

Role of Customer Relationship Management in Banks

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ABSTRACT

Customer Relationship management (CRM) is a model for managing a industry interactions with current and future customers. It involves using technology to organize, automate an synchronize sales, marketing, customers service and technical support. The objective of the present study is to analyze the benefits of customer relationship management in Banks. The study is based on the primary data and collected through well structured questionnaire. On the basis of convenient sampling, 100 respondents taken from Sirsa city and respondents are banks employee. The collected data analyze with the statistical tool percentage and found that the good CRM helps to grow business; improve customer loyalty; reduce costs and wastage; works as referrals to new customers from the increasing numbers of satisfied customers; helps in reducing the demand on fire-fighting and trouble-shooting staff, and overall the organization's service flows more efficiently.

Keywords:- Benefits, CRM, Percentage, customer loyalty.

Introduction-

A better relationship is a series of repeated exchanges between two parties known to each other. Customer relationship management (CRM) is an important to an organisation as they obtain their profit through long-term and good relationship with customers. In recent years, many have invested heavily in information technology (IT) assets to better manage their interactions before, during and after purchase. The main aim of CRM, like any organizational initiative, is to increase profit. In the case of CRM this is achieved mainly by providing a better customer service than competitors. CRM enables instant market research as well: opening the lines of communications with customers gives direct constant market reaction to the products, services and performance, far better than any market survey.

BENEFITS OF A GOOD CRM**1. Save Time**

A CRM automates a lot of the usual time-devouring tasks, giving salespeople more time to do what they are actually paid to do: namely, sell to prospects. More time spent in front of potential customers (instead of shuffling paper) means more sales, which makes everyone happy.

2. Look Professional

Which do you think looks better to a prospect: a salesperson who keeps all their information in a computer database and can pull up vital details immediately, or one who keeps their information on Post-It notes and has to scramble for ten minutes just to find the scheduled appointment time?

3. Save Money

Sure, the more impressively arrayed CRMs can cost a lot of money. But if you don't need quite that much technology working for you, it's easy to find less expensive or even [free](#) alternatives. And just think how much you'll save on Post-It notes if you're putting all that information into the computer instead.

4. Convenient

If the whole sales team is using the same CRM, then it's easy to share that information as needed. Most CRMs allow you to develop templates for phone scripts or frequently used emails, and the team can share these templates. Many CRMs even support mobile devices, so you can access all that information from your iPhone or enter a few quick notes right from the prospect's office.

5. Secure

What happens when the nightly cleaning crew accidentally throws out someone's Post-It archive? With a CRM, information is usually stored either in a central database or in the CRM provider's system. At the very least each salesperson can back up copies of their individual databases to another computer.

6. Faster Lead Generation

A good CRM can help immensely with lead generation. For instance, many CRMs can integrate with website and social media campaigns, sending leads from these sources directly to the appropriate salesperson. That means the sales team is spending less time cold calling and more time working warm leads, which tend to be far more fruitful. And by tracking each salesperson's activities, it can keep lead lists up to date so that you don't have five different salespeople calling the same lead.

7. Simplified Goal-Setting

By pulling all the data together into one place, CRMs make it easy to track performance both within and across the team. CRMs can also bring all this information together into reports that help with forecasting. Having this level of analysis available makes setting the next period's goals much easier... and makes it more likely that these goals will align with reality.

LITERATURE REVIEW

Grover (2007) argued that role of IT has become so integrated and pervasive with banking that it is impossible to think of banking processes without an effective IT system in place. The buzzword today is 'innovation and technology' in every industry dynamics and the way economies work. Amongst many, the banking industry has pioneered the adoption of information technology and gained tremendously from it. Over the years, banks have been among the first consumers to understand how to use technology to simplify finance of its customers and deliver unique service in the face of intense competition and customer demand. Customer Relationship Management – CRM has today evolved into a customer-centric philosophy that must permeate an entire organization. In Banking, CRM is about offering a better proposition to the customer after understanding his or her entire portfolio in investments with the bank. Customers nowadays acknowledge CRM as an enterprise wide the bank. Customer nowadays acknowledge CRM as an enterprise wide software solution with back end integration rather than being understood as a stand-alone software module for call centre or sales Force automation or selling on the web.

Das, Parmar and Sadanand (2009) examined and explore the association between deployment of customer relationship management (CRM) best practices and loyalty of profitable customers in Indian retail banking sector. The study comprises two parts. The first part called the CRM best practices survey involves the use of descriptive research design. The second part viz. case study research involves the use of embedded customer loyalty survey. The hypothesis testing based on literal and theoretical replication is done using the concept of pattern matching. The findings reveal that there is no perfect bank, as yet, across the three bank types, which has deployed all the 29 CRM best practices to the fullest extent. The results of literal and theoretical replication done by using pattern matching technique indicates no strong association between deployment of CRM best practices in scheduled commercial banks and loyalty levels of both high and medium relationship value retail customers. The study develops a list of 29 CRM best practices, which may be helpful to the organizations toward achieving comprehensive CRM deployment. The results also imply that going for CRM deployment may not be a profitable strategy for retail banks, particularly in the Indian context.

Aghai, (2010) The purpose of this research is intended to find out the various CRM practices in local and multinational banks in Karachi and how their products and services are different from each other & what role IT plays in satisfying customers. While revolutionary in many respects, CRM is also a natural and predictable extensions of how marketing and sales have evolved over the years, and in many ways, are coming to a full circle. This research would be beneficial for banking industry and as well as it will be helpful for the student in learning about the various CRM practices in banking sectors. The sample size of our research study consist of 20 branches, out of which 10 are of local banks which are UBL and BANK AL-HABIB and 10 multinational banks which are STANDARD CHARTERED and RBS operating in Karachi. The type of our research is both qualitative and quantitative in nature. CMAT (customer management assessment tool) for data collection and analysis is used for this research. The analysis of data is done with standard deviation and mean calculation methods through SPSS software and represented by graphical formats. It was found that a great difference in CRM practices is present between local and multinational banks; this difference is also based on the type of customers banks are targeting, local banks are carrying out CRM services on individual basis however multinational banks are strictly focusing on standardized CRM services along with IT and E-banking services. Hence CRM practices in both local and multinational are changing according to customers' needs. The reason for selecting banks for our research is that banking industry has long had a reputation of being slow to response to customer concerns, through this research we are able to analyze that how banks are focused on the efforts of knowing the customers, detecting their needs, and also raising the profitability or the benefits of the costumer to the business.

Rane (2011) studied strongly supports the fact that CRM is need of an hour and no business may be it is banking business; retailing or something else can ever survive without proper introduction of customer relationship management. ICICI bank has understood and also experienced its importance. This study strongly supports the connection that consumer were more satisfied with professional service provider who engaged in both courteous expressions and personal connections forms of sociality. Moreover, finding revealed that regardless of services context customers expect service provider to be courteous usually ,most conversation begin or end with a courtesy expression and includes some form of personal connection content. The important point is that sociality communication can play a pivotal role in moving the provider and consumer for mere encounters to higher degree of relational development.

RESEARCH METHODOLOGY

Research objective

The objective of the present study is to analyze the role of customer relationship management in banks and to ascertain the perception of bank executives on various aspects of CRM.

Methodology

The study is based on the primary data and collected through well structured questionnaire. On the basis of random sampling, 100 respondents taken from Sirsa city and respondents are banks employee. The collected data analyze with the statistical tool such as percentage, frequency and mean to reach the conclusion.

Data Analysis & Interpretation

1. Customer relationship improves Service.

Responses	No. of Respondent	Percentage
Agree	90	90
Disagree	6	6
Don't Know	4	4

Interpretation:- Above table shows that out of 100 respondents, 90 percentage respondents are agree that customer relationship improves service,3 percentage respondents are disagree and 2 percentage respondents are not aware.

2. Bank should follow this strategy.

Responses	No. of Respondent	Percentage
Agree	94	94
Disagree	4	4
Don't Know	2	2

Interpretation:- Above table shows that out of 100 respondents, 94 percentage respondents are agree that bank should follow this strategy, 4 percentage respondents are disagree and 2 percentage respondents are not aware.

3. You managed customer according to CRM.

Responses	No. of Respondent	Percentage
Agree	88	88
Disagree	12	12
Don't Know	0	0

Interpretation:- Above table shows that out of 100 respondents, 88 percentage respondents agree that they manage customer according to CRM, 12 percentage respondents are disagree that they manage customer according to CRM.

4. Customer relationship increase customer.

Responses	No. of Respondent	Percentage
Agree	94	94
Disagree	4	4
Don't Know	2	2

Interpretation:- Above table shows that out of 100 respondents, 94 percentage respondents are agree that in banks customer relationship increases customer, 4 percentage respondents are disagree and 2 percentage respondents are not aware.

5. Customer relationship increase customer satisfaction.

Responses	No. of Respondent	Percentage
Agree	90	90
Disagree	6	6
Don't Know	4	4

Interpretation:- Above table shows that out of 100 respondents, 90 percentage respondents are agree that customer relationship increases customer satisfaction, 4 percentage respondents are disagree and 6 percentage respondent are not aware.

6. Customer relationship helps in devolpment of better communication channel.

Responses	No. of Respondent	Percentage
Agree	90	90
Disagree	6	6
Don't Know	4	4

Interpretation:- Above table shows that out of 100 respondents, 90 percentage respondents are agree that customer relationship helps in devolpment of better communication channel, 6 percentage respondents are disagree that customer relationship not helps in devolpment of better communication channel and 4 percentage respondents are not aware.

7. CRM is better than any other management system.

Responses	No. of Respondent	Percentage
Agree	88	88
Disagree	6	6
Don't Know	6	6

Interpretation:- Above table & graph shows that out of 100 respondents, 88 percentage respondents are agree that CMR is better than any other management system, 6 percentage respondents are disagree and 8 percentage respondent are not agree.

8.Customer relationship is important for selling banking products.

Responses	No. of Respondent	Percentage
Agree	84	84
Disagree	10	10
Don't Know	3	6

Interpretation:- Above table shows that out of 100 respondents, 84 percentage respondents are agree that customer relationship is important for selling banking products, 10 percentage respondents are disagree and 6 respondents are not aware.

9. Customer relationship increase revenue.

Responses	No. of Respondent	Percentage
Agree	94	94
Disagree	4	4
Don't Know	2	2

Interpretation:- Above table & graph shows that out of 100 respondents, 94 percentage respondents are agree that customer relationship increases revenue,4 percentage respondents are disagree and 2 percentage respondents are not aware.

10.Customer relationship improves quality communication and network.

Responses	No. of Respondent	Percentage
Agree	98	98
Disagree	2	2
Don't Know	0	0

Interpretation:- Above table shows that out of 100 respondents, 98 percentage respondents are agree that customer relationship improves quality communication and network,2 percentage respondents are disagree that customer relationship improves quality communication and network.

11. CRM helps in enhancing customer loyalty.

Responses	No. of Respondent	Percentage
Agree	96	96
Disagree	2	2
Don't Know	2	2

Interpretation:- Above table & disagree shows that out of 100 respondents, 96 percentage respondents says that CRM helps in enhancing customer loyalty, 2 percentage respondents are disagree and 2 percentage respondents are not aware.

12. Customer relationship increases market share and profit margin.

Responses	No. of Respondent	Percentage
Agree	94	94
Disagree	4	4
Don't Know	2	2

Interpretation:- Above table shows that out of 100 respondents, 94 percentage respondents are agree that customer relationship increases market share and profit margin, 4 percentage respondents are disagree and 2 percentage respondents are not aware.

14. Better work will be done, if CRM is made better?

Responses	No. of Respondent	Percentage
Agree	90	90
Disagree	4	4
Don't Know	6	6

Interpretation:- Above table shows that out of 100 respondents, 90 percentage respondents are agree that better work will be done, if CRM is made better, 4 percentage respondents are disagree that better work will be done, if CRM is made better 6 percentage respondents are not aware.

15.CRM helps in solving the problems of customers.

Responses	No. of Respondent	Percentage
Agree	94	94
Disagree	6	06
Don't Know	0	0

Interpretation:- Above table & graph shows that out of 100 respondents, 94% respondents are agree that CRM helps in solving the problems of customers, 6% respondents are disagree that CRM helps in solving the problems of customers.

FINDINGS:-

- 1.The selected banking industry strongly believed that the maintenances procedures in CRM aimed to concentrate current customers, gathering the customer's grievancies, periodic evaluation, employees training, employees are rewarded and different customers are given different treatment.
- 2.The executives of banking industries strongly agreed that initiation in CRM primarily customers and that loyalty rates towards organisation.
- 3.The selected banking industry strongly accepted the technology in CRM basically depends upon the introduction of cost, usage of modern technology and advanced technology and understanding the customer's behaviour.
- 4.Customer relationship management helps in retaining the customer for longer period.

SCOPE OF FURTHER RESEARCH

The scope of the further study was determined in term of geographical area i.e. Haryana, for more precise result it is required to conduct this study in extension geographical area for the sample. Besides this, study was mainly focused on banks. Moreover, only few studies have been conducted in this area, if more study will be carry out in the same field, deeper understanding will be occur towards the Customer Relationship Management.

Conclusion:-

CRM is a powerful concept for the success of any industry. It paves the way to maintain an optimistic relationship with customers to increase the business and profitability. Customer relationship management is helps in improves service and devolpment of better communication channel and also increases customer satisfaction. CRM helps in enhancing customer loyalty.

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