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Research Paper Management

Customer Relationship Management Practices in Muthoot Finance LTD at Karaikudi Town

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ABSTRACT

This paper has been brought out the Customer relationship management in Muthoot finance ltd at Karaikudi town. The customer retention plays a dynamic role in every marketing industry and these marketing companies wants to develop the relationship with the customer, hence the companies providing best customer services for they want to satisfy the customers. The researcher wants to know the customer relationship management in Muthoot finance ltd through the level of customer service quality, service strategies, customer satisfaction, customer retention and the CRM benefits of the customers, so the researcher has been conducted the study in this field. The paper is concluded that the CRM is helping the Muthoot group for compete the rivalries in future, based on the research findings and suggestions of the study.

KEYWORDS : Customer Service, CRM, Customer Satisfaction.

Introduction

Companies are entering into compete in a new market weaken the existing and solid ones, due to new ways of doing and conceiving businesses. One of the factors that have determined all these changes is the stable change and evolution of technology. Because of this reality, the CRM concept has evolved in such a way that nowadays it must be viewed as a strategy to maintain a long-term relationship with the customers. A good customer relationship is a key to business success. Relationship building and management, or what has been labeled as relationship marketing, is a leading approach to marketing. The use of customer relationship management (CRM) systems is becoming increasingly important to improve customer life time value. Understanding the needs of customers and offering value-added services are recognized as factors that determine the success or failure of companies. So more and more businesses begin to attach great importance to electronic customer relationship management (eCRM), which focuses on customers instead of products or services, that is, considering customer's needs in all aspects of a business, ensuring customers' satisfaction. By providing information on customer data, profiles and history they support important areas of a company's core processes, especially in marketing, sales and service. eCRM is all about optimizing profitability and enabled businesses to keep customers under control, as it makes the customer feel they are really a part of the business progress. When managing the transition to a customer-centric organization, it is mandatory to develop the capabilities to acquire the necessary resources, knowledge and tools to meet customer's requirements with the appropriate products and services. A knowledge based system is most effective in the managing of semi-structured problems. The abilities of such systems are usually applied on the managing level of strategic planning. An effective CRM system should enable an organization to gain greater insight into customer behaviour and preferences whereas ERP analytics are more likely to focus on supply and demand for key resources and materials.

In spite of the broad use of sales force mechanization systems in sales, a Forrester study examines important deficits in today's marketing, sales and service processes. It was found that just 22% of the companies analyzed possess a uniform customer view and only 37% know which customers are looked after by individual business units.

Statement of the Problem:

Customer retention is a major impediment as of now all NBFC's are facing. CRM is notable and vital in retaining customers with satisfactory services. NBFC services are to be regulated and sincerely done with all mandatory inputs. Indeed the problem is whether the given services are satisfactory or else should be re-considered, CRM assures here in, finding root causes, and also gives notion to retain the customers, various avenues of CRM are going to be applied to do the same. The researcher has identified the method of customer relationship management in Muthoot finance ltd at Karaikudi town, and it has an attempt of a research in customer retention, satisfaction, service quality evolved from customer relationship management.

Objectives of the Study:

1. To study the existing Customer Relationship Management practices in Muthoot Finance Ltd.
2. To analyze the expected Customer Relationship Management practices practiced by Muthoot Finance Ltd.
3. To examine the significance of Customer Relationship Management based on the

perspective of the customer.

4. To offer suggestion to improve the Customer Relationship Management practices in Muthoot Finance Ltd.

Methodology of the Study

The data collection pertain to this study involves on the basis of primary data and secondary data, the researcher used a structured questionnaire to obtain necessary information pertaining to various aspects of the study. The questionnaire was directly circulated to various levels of customers to study and measure the Customer relationship management in Muthoot Finance ltd at Karaikudi town. Here the study population size 1562 and the researcher has taken the sample 198 through the simple random sampling technique. The Period of the study was from the month of January to April 2012. The collected data were recorded, edited and coded for analysis. The major tools used for the One way analysis of statistical method like percentage, Weighted Average Method and Analysis of variance (ANOVA).

Scope of the study

Accuracy of the primary data collected depends upon the authenticity of the information filled by the respondents in the questionnaire.The results of the analysis are only confined to Muthoot finance ltd and not any other organizations having same set of conditions.

Data Analysis and Interpretation

Socio – Economic Profile of the Respondents

Basic Factors	Categories	Respondent	Percentage
Age Group	18-25 26-35 36-45 46-55 Above 55	31 48 80 39 0	15.7 24.2 40.4 19.7 0
Gender	Male Female	114 84	57.6 42.4

Educational Qualification	Below 10th HSC UG PG Diploma	41 36 45 44 32	20.7 18.2 22.7 22.2 16.2
Occupational Status	Govt. Employee Pvt. Employee Farmer Businessmen Daily Wagers	46 55 32 42 23	23.2 27.8 16.2 21.2 11.6
Income Level	Below 5000 5001 to 10000 10001 to 15000 15001 to 20000 20001 and Above	30 73 53 31 11	15.2 36.9 26.8 15.7 5.6

Source: Primary Data

Interpretations of Socio – Economic Profile of the Respondents

The above table has been illustrated that the Socio – Economic profile of the respondents like age, gender, educational qualification, occupational status and income level.

Weighted Average method of Service Quality Factors

Particulars	HS	S	NSND	DS	HDS	Total	Average
Know Your Customer (KYC)	126	43	22	7	-	198	4.45
Prompt Service	116	48	25	9	-	198	4.36
Lesser Paper Work	45	116	34	3	-	198	4.025
Handling Customer Queries	90	39	52	14	3	198	4.005
Understanding The Customer Needs	44	79	61	14	-	198	3.77
Customer Call Response of Employee	37	84	36	38	3	198	3.57
Privacy of Customer Information	65	34	44	55	-	198	3.55
Employees Work Familiarity	55	58	39	30	18	198	3.54
Quality of Information Provided To Customers	85	8	47	32	26	198	3.47
Provision of Assured Service	55	49	3	91	-	198	3.34

Source: Primary Data

Interpretation

It is seen from the above table "Know your customer (KYC)", is the main factor which helps to the CRM, followed by the "Prompt service", and least intensity value is "Provision of assured services". The survey reveals that majority of the respondents responded "Know your customer" in the company. In this table arranged highest value to lowest value. Hence the Muthoot Finance ready to access the information about the customers.

Weighted Average method of Customer Satisfaction Factors

Particulars	HS	S	NSND	DS	HDS	TOTAL	Average
Service Package In Insurance	91	60	35	12	-	198	4.16
E-Tickets Reservation Service	53	81	24	36	4	198	3.72
Precious Metal Selling Service	51	70	44	23	10	198	3.65
Satisfied With Current Service Provider	32	88	53	21	4	198	3.62
Worthiness Of Spending On Service	39	80	28	43	8	198	3.5
Insurance Service Providing	64	23	49	34	28	198	3.3
Customer Service Approach	33	62	40	56	7	198	3.29
Providing Stock Broking Service	58	30	36	53	21	198	3.25
Providing Gold Loan Service	38	62	23	56	19	198	3.22
Service Provider Meet Your All Pre Purchase Expectations	_	104	28	-	66	198	2.85

Source: Primary Data

INTERPRETATION

The above table illustrates that the "Service package in insurance", has maximum intensity value, followed by "E-Ticket reservation service", "Precious metal selling service", and least intensity value for "Service provider meet your pre-purchase expectations". In this table can be arranged highest value to lowest value.

ANALYSIS OF VARIANCE FACTORS INFLUENCE TO INCOME AND SERVICE STRATEGIES FACTORS

Null Hypothesis (Ho): There is no significant difference between income and service strategies of Muthoot finance.

Alternate Hypothesis (H_1): There is a significant difference between income and service strategies of Muthoot finance.

FACTORS		Sum of Squares	DF	Mean Square	F	SIG	STATISTICAL INFERENCES
Cross Selling	Between Groups	30.020	4	7.505	4.186	.003	
	Within Groups	346.020	193	1.793			Null hypothesis rejected
	Total	376.040	197				
Single window	Between Groups	27.013	4	6.753	6.700	.001	Null hypothesis rejected
	Within Groups	194.527	193	1.008			
	Total	221.540	197				
Gold loan interest	Between Groups	5.887	4	1.472	2.172	.074	Null hypothesis accepted
	Within Groups	130.760	193	.678			
	Total	136.646	197				
Debentures interest	Between Groups	25.431	4	6.358	5.163	.001	Null hypothesis rejected
	Within Groups	237.660	193	1.231			
	Total	263.091	197				
Telephone service	Between Groups	24.123	4	6.031	4.288	.002	Null hypothesis rejected

	Within Groups	271.417	193	1.406			
	Total	295.540	197				
Mail service	Between Groups	16.489	4	4.122	2.852	.025	Null hypothesis rejected
	Within Groups	278.930	193	1.445			
	Total	295.419	197				
SMS service	Between Groups	3.976	4	.994	1.013	.402	Null hypothesis rejected
	Within Groups	189.398	193	.981			
	Total	193.374	197				
Insurance advice	Between Groups	57.599	4	14.400	17.594	.001	Null hypothesis rejected
	Within Groups	157.957	193	.818			
	Total	215.556	197				
Gold loan Plan	Between Groups	34.726	4	8.682	5.017	.001	Null hypothesis rejected
	Within Groups	333.981	193	1.730			
	Total	368.707	197				
Muthoot soft programme	Between Groups	17.162	4	4.291	1.985	.098	Null hypothesis accepted
	Within Groups	417.202	193	2.162			
	Total	434.364	197				
HNI (Recognition of individual)	Between Groups	14.291	4	3.573	3.902	.005	Null hypothesis rejected
	Within Groups	176.704	193	.916			
	Total	190.995	197				
Jewell release	Between Groups	17.758	4	4.440	6.321	.001	Null hypothesis rejected
	Within Groups	135.555	193	.702			
	Total	153.313	197				

Source: Primary Data

INTERPRETATION

The null hypothesis has been rejected for all factors except opinions regarding the "Muthoot soft programme" and "Gold loan interest". There is significant difference between the income and service strategies of Muthoot finance.

Findings, Suggestions and Conclusion.

MAJOR FINDINGS

- Maximum (40.4%) of the respondents are belonging to the age category of 36-45yrs and least (15.7%) of the respondents are belonging to the category of above 18-25yrs.
- 57.6% Respondents are belonging to the category of male and 42.4% respondents are belonging to the category of female.
- 22.7% of respondents is belonging to the category of UG and least (16.2%) of respondents are belonging to the category of diploma.
- 27.8% of the respondents are private employees and least (11.6%) of the respondents are daily wagers.
- 36.9% of the respondents are falling under the income range between Rs 5000-Rs10000 and least (5.6%) of the respondents are falling under the income above 20001.
- The ANOVA test has been applied to find out whether the incomes influence the level of service strategies of Muthoot finance. The null hypothesis is rejected all factors except opinion regarding the muthoot soft program.
- The Weighted average technique found that the majority value is given to "Service package in insurance" by the respondents under the Customer satisfaction factors, and least value is given to "Pre purchase expectation".
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SUGGESTIONS

1. Muthoot Finance ltd should create awareness about financial services and financial literacy to general public.
2. Muthoot Finance ltd should effectively place in banners, posters, and brouchers at appropriate place in attractive manner about financial services.
3. Muthoot Finance ltd should create awareness about the various gold loan schemes, services to the customers.
4. There should be needed a Customer Relationship Executive (CRE) to deal with the customers.
5. Muthoot Finance ltd should reduce the gold loan interest rate, precious metals selling rate.
6. Muthoot Finance ltd should adopt the interest rate receipt in gold loan service to the customers.
7. Muthoot Finance ltd is handling the Know Your Customer (KYC) norms in effective manner. Hence should follow the same in the future.
8. Muthoot Finance ltd employees should be friendly and loyal to the Muthoot customers.
9. Muthoot Finance ltd should improve the significant level of customer services.
10. Muthoot Finance ltd should provide loan without any delay to customers.

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