



A STUDY ON CRM SERVICES IN SELECTED BANKS

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**ABSTRACT**

The need to better understand customer behavior and the interest of many managers to focus on those customers who can deliver long-term profits has changed now. Traditionally marketers have been trained to acquire customers, either new ones who have not bought the product before or those who are currently competitors Customers. This has required heavy doses of mass advertising and price-oriented promotions to customers and channel member. Today, particularly for the company's "best" customers the tone of the conversation has changed from customer acquisition to retention. This requires a different mindset and different and new set of tools.

CRM is neither a product nor a service, But a business strategy to learn more and more about the customers' behavior them. In other words, CRM is a comprehensive approach that provides seamless integration of every aspect of bank's business that come in contact with the customer at various stages such as marketing, service delivery after –sales –service etc. through the integration of people, process and technology. It is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create supervisor value for the bank and its customers.

**KEYWORDS** : CRM, Research Methodology, Services

**Introduction**

CRM recognizes the concern for both traditional function of marketing and its scope with a goal of developing a cross functional, coordinated focus on customers that is to reorient the entire business to face the market. The focus of marketing has changed from acquiring new customers to retaining old ones. This requires a different mindset and a different and a new set of tools. A good thought experiments for an executive audience is to ask them how much they spend or focus on acquisition versus retention activities. While it is difficult to perfectly distinguish the two activities from each other, the answer is usually, that acquisition dominates retention.

**Need of the study**

In today's world of cut throat competition every business unit wants to survive and earn profits. In banking industry, public and private sector is competing to gain more marketing share shares. So, the fact is how to retain the old customers rather than to attract new customer. At this point, building relations with customers and providing them the best is very important.

The customer is king today and dictates his terms to get the best services form the bank he deals with. So to maintain long term relations with customers and make him satisfied with services is another very important factor.

The study holds its importance for all the banks as it acts as a feedback from customers regarding relationship building and customer satisfactions.

**Limitations of the study**

The findings of the study are based in the subjective opinion of the respondents. All though utmost care was taken to get the accurate results, yet because of risk of ambiguities and misinterpretations on the part of respondents, some element of in accuracy might have kept in; Area of study may not hold true for large cross section of population The finding of the survey are based on the opinion of respondents and there is no way of assessing the truth of the statements; and Although every effort has been made to include respondents belonging to various socio-economic backgrounds even then the sample (due to its small size) may not be truly representative of the universe.

**Research methodology**

The present study is based on both primary and secondary data sources. In this case the customers of HDFC, ICICI, IDBI Bank and

Union Bank of India were taken up as sampling unit. Personal interview method is the research approach here. Stratified random sampling method is adopted here to get responses from 100 samples from Madurai City of Tamilnadu.

**Data Analysis and Interpretations**

**Table 1: Age wise distribution of respondents**

Age Group	No. Of respondents (% age)
20-30	43
30-40	35
40-50 or above	22

Table 1 reveals the maximum percentage of respondents i.e. 43% were in the age group of 20-30 years followed by 35% in 30-40 years and 22% in the age group of 40-50 years.

**Table 2: Service Accessed by Respondents (%)**

Services	HDFC%	ICICI%	IDBI%	UBI%
Deposits	100	100	100	100
Loans	60	52	40	40
Credit cards	44	36	20	33.3
ATM	100	100	100	100
Net Banking	40	28	25	26.67
Tele Banking	36	24	20	23.3

The above table shows that all the respondents from the sample of all the four banks are accessing their deposits from the deposits and ATM. Loans and credit cards are fairly accessed by the respondents. Net Banking and Tele banking are also showing good levels of awareness but still in their infancy stage.

**Table 3: Rating of the services (weighted Average)**

Factors	HDFC	ICICI	IDBI	UBI
Employee Attitude	3.76	3.92	3.50	3.63
Wide Range Of Products	3.24	3.60	3.05	3.56
Security	3.16	3.56	3.25	3.76
Client Servicing	3.36	3.72	3.40	3.23
Teller operations	3.32	3.48	3.55	3.36
Infrastructure Facilities	3.08	3.36	3.00	3.26
Network	3.16	3.60	2.90	3.53
Location	3.44	3.84	3.30	3.76
Returns on Investment	3.72	3.64	3.75	3.83
ATM Transactions	3.96	3.88	3.75	3.96

Table 3 has been clearly showing information relating to rating

given to various services provided by banks. It clearly indicates that ICICI is doing the best as compared to other three banks if all the factors are taken in a composite but still there is scope of improvement in Teller operations and ATM transactions. HDFC bank needs to improve on networking, client servicing, Teller operations and security. The main factor influencing the decision of respondents regarding the choice of IDBI Bank was its return on investment, Teller operations and ATM Transactions. Rest all other factors are on a back seat as compared to other banks. UBI needs to improve on client servicing, employee attitude and Teller operations. But people are more satisfied with other factors as far as UBI is concerned. It is giving tough competition in almost all factors to HDFC bank and in ahead in some.

### Suggestions and recommendations

- Bank should improve their service and leap ahead in customer relationship marketing by maintaining separate database for high valued customers. Maintain a comprehensive and exhaustive database indicates as to how banks can use this information to tap the customers and retain the customers.
- Banks do not contact their customers very often. To improve upon relationship, banks should go in for continual contract with customers. They should go in for continual contact with customers. They should contact their high value customers from time to time and also send updates about latest development in their banks,
- All banks are not actually making an attempt to measure the effectiveness of CRM. The tools for measuring effectiveness are not widely used.
- Banks should hold a CRM training workshop with customer facing employees to develop and instill a new attitude to creativity and innovation.
- The bankers should do proper planning for relationship marketing.

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