



Customer Relationship Management (CRM) In Banks, Benefits And Customers Views About Banks - A Study W.R.T. Yelahanka Urban.

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Abstract :

Purpose : The centre of all marketing activities of commercial is customer satisfaction. In order to gain success commercial banks has to face the severe competition they have to consider giving significance to customer satisfaction. Of late customers demand more and more innovative products in order to satisfy their needs. The purpose of the present paper is to know how far the socio economic characteristics impacts the study on customer relationship management (CRM) and also the paper probe about the benefits and make an attempt to know customers opinion about banks. CRM is gaining importance as it is acquiring new customers. CRM involves the use of technology to organize, automatic and synchronizes sales, marketing customer service and technical support (Robert Shaw, 1999).

Methodology : A well designed pretested and known in advance questionnaire was administered to collect the data from 100 customers of different banks. All these customer respondents chosen conveniently urban area of Yelahanka. The researcher conducted interview with the respondents and collected the data as per the questionnaire. Chi-square, contingency co-efficient, mean score, standard deviation, co-efficient of variation, weighted arithmetic mean statistical tools were performed.

Findings : The study reveals that all the demographics are showing a significant variation in the data and well supporting the data. Further, the customers gave first importance to the new products meet the need of customers, which has a mean value 3.71 and 1.51 as the SD and 40.7 as the CV. The second importance was given to banks are capable of overcoming any critical case and the third next factor which customers gave importance is that bank staff use easy to understand language while delivers service. The benefits of CRM includes in the order, builds stronger customer relationship, the second ranked variable is about two equally stated includes high level of customer satisfaction and loyalty and optimizes the digital experiences and the third ranked benefit probed was staff loyalty enhances total productivity. As there is significant variation in the data, it is found that CRM is beneficial to the both bankers and customers.

Keywords : Customer satisfaction, variation, innovation, productivity, privacy, relationship.

Introduction :

CRM is a strategy for building and strengthening loyal and long lasting customer centric approach based on customer in sight. CRM in banking refers to the practices and tools used to manage and improve relationships with customers. CRM software helps banks understand customer preferences, segment the customer base, and offer tailored products and services. It is a major shift in the business world away from product centric thinking towards customer centric thinking. The greatest advantage of having CRM system is the ability to implement a formalized methodology that ensures consistent and deliberate steps to win business such that every account receives the same professional, attentive, and effective CRM approach. CRM system should enable the commercial bank to build out a full, meaningful client record, integrating data from other systems to make the CRM system a one step shop for client information. CRM is a business strategy that aligns products and sales strategic with the needs of customers and preferences (Sampath et al. 2014). It is viewed as a collection of customer data, find profiles of customers, and use the customer knowledge in specific marketing activities (Anu Putney et al. 2013). Treating different customers in different manners, firms can achieve customer loyalty (Tarhan, 2004). Customer loyalty is the long and uninterrupted retention of the relationship by offering service that meets and goes beyond the customer needs (Acuner, 2001). The present more aware customer demand more innovative products and it is growing and hence the entire service of the banks is now metamorphosed to become customer centric (Murugan et al., 2011). At present a bank manager who wants a strong requires strong public relations, a strong sense of service and be able to actively mobilize different resources of commercial banks to provide customers with comprehensive understanding of customer needs (Haoyuan Jina, 2013).

Statement of the problem

Retention of customers is most important for all the banks as there is severe competition. In addition to this the growing awareness among the customers together with improved living standards is demanding more and more innovative products. Customers now bring pressure on the banks to introduce CRM and innovative products. Customers are demanding to introduce CRM and latest bank products. Across the globe different banks follow offering products and services of quality and at similar price interval that makes it difficult for the banks to secure customer satisfaction (Duygu KOCOGLU, 2012). Banking industry at present has to understand the significance of customer which is now more profitable. Managing the customer relationship excellently offers best result in both bringing short and long run relationship which ends in higher profitability and productivity of banks.

Review of literature

Sandeep Kaur (2016) stated that banks play an important role in the socio-economic development of the country. Banks offer many facilities to increase the living standards of citizens. At present banks in order to get more profits CRM is significant. The author concluded that CRM is one of the biggest challenges for the Indian Banking Industry.

Anis Ali et.al. (2017) stated that banking customers are contended with banking benefit. The research found low indulgence about the responsiveness and individual attention of customers by banks. Customers are dissatisfied because of nature and behavior of the banking employees. Further, they have stated that there is discrimination in behavior of employees according to the profession of the customers. The customers are facing problems due to shortage of staff or staff should be behaviorally equipped with to satisfy the needs of customers to increase customer satisfaction.

Shailaja Pal (2018) revealed that if CRM is to provide better service and erect by its intention the industry should play a centripetal role within the bank and provide all progression which are unified in the bank game plan. Further, the researcher is of the opinion that the crucial charioteers are customer loyalty, good complaint solving system, highest quality of service and proletariat positive mindset. The researcher insinuate that a right approach of alliance between different partners in the process of fulfillment in good belief and spirit so as to derive customer delight.

Kallol et al., (2019) explores the association between deployment of CRM best practices and loyalty of profitable customers in Indian retail banking. As per the researcher they developed the best CRM practices

which may be helpful to the organization towards achieving comprehensive CRM deployment. Further, the researcher reveals that the SBI and State Bank of Baroda are lagging behind their counterparts from other sectors regarding deployment of the best practices.

Kalaiarasi et al. (2019) expressed that CRM in banks helps in changing processes in business and also changes the structure and culture of the organization. CRM enables customer segmentation and capable of customize banking products and services. The acquisition of customers and their retention are well impressed by CRM. The authors suggested that Indian banking sector should adopt suitable marketing strategy and also constantly introduce the new services for the growth of the banks.

Laltiha, P.S. et al., (2022) stated that deployment of good CRM practices expand the services for maintaining sustainable position in present banking activities. As per the researchers retention of existing customers and providing better services is a challenging task for many banks. The study reveals that private sector banks are holding good relation with the customers in terms of providing good advanced sources and the researchers feels that the private banks adopted CRM practices successfully to know the customers experience.

Objectives of the study:

1. To study the impact of demographics on the study.
2. To analyze the customers views about banks.
3. To analyze the benefits of CRM.

Hypotheses :

1. There exists no significant variations in the characteristics of respondents.
2. Customers do not possess any views on the banks.
3. There are no benefits of CRM.

Research questions :

1. What are the reasons behind demographic not impacting on the study?
2. What are the views of customers on the banks?
3. What are the benefits of CRM.

Research Methodology

The present study depends on both primary and secondary data. Primary data collected by a proper administration of a well drafted structured questionnaire. The secondary data includes journals, books and internets. The researcher himself conducted interview with 100 respondents and the study is confined to Yelahanka Urban area of Bengaluru North District. The respondents include government and private employees, business going persons, startup entrepreneurs, retired persons and housewives. The statistical tools used were chi-square, contingency co-efficient, means score standard deviation of coefficient of variation.

Survey Findings

Table - 1 reveals data about socio economic characteristics of respondents. There are 79 males and 21 females. Out of 100 respondents 81 are married, 15 single and 4 widowed. 51 respondents fall in the group of 26-35 years, 25 between 36-45 years, 12 in between 46-56 years, 8 above 57 years and 4 in between 18-25 years. There are 56 degree holders, 19 post graduates of different streams, 12 completed 10th standard, 8 studied up to PUC and 5 are professionals. Further, the table also reveals data about occupation of the respondents. There are 43 private service employees 18 government employees 12 doing business, 10 retired, 9 housewives and 8 startup entrepreneurs. Monthly income data reveals that 45 are getting a salary on between 40-60K, 18 in between 20-40K, 17 in between 60-80K, 12 > 80K, Out of 100 respondents 24 possess multiple bank accounts and 55 said about good relationship with banks, 25 satisfaction, 8 no good

relationship, 7 strongly no good relationship. The chi-square statistic reveals about significant variations and contingency coefficient reveals about high degree of relationship between the two variables.

Table - 2 highlights data about customers opinion about banks. Out of 12 propositions about customers opinion about banks proposition 1.12 show a mean score of 3.3 onwards except proposition No. 6 on Likert 5 points scale (Coded as 1, 2, 3, 4, 5) which means most of the respondents are having strongly agreed for these proportions and the same is supported by relatively less SB. Proportion No. 6 show lesser mean but lesser standard deviation which means lower variation and proposition No. 7 shows a good mean score but with high variations. Satisfied customer expresses better opinions regarding banks. To measure the customer opinion mean score, SD and CV statistical tools were performed. High variation is seen in seen in case of makes good relationships with customers and banks are capable of overcoming any critical case with lower standard deviation in case of banks are capable of overcoming any critical case. Customer gave first importance to the new products meet the need of customers. It has a mean value 3.71 and has 1.51 as the SD which means variations among the opinion of the respondents exists as far as a products meet. The next factor customers gave more importance is the banks are capable of overcoming any critical case. It has a mean score of 3.67 with 2.19 SD, there is also having variations among the opinion of the customers. The third next factor furnish customers gave importance is that bank staff use easy to understand language while delivering service. Highest CV is associated with banks makes good relationship with the customers. The second highest CV is associated with banks are capable of overcoming any critical case and the third factor with highest CV is about banks informs about innovative products. The remaining views of customers like banks are helpful and sincere, banks informs about innovative products, reliable and obliging, staff understands demands quickly, no need to wait for long time, and no switch over to rival banks are somehow showing a uniform mean score with a little variation in SD and CV.

Table - 3 highlights data about benefits of CRM. To measure the benefits of CRM 5 point Likert Scale was performed with weights being, 5, 4, 3, 2 & 1 (w) and scale (x) varying from SA to SDA. The weights are defined as "w" and opinions of respondents presented and defined as "f". The sum of "fw" is divided by the sum of weights i.e., $5+4+3+2+1 = 15$. The consequent "WA" is taken for the ranking of variables. Accordingly the first rank was awarded to builds stronger customer relationship, the second rank given to equally to high level of customer satisfaction and loyalty and optimizes the digital experiences, and the third rank was given to staff loyalty enhances total productivity. The variation in the data reveals that CRM is beneficial to both the banks and customers.

Conclusion :

CRM as a strategy effectively meeting the needs of the customers at higher rate. The effective implementation of CRM in any banks requires introduction of latest technology. CRM administers customers switch over to rival banks. It understand the innovative needs of the aggressive customers now-a-days. The study found all the demographics showing a significant variation in the data. Customers prefer banks in the order that the new products meet the need of customers, secondly importance was given to banks are capable of overcoming any critical case, thirdly banks introduce innovative products. The study highlighted about the benefits of CRM which are ranked and includes builds stronger customer relationship, optimizes the digital experience and high level of customer satisfaction and loyalty and finally enhances total productivity. The urban Bangalore is growing at a faster rate and is becoming education hub and industrial area and hence customers need CRM in order to satisfy their modern needs.

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Table-1 : Demographics profile of Respondents

Different profiles	x^2	TV @ 0.05	df	Result of x^2	"c"	Result of "c"
Sex	33.84	3.841	1	Significant	0.50	High Degree
Marital status	104.06	5.991	2	Significant	0.71	High Degree
Age (in years)	72.50	9.488	4	Significant	0.64	High Degree
Education	86.40	9.488	4	Significant	0.68	High Degree
Occupation	53.67	11.070	5	Significant	0.59	High Degree
Monthly income (INR)	42.30	9.488	4	Significant	0.54	High Degree
Bank account in different banks	27.04	3.841	1	Significant	0.46	High Degree
Relationship with banks	89.40	9.488	4	Significant	0.68	High Degree

Source: Field Survey

Note : x^2 = Chi-square

'c' = $\sqrt{(x^2 / x^2 + N)}$

Where 'c' = Contingency Co-efficient, N = Number of Observations

When the value 'c' is equal or nearer to 1, it means that there is high degree of association between attributes. Contingency co-efficient will always to be less than 1. High degree is considered here if 'c' is 0.45 and above.

Table - 2 : Customers opinion about banks

Sl.No.	Variables	N	Mean Score	SD	CV
1.	Banks are helpful and sincere	100	3.47	1.62	46.68
2.	Staff understands demands quickly	100	3.39	1.28	37.16
3.	Bank staff use easy to understand language while delivering service	100	3.54	1.70	48.02
4.	Banks informs about innovative products	100	3.52	1.78	50.56
5.	Makes good relationship with customers	100	3.36	1.26	70.39
6.	The staff is experienced	100	3.05	1.14	37.38
7.	Banks are capable of overcoming any critical case	100	3.67	2.19	59.67
8.	Banks are reliable and obliging	100	3.46	1.46	42.19
9.	No need to wait for long time	100	3.37	1.22	36.20
10.	Banks are recommended to friends, relatives and neighbors	100	3.35	1.14	34.02
11	No switch over to rival banks	100	3.35	1.14	34.02
12	The new products meet the need of customers	100	3.71	1.51	40.70

Source : Field Survey

Table - 3 : Benefits of customer relationship management

Benefits	Weight	5	4	3	2	1	T	WA
	Likert Scale X	SA	A	N	DA	SDA		
Reduction in customer disagreements	f	69	24	2	3	2	100	XVI
	fw	345	96	6	6	2	365	24.33
High level of customer satisfaction & loyalty	f	80	13	3	2	2	100	II
	fw	400	52	9	4	2	467	31.13
Reduction in procedure cost	f	75	14	5	4	2	100	X
	fw	375	56	15	8	2	456	30.40
Offers a big advantage of competition	f	78	10	5	4	3	100	X
	fw	390	40	15	8	3	456	30.40
Loyal customers may be a reference for the potentials	f	68	28	1	2	1	100	VIII
	fw	340	112	3	4	1	460	30.67
Improvement in customers loyalty increases the rate of staffs loyalty	f	71	25	-	2	2	100	VII
	fw	355	100	-	4	2	461	30.73
Enhances total productivity	f	78	17	-	2	3	100	IV
	fw	390	68	-	4	3	465	31.00
Uptimes the digital experiences	f	79	17	-	-	4	100	II
	fw	395	68	-	-	4	467	31.13
Streamline and speed up the communication	f	69	24	2	3	2	100	XII
	fw	395	96	6	6	2	455	30.33
Improves customers experiences	f	73	17	2	3	5	100	XIV
	fw	365	68	6	6	5	450	30.00
Reveals buying patterns and customer service	f	63	20	7	6	4	100	XV
	fw	315	80	21	12	4	432	28.80
Analyses customer profitability	f	67	27	3	2	1	100	IX
	fw	335	108	9	4	1	457	30.47
Saves times of the employees through automatically their process	f	69	23	3	2	3	100	XIII
	fw	345	92	9	4	3	453	30.20
Protects data privacy	f	75	21	-	2	2	100	IV
	fw	375	84	-	4	2	465	31.00
Boosts customer	f	76	18	2	-	4	100	VI
	fw	380	72	6	-	4	462	30.80

loyalty and retention								
Builds stronger customer relationship	f	83	10	2	3	2	100	I
	fw	415	40	6	6	2	469	31.27

Source : Field Survey

Note : SA - Strongly Agree, A - Agree, N - Neutral, DA - Disagree, SDA - Strongly Disagree

Weights = 5 + 4 + 3 + 2 + 1 = 15. WA = Total / Sum of weights

