is a psychological cushion that is used against the eventual service failures. The article by Kim et al. (2021) presented the empirical results that confirm the trust-retention connection in the framework of digital platforms and discovered that trust has a significant impact on both attitudinal and behavioral loyalty. their study shows that trusting customers have a positive attitude, recommend a platform, and use services in the long run. The fintech setting in the context of a trust-retention relationship is especially significant because of confidential financial services and possible outcomes of breaching trust. Therefore:

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H2: CRM practices play a considerable positive role in customer retention within fintech companies. Customer Trust and Customer Retention

2.4. **Customer Trust and Customer Retention**

The marketing literature has been well established on the trust retention relationship, which lowers perceived risk, builds confidence in future relationship and forms psychological attachment that prevents switching (McKnight et al., 1998). Trust is more important in a fintech context where the transaction takes place without a physical presence. Verhoff et al. (2017) observe that trust has a positive impact on retention by lessening uncertainty regarding further interactions and establishing positive anticipations of the quality of service. Trust is a psychological cushion to service failures that occasionally occur. Empirical evidence presented by Kim et al. (2021) proves the trust-retention connection in the context of digital platforms and reveals that trust plays a significant role in attitudinal and behavioral loyalty. their study shows that customers who trust give positive ratings, refer to platforms, and use services repeatedly. Trust-retention relationship is of concern especially in fintech because of the sensitive nature of financial services and consequences of breaches of trust. Therefore:

H3: Customer retention is a strong positive influence of customer trust in fintech companies.

Methodology

3.1 Research Design The research design used in the study was a quantitative cross-sectional research design in order to test the relationships between CRM practices, customer trust, and customer retention. This study design is suitable in investigations which involve an association between variables with the control of measurement error using validated measures (Hair et al., 2019).

Sampling and data collection

The data will be collected through sampling.<|human|>3.2 Sampling and Data Collection The data will be collected by sampling. The target population included digital financial services users who are actively using the services in Solapur district in Maharashtra. Convenience sampling was used since there was no detailed sampling frame. The potential respondents were contacted at shopping malls, learning institutions, business organizations and homes at the time of December 2025 to the month of February 2026 to ensure that a sample of 300 respondents is obtained which represents the various age groups, education levels, incomes and type of services they required. The a priori power analysis with G*Power (Faul et al., 2009) was used to determine that this sample size has 95% power to find medium effects (f2 = 0.15) at = 0.05. The response rate was 71.4 (300 of the 420 approached completed).

3.3 Instrument Development

The questionnaire took the form of a structured questionnaire that contained five sections. Section A: Demographic variables (age, gender, education, income) Question B: Fintech awareness and usage patterns. Section C: CRM practices (5 items gauging individualized communication, record accuracy, responsiveness, relationship orientation and customized services) Section D: Customer trust (5 items that gauge honesty/transparency, data security confidence, promise delivery, customer-centricity, and reliability) Section E: Customer retention (5 items, which measure continuance intention, recommendation willingness, switching resistance, satisfaction, and loyalty) Measurement of all perceptual items was done on five-point Likert scales (1 = Strongly Disagree to 5 = Strongly Agree). The scales used as content validity were modified based on validated scales CRM practices of Famiyeh, Ahafianyo, and Benneh (2015); customer trust of McKnight et al. (1998); and customer retention of Reinartz and Kumar (2003). The content validity index (CVI) scores were between 0.83 and 0.92 which is above 0.80 (Lynn, 1986). The entire questionnaire is presented in Appendix A.

3.4 Common Method Bias

The following procedural remedies were also provided to overcome the potential common method bias due to single source self report information (a) respondent anonymity was ensured, (b) question order was counterbalanced, (c) scale items were separated by construct and (d) reverse coded scale items were used (Podsakoff et al., 2003). The one-factor test by Harman indicated that the first factor explained 32.4 percent of the variance, which is less than the 50 percent mark, indicating that no major issue is common method bias.

3.5 Data Analysis Procedures

The SPSS version 26 was used to analyze data. The processes of analysis were done in phases: Demographic variables and patterns of fintech descriptive statistics. Cronbach alpha reliability and composite reliability. Correlation analysis to test the bivariate relationship. Hypothesis testing by regression analysis. All statistical tests were done at 95 percent confidence level (a = 0.05).

4. Results

4.1 Demographic Profile

Table 1 presents the demographic characteristics of the 300 respondents.

Table 1: Demographic Profile of Respondents (N = 300)

Demographic Variable	Category	Frequency	Percentage
Age	Below 25 years	78	26.0%
	25–34 years	112	37.3%
	35–44 years	65	21.7%
	45 years and above	45	15.0%
Gender	Male	182	60.7%
	Female	118	39.3%
Education	Up to Graduate	94	31.3%
	Postgraduate	158	52.7%
	Professional/Doctorate	48	16.0%
Monthly Income	Below ₹25,000	112	37.3%
	₹25,000–₹50,000	78	26.0%
	₹50,001–₹1,00,000	52	17.3%
	₹1,00,001–₹2,00,000	38	12.7%
	Above ₹2,00,000	20	6.7%

The sample represents diverse fintech users. The largest age group is 25 to 34 years (37.3%), indicating younger adults predominate fintech usage. Males constitute 60.7%, reflecting the gender gap in Indian digital financial service usage. The sample is well qualified educationally, with 68.7% having postgraduate or professional qualifications. Income distribution shows concentration in lower middle brackets.

4.2 Fintech Awareness and Usage

Table 2 presents fintech awareness levels.

Table 2: Fintech Awareness Levels

Awareness Level	Frequency	Percentage
Highly aware	98	32.7%
Moderately aware	142	47.3%
Slightly aware	42	14.0%
Not aware	18	6.0%
Total	**300**	**100.0%**

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A substantial majority (80.0%) are highly or moderately aware of fintech products, reflecting growing digital financial service penetration in Solapur.

Table 3 presents fintech product usage (multiple responses permitted).

Table 3: Fintech Product Usage (Multiple Responses Allowed)

Fintech Product	Number of Users	Percentage of Respondents
UPI (Google Pay/PhonePe/Paytm/BHIM)	268	89.3%
Mobile Banking Apps	156	52.0%
Debit/Credit Cards	142	47.3%
Investment Apps	78	26.0%
Digital Wallets	52	17.3%
Insurance Apps	38	12.7%
Online Loan Apps	32	10.7%

Note: Percentages sum to >100% due to multiple responses.

UPI applications are the most frequently used product (89.3%), reflecting UPI's dominance in Indian digital payments. Mobile banking apps (52.0%) and debit/credit cards (47.3%) are also widely used. Investment, insurance, and loan apps have lower adoption, consistent with national trends where payment services lead fintech adoption. regarding usage frequency, 56.0% are regular users (daily/weekly), 27.3% occasional users (monthly), and 16.7% rare users (once in few months), indicating fintech adoption has moved beyond early adopters to mainstream usage.

4.3 Reliability and Descriptive Statistics

Table 4 presents reliability coefficients and descriptive statistics.

Table 4: Reliability and Descriptive Statistics

Construct	Items	Cronbach's α	Composite Reliability	Mean	SD	Skewness	Kurtosis
CRM Practices	5	0.82	0.85	3.84	0.72	-0.43	0.21
Customer Trust	5	0.85	0.88	3.91	0.68	-0.38	0.15
Customer Retention	5	0.80	0.83	3.76	0.75	-0.29	0.08

Cronbach's alpha values exceed the 0.70 threshold (Nunnally & Bernstein, 1994), and composite reliability exceeds 0.80, indicating good internal consistency. Skewness and kurtosis values within ±1 suggest normal distribution.

4.4 Correlation Analysis

Table 5 presents Pearson correlation coefficients between study variables.

Table 5: Correlation Matrix

Variables	CRM Practices	Customer Trust	Customer Retention
CRM Practices	1		
Customer Trust	0.684**	1	
Customer Retention	0.721**	0.768**	1

Correlation is significant at the 0.01 level (2-tailed).

All correlations are positive and statistically significant ($p < 0.01$). The strongest correlation is between customer trust and retention ($r = 0.768$), followed by CRM practices and retention ($r = 0.721$), and CRM practices and trust ($r = 0.684$).

4.5 Hypothesis Testing

4.5.1 Hypothesis 1: CRM Practices → Customer Trust

Table 6 presents regression results for H1.

Table 6: Regression Analysis - CRM Practices Predicting Customer Trust

Model	Unstandardized Coefficients	Standardized Coefficients	t	p	95% CI for B		
	B	Std. Error	Beta			Lower	Upper
(Constant)	1.245	0.187		6.657	0.000	0.877	1.613
CRM Practices	0.672	0.042	0.684	16.000	0.000	0.589	0.755

Note: $R = 0.684$, $R^2 = 0.468$, Adjusted $R^2 = 0.466$, $F(1, 298) = 256.00$, $p < 0.001$

The regression model is significant ($F = 256.00$, $p < 0.001$), with CRM practices explaining 46.8% of variance in customer trust. The standardized coefficient ($\beta = 0.684$, $p < 0.001$) indicates a strong positive effect. H1 is supported.

4.5.2 Hypothesis 2: CRM Practices → Customer Retention

Table 7 presents regression results for H2.

Table 7: Regression Analysis - CRM Practices Predicting Customer Retention

Model	Unstandardized Coefficients	Standardized Coefficients	t	p	95% CI for B		
	B	Std. Error	Beta			Lower	Upper
(Constant)	0.987	0.176		5.608	0.000	0.641	1.333
CRM Practices	0.745	0.040	0.721	18.625	0.000	0.666	0.824

Note: $R = 0.721$, $R^2 = 0.520$, Adjusted $R^2 = 0.518$, $F(1, 298) = 346.89$, $p < 0.001$

The regression model is significant ($F = 346.89$, $p < 0.001$), with CRM practices explaining 52.0% of variance in customer retention. The standardized coefficient ($\beta = 0.721$, $p < 0.001$) indicates a substantial positive effect. H2 is supported.

4.5.3 Hypothesis 3: Customer Trust → Customer Retention

Table 8 presents regression results for H3.

Table 8: Regression Analysis - Customer Trust Predicting Customer Retention

Model	Unstandardized Coefficients	Standardized Coefficients	t	p	95% CI for B		
	B	Std. Error	Beta			Lower	Upper
(Constant)	0.845	0.152		5.559	0.000	0.546	1.144
Customer Trust	0.801	0.037	0.768	21.649	0.000	0.728	0.874

Note: $R = 0.768$, $R^2 = 0.590$, Adjusted $R^2 = 0.589$, $F(1, 298) = 468.68$, $p < 0.001$

The regression model is significant ($F = 468.68$, $p < 0.001$), with customer trust explaining 59.0% of variance in customer retention. The standardized coefficient ($\beta = 0.768$, $p < 0.001$) indicates a very strong positive effect. H3 is supported.

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4.6 Summary of Hypothesis Testing

Table 9 summarizes hypothesis testing results.

Table 9: Summary of Hypothesis Testing Results

Hypothesis	Relationship	β	t	p	R^2	Result
H1	CRM → Customer Trust	0.684	16.000	< 0.001	0.468	Supported
H2	CRM → Customer Retention	0.721	18.625	< 0.001	0.520	Supported
H3	Trust → Customer Retention	0.768	21.649	< 0.001	0.590	Supported

All three hypotheses are supported, confirming significant positive relationships between CRM practices, customer trust, and customer retention.

Discussion

5.1 Interpretation of Findings

This paper is strong empirical evidence of the importance of CRM as a way of determining customer outcomes within the fintech industry. The results show that CRM practices are effective in leading to customer trust and customer retention and customer trust is a strong predictor of customer retention.

CRM and Customer Trust- The strong positive correlation ($b = 0.684$, $p < 0.01$) is in line with Verhoef et al. (2017), Kim (2018) and Lee and Lin (2005). Customers gain more trust when fintech companies adopt CRM behaviors that involve customized communication, precise record management, query response, and customized services. This result builds on previous studies by proving that these relationships are valid in a tier 2 Indian city, where digital literacy and fintech adoption trends might not be similar to metropolitan regions.

CRM and Customer Retention- The correlation between CRM and retention ($b = 0.721$, $p < 0.01$) is in agreement with Reinartz and Kumar (2003), Payne and Frow (2005), and Nguyen and Simkin (2017). CRM as a predictor of 52% of the variance in retention has made the strategic relationship management relevant in customer retention in a situation of low switching costs in fintech. This implies that relationship quality and not just transactional convenience is what leads to loyalty.

Trust and Retention- Trust and retention had the highest observed relationship ($b = 0.768$, $p < 0.01$), which confirmed the centrality of trust in customer relationship processes (McKnight et al., 1998; Kim et al., 2021). Trust as the best explanatory variable of retention variance (59 percent) suggests that trust can be the most vital psychological process by which CRM affects retention. The theoretical implications of this finding include the fact that CRM retention relationships can be partially or completely mediated by trust.

5.2 Theoretical Implications

The results add to the relationship marketing theory by showing that relationship investments using CRM produce favorable customer results in technology mediated situations. Customers appreciate the attempts of firms to establish relationships with them by personalized communication, attentive service and customized services and this supports the Gronroos (1994) framework in online settings. the results support the trust theory that trust is at the core of organizational relationships (McKnight et al., 1998). The especially robust trust-retention connection validates the fact that in an environment where uncertainty and perceived risk exist, trust becomes an essential governance tool that lessens uncertainty and allows further exchange to take place. The work builds on the theory of trust by determining the particular CRM practices that lead to the formation of trust.

The findings indirectly offer support to TAM (Davis, 1989) in the sense that the perceptions of the customers regarding the usefulness of CRM systems are likely to affect their decisions concerning trust and retention. Although TAM was not directly measured, the close relationship between CRM outcomes means that, in case the CRM features are perceived to be valuable, the attributes have a positive impact on customer attitudes.

5.3 Practical Implications

The importance of personalized communication can be highlighted by the fact that the role of Personalization CRM in trust and retention is significant. Customer data should be used by fintech companies to provide relevant content, product suggestions, and services to customers based on their needs, an indication of customer knowledge and appreciation. Make Responsiveness Quick response to customer queries a priority because it became important in building trust. The companies must invest in the customer service infrastructure, such as chatbots with immediate response and human agents with multifaceted problems. Prosperity of service concerns is also achieved through proactive communication which adds to the perception of responsiveness.

Increase Data Security and Transparency Due to the high trust-retention relationship and sensitivity of financial data, companies need to focus on data security and disclose information regarding data practices. Security updates, well-defined privacy policies, and timely disclosure of incidents are evidence of a concern with safeguarding customer interests.

Cultivate Long-term Relationship Orientation CRM activities indicative of long term commitment loyalty programs, anniversary deals, access of relationship manager strengthens trust and promotes retention. Companies need to develop CRM strategies that provide information about their true interest in the well-being of customers and not in the maximization of short-term transactions. Take advantage of AI-powered CRM AI-powered CRM systems provide more possibilities of personalization, predictive analytics, and self-service. Companies ought to consider AI potentials to grow relations and retain personal contact. Predictive analytics can be used to identify at risk customers and chatbots can be used to answer routine queries.

5.4 Contextual Insights:

Tier-2 Cities. The Solapur case offers valuable lessons to fintech companies that focus on the tier 2 cities. The high awareness (80) and frequent use (56) is an indicator of high potential in the market. Nevertheless, the good retention of trust relationship ($r = 0.768$) suggests that trust building can be especially significant in such markets where the digital financial services are still new. The companies venturing in tier 2 cities must focus on developing trust by engaging in open communication, responsive service and conspicuous security.

Conclusion

6.1 Summary of Findings

This paper explored the effectiveness of CRM in stimulating customer trust and retention among fintech organizations that are based in Solapur City, Maharashtra. According to survey data of 300 active fintech users, the following findings were made First, awareness and usage of fintech in Solapur are high, as 80% of the surveyed stated a moderate to high level of awareness, and 56% of respondents stated they use it regularly. The most popular products are UPI applications, which reflect the trends in the country. Second, the hypothesis testing showed that all constructs had significant positive relationships. The customer trust was strongly predicted by CRM practices ($b = 0.684$, $R2 = 0.468$), the retention was strongly predicted by CRM practices ($b = 0.721$, $R2 = 0.520$), and customer trust was greatly predicted by retention ($b = 0.768$, $R2 = 0.590$). These results prove that successful CRM activities involving personal communication, responsiveness service, and

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customized offerings are important in increasing customer confidence and retention. Besides, trust is an effective retention driver, implying that CRM practices can affect retention in part due to their effect on trust.

6.2 Limitations and Future Research.

There are a number of limitations that should be recognized. First, its geographic scope is restricted to one city, which cannot be generalized; replication of the study in more cities is recommended in the future. Second, cross sectional data capture association at a single point but they cannot conclusively prove causality hence longitudinal research that follows customers through time would help prove causality. Third, self report measures are vulnerable to common method bias, but procedural solutions and the test of Harman imply that this is not a significant issue. Objective CRM implementation and retention measures should be used in future research. Fourth, this paper has been analyzing narrow constructs; future studies need to focus on other CRM dimensions (integrating technology, data analytics), antecedents of trust (reputation, word of mouth), and antecedents of retention (switching costs, alternative attractiveness). Fifth, mediation processes should be subjected to formal testing in structural equation modeling. Lastly, moderating variables (demographics, product type, digital literacy) are to be examined in order to conclude whether associations differ among groups of customers.

6.3 Conclusion

With the high rate of digital change in the financial services sector, it is important to know how to develop and maintain customer relationships. This paper has shown that CRM is not a technology but a strategy that leads to high dividends in customer loyalty and retention. In the case of fintech companies that have to compete in competitive markets such as Solapur, CRM capabilities that deliver personalized, responsive, transparent, and relationship oriented experiences can generate sustainable competitive advantage and generate long term customer loyalty.

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