

A Study on Impact of Customer Relationship Management Practices on Indian Banking Sector

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ABSTRACT:

In an aggressive commercial center where organizations vie for clients, CRM is viewed as a key differentiator and progressively has turned into a key component of business methodology. Associations are progressively inspired by holding existing clients while focusing on non-clients; measuring consumer loyalty gives a sign of how effective the association is at giving items as well as administrations to the commercial center. This paper investigates the conventional ways to deal with executing CRM extends in the keeping money or budgetary industry. It additionally highlights the significant issues confronting the business in actualizing such arrangements. Furthermore, the paper depicts the SAS Banking Intelligence Solutions, and how these arrangements can be utilized to bring down CRM costs and to give a superior comprehension of an association's client base.

Keywords:

Attitudes, Perception, Banking Sector, Intelligence.

INTRODUCTION:

CRM is an arrangement of activity that alters thing and arrangements philosophies to customer essentials and slants. Organizations are then given in a perfect way using the channels that are supported by the customers. Fruitful CRM starts by focusing on the progression of business techniques and by modifying a relationship to serve customers. These business techniques are then executed using CRM advancement courses of action. The best business frameworks are made just after an affiliation gets some answers concerning customers' lead illustrations and perspectives. Direct considers demonstrate what things or organizations have been acquired in the past and what things or organizations are starting at now being bought. Attitudes considers show what customers are thinking and feeling about future acquiring decisions. Uncovering a customers' direct cases and means incorporate get-together germane esteem based and diagram

data, putting the data into a data storage facility, and a short time later applying logical strategies. After the information is accumulated from the data, a huge methodology for achievement can be made to reach approaches that offer the perfect things or organizations. There is a transformative approach to manage CRM that spotlights overwhelmingly on "customer esteem" assets organization. This approach begins with business framework headway. Next, a data structure is made that support customer correspondences. By then, a development system is planned to make CRM happens. Finally, customer correspondence channel frameworks are made, and strategy execution advancement is used to make an on-running talk with the customers.

REVIEW OF LITERATURE :

In writing, numerous definitions were given to portray CRM. The primary distinction among these definitions is mechanical and relationship parts of CRM. A few creators from showcasing foundation underscore innovative side of CRM while the others think of it as viewpoint of CRM. From showcasing viewpoint, CRM is characterized by [Culdwell 1998] as "a blend of business process and innovation that looks to comprehend an organization's clients from the point of view of their identity, what they do, and what they resemble". Innovative meaning of CRM was given as "The commercial center without bounds is experiencing an innovation driven transformation" [Pepers and Rogers 1995]. Thus, IT and promoting divisions must work intently to execute CRM productively. Then, usage of CRM in keeping money segment was considered by [Mihelis et al. 2001]. They concentrated on the assessment of the basic fulfillment measurements and the assurance of client gatherings with unmistakable inclinations and desires in the private bank part. The methodological approach depends on the standards of multi-criteria demonstrating and inclination disaggregation displaying utilized for information investigation and understanding. [Yli-Renko et al. 2001] have concentrated on the

administration of the trade connections and the ramifications of such administration for the execution and advancement of innovation based firms and their clients. Particularly the client relationship of new innovation based firms has been contemplated. [Cook and Hababou, 2001] was keen on aggregate deals exercises, both volume-related and non-volume related. They likewise built up a change of the standard information envelope investigation (DEA) structure utilizing objective programming ideas that yields both a deals and administration measures. [Beckett-Camarata et al. 1998] have noticed that overseeing associations with their clients (particularly with workers, channel accomplices and key collusion accomplices) was basic to the association's long haul achievement. It was likewise stressed that client relationship administration in light of social trade and value fundamentally helps the firm in creating community oriented, agreeable and beneficial long haul connections. [Yuan and Chang 2001] have displayed a blended activity combined learning approach for better comprehension of clients and the arrangement of pieces of information for enhancing client connections in view of various wellsprings of web client information.

They have likewise progressively divided information sources into groups, consequently named the components of the bunches, found the attributes of typical, surrendered and potentially abandoned bunches of clients, and gave intimations to picking up client maintenance. [Peppers 2000] has additionally introduced a system, which depends on joining e-business exercises, channel administration, relationship administration and back-office/front-office mix inside a client driven procedure. He has created four ideas, in particular Enterprise, Channel administration, Relationships and Management of the aggregate venture, with regards to a CRM activity. [Ryals and Knox 2001] have distinguished the three fundamental issues that can empower the improvement of Customer Relationship Management in the administration area; the authoritative issues of culture and correspondence, administration measurements and cross-utilitarian coordination particularly amongst advertising and data innovation.

OBJECTIVES OF STUDY:

1. The main role of the venture is to realize what is CRM is about and how it helps in the keeping money part.
2. To know how compelling is CRM in holding banks clients.
3. To know the application and usage of CRM in managing an account segment.

4. To Study diverse sorts of CRM programming utilized as a part of banks.

5. To look at CRM rehearses in various banks.

6. To review impacts of CRM on banks and additionally on its workers.

SCOPE OF STUDY:

Today in this aggressive world practically every association concentrates more on client instead of their essential target that is benefit. Because of this reasons associations are concocting many showcasing procedure. From here develops a promoting system called CRM. Practically every organization feels the requirement for CRM to meet their client requests and give them the best of the administrations. CRM has risen as a fundamental apparatus in dealing with an associations client. It has picking up a great deal of significance in this day and age.

RESEARCH METHODOLOGY:

DATA SOURCES:

The study has been collected data from boyh primary data and secondary data. The primary data include questionnaire, opinions collected from respondents and the secondary information has been sourced from the internet and from business related magazines, journals, published books and newspapers.

SAMPLING TECHNIQUE USED:

Since the information required was not of a very technical nature and also looking at the scope of the study and the extent of the target segment, the sampling technique employed was Convenience Sampling for administered the questionnaires.

SAMPLE SIZE:

The study restricted the sample size to 50 respondents. This was done keeping in mind the time constraints and the fact that this number would be enough to serve the information needs required to show the trends.

LIMITATIONS OF THE STUDY:

1. The survey is limited to Hyderabad city only.
2. The duration of study will be 45 days.
3. The views expressed by the consumers may not be 100 percent True or accurate.
4. Financial Limitation.

AN ANALYSIS OF CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES IN BANKING SECTOR

In view of the above, the study is designed to investigate the customer relationship management practices in banking sector.

Table 1
Gender

Gender	Frequency	Percent
Male	31	62.0
Female	19	38.0
Total	50	100.0

Interpretation: From the above graph the majority of the respondents male and they are of 62% and remaining are of female 38%.

Age

Age (in years)	Frequency	Percent
Up to 20	6	12.0
20-30	32	64.0
30-40	10	20.0
Above 40	2	4.0
Total	50	100.0

Interpretation: 64% of the respondents belong to the age group 20-30 years and 20% of them belongs to 30-40 above 40 years are of 4% and remaining belongs to upto 20 years

Qualification

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SSC	3	6.0	6.0	6.0
Intermediate	3	6.0	6.0	12.0
Diploma	12	24.0	24.0	36.0
UG	5	10.0	10.0	46.0
PG	27	54.0	54.0	100.0
Total	50	100.0	100.0	

Interpretation: The majority of the respondents have completed post graduation i.e. of 54% and graduates are 10% and diploma holders are of 24% and 6% of intermediate and ssc.

Income

Response	Frequency	Percent	Valid Percent	Cumulative Percent
below 10,000	2	4.0	4.0	4.0
10,000-15,000	17	34.0	34.0	38.0
15,000-20,000	27	54.0	54.0	92.0
above 20,000	4	8.0	8.0	100.0
Total	50	100.0	100.0	

Interpretation: 54% of the respondents have the income between 15 to 20000 rupees of income 34% have 10000-15000, 8% has above 20000, and remaining has 10,000.

Do you think that CRM is important in today's competitive business environment?

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all important	2	4.0	4.0	4.0
Somewhat important	7	14.0	14.0	18.0
Important	20	40.0	40.0	58.0
Very important	21	42.0	42.0	100.0
Total	50	100.0	100.0	

Interpretation: 82% of the respondents express that the CRM is important and very important and remaining 18% says they doesn't give important for it.

How would you rate effectiveness of CRM in your bank?

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Satisfactory	20	40.0	40.0	40.0
Good	20	40.0	40.0	80.0
Very good	6	12.0	12.0	92.0
Excellent	4	8.0	8.0	100.0
Total	50	100.0	100.0	

Interpretation: 40% of the customers said they are satisfied 40% said its good and 12% said its very good and remaining said its excellent.

How would you rate employees comfort with CRM solution in your bank

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Satisfactory	20	40.0	40.0	40.0
Good	18	36.0	36.0	76.0
Very good	10	20.0	20.0	96.0
Excellent	2	4.0	4.0	100.0
Total	50	100.0	100.0	

Interpretation: 56% of the respondents express employees are comfort with the CRM 40% of the employees are satisfactory and remaining said it's excellent

How would you rate the effectiveness of your CRM in customer retention?

Response	Frequency	Percent	Valid Percent	Cumulative Percent
satisfactory	22	44.0	44.0	44.0
good	15	30.0	30.0	74.0
very good	9	18.0	18.0	92.0
excellent	4	8.0	8.0	100.0
Total	50	100.0	100.0	

Interpretation: 44% of the respondents expressed they are satisfied 30% of them said it's good 18% expressed it's very good and remaining are as follows.

How would you rate the effectiveness of your CRM in enrichment of customer service?

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Satisfactory	17	34.0	34.0	34.0
Good	22	44.0	44.0	78.0
Very good	5	10.0	10.0	88.0
Excellent	6	12.0	12.0	100.0
Total	50	100.0	100.0	

Interpretation: 66% of the respondents expressed CRM enrichment is of good and very good and explains and remaining 34% is of satisfactory.

According to you what role does a CRM solution plays in improving discipline of your bank?

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Bad	4	8.0	8.0	8.0
Satisfactory	14	28.0	28.0	36.0
Good	20	40.0	40.0	76.0
Very good	8	16.0	16.0	92.0
Excellent	4	8.0	8.0	100.0
Total	50	100.0	100.0	

Interpretation: CRM plays a curious role in the bank based on the response it is confirmed 92% of the respondents said it as satisfactory, good, very good and excellent, remaining said it's bad.

What do you view CRM as...

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Investment	26	52.0	52.0	52.0
Cost driver	24	48.0	48.0	100.0
Total	50	100.0	100.0	

Interpretation: 52% of the respondents says it's an investment and remaining 48% says it as a cost driver.

Comparing with other banks, CRM in your bank is.....

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Satisfactory	23	46.0	46.0	46.0
Good	21	42.0	42.0	88.0
Very good	2	4.0	4.0	92.0
Excellent	4	8.0	8.0	100.0
Total	50	100.0	100.0	

Interpretation: 46% of the respondents express that it is satisfactory, 42% said it is good and remaining 12% of the respondents expressed it as a very good and excellent.

Do you satisfied with your bank's CRM?

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Very satisfied	7	14.0	14.0	14.0
Somewhat satisfied	34	68.0	68.0	82.0
Somewhat dissatisfied	9	18.0	18.0	100.0
Total	50	100.0	100.0	

Interpretation: 14 % are of very satisfied and 68% some what satisfied and 18% some what satisfied this says how the they are dissatisfied.

FINDINGS:

1. Majority of the respondents express that the CRM is vital and vital and remaining says they don't give vital for it.
2. Majority of the respondents are happy with the bank's CRM. Yet, they required more from the bank. A portion of the respondents are feel that the administration given by the bank is magnificent.
3. Majority of the respondents express utilizes are solace with the CRM. They discover change in the representatives' response.
4. Majority of the respondents are happy with the CRM's viability and a portion of the respondents are feel as amazing in client maintenance.
5. Most of the respondents feel that CRM will help the banks in clients change.
6. CRM assumes an inquisitive part in the bank in light of the reaction it is affirmed by larger part of respondents.
7. As for every my review half of the respondents are especially happy with the bank's CRM and remaining are recently fulfilled bank needs to enhance their productivity in CRM.

CONCLUSION:

The objective of this exploration was to concentrate the effect of CRM and its practices in banks. CRM has been a key component of the advanced showcasing lately. All around the globe organizations in various sizes have been attempting to use CRM frameworks to help them with their aggressive business. Then again due to incredible rivalry, procuring new clients is getting to be plainly troublesome as well as holding existing clients is an a significant testing assignment. Amid our examination we discovered that it is a considerable measure less expensive to continue existing clients upbeat than to draw in new ones. However, keeping up connection with existing clients in level that continually urge them to remain with an organization is a dynamic and fastidious employment. That is the reason mechanized CRM framework can assume a basic part in achievement of an organization. In any case, the way that CRM frameworks are utilized can make considerable distinctive on the result. Alongside the deals and advertising, the various bureaus of a business ought to be required with CRM forms.

Another rising methodology that as of late has been pulling in partnerships is client esteem administration. They will likely distinguish the esteem that can be conveyed to clients alongside their items through their strong procedures and administrations.

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