A Study on Customer Relationship Management Practices in Banking Sector (With Special Reference to Salem District)

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Banks play a vital role in the socio-economic development of our country. Banks offer several facilities to enhance the standard of living of our citizens. In the past, owing to lack of information and proper guidance, the general public could not avail the full benefits from the banking industries to improve their standard of living. It is now undeniable that the face of the Indian consumer is changing. This is reflected in the change in the income pattern of the urban household. The direct fallout of such a change will be the consumption patterns and hence, the banking habits of Indians, which will now be skewed towards retail-products. At the same time, India compares pretty poorly with the other economies of the world that are now becoming comparable in terms of spending patterns with the opening up of our economy.

Customer service management is a key component of business today. The concept is very crucial as it incorporates customer, customer service, customer satisfaction, customer value, customer loyalty, customer retention, etc. In one word, it is linked to Customer Relationship Management (CRM) and Customer Experience Management (CEM). So far as jargons are concerned, more or less relationship Marketing, CRM and customer service management are interchangeably used.

Relationship building with customers is now accepted as over-riding goal of marketing and of the business as a whole. In service industries, the goal is especially emphasized since a repeat customer is believed to cost merely a fraction of what needs to be spent in servicing a new customer is service transaction. It is believed that relationships flourish when marketers play the book, meet customers' core expectations and exceed in respect of other features of their total offering. Service firms have been the pioneers in adopting the practice of Customer Relationship Management practices. Customer Relationship Management is a vital factor to improve the performance of the banks. Most of the banks in India are now turning to CRM as they are increasingly realizing that the cost of acquiring new customers is for higher than the cost of retaining existing customers. This quest has led to the implementation of CRM in banks. The concept of CRM is in the initial stage of implementation in banks, as getting the CRM philosophy work in a bank is quite complex as well as a challenging task for, its implementation is based on certain key principles, namely,

· The banks must realize that all customers are not equal;
· Customer profitability varies from person to person;
· Not all customers are evenly desirable for the banks;
· The banks must differentiate their customers based on the 'Value Criteria';
· Value is the profit that the customer adds to the bank account; and
· A more profitable customer is a 'High Value' customer and a less profitable customer is a 'Low Value' customer.

CHANGING PERCEPTION OF CUSTOMER
The perception of a customer has drastically changed. Peter Drucker said twenty-five years ago, that the purpose of a business wads to attract and retain a customer. There has been a phenomenal change and paradigm shift towards customer focus during the past five decades in the Indian context,

1. 1961-1970 Servicing the Customer,
2. 1971-1980 Satisfying the Customer,
3. 1981-1990 Pleasing the Customer,
4. 1991-2000 Delighting the Customer,
5. 2001 and beyond Relating the Customer.

Today, the customer relationship between the banker and customer has come under the sharp focus both the customers' ends. The concept of CRM needs to make its impact in the banking scenario, particularly in the nationalized banks, the state banks groups and the private sector banks which constitute the core of the banking system in India. The component of CRM already exists but needs to be put together like the pieces of a puzzle. The pieces to be properly aligned are people, processes, information technology and leadership. This connectivity has to be done by the management, which can be achieved by them by practice over a period of time.

OBJECTIVES OF THE STUDY
1. To identify various banking services offered by public and private sector bank to consolidate their CRM strategies.
2. To study the customers perception on factors influencing Customer Relationship Management in banking industry.
3. To classify the customers opinion on initial strategies, maintenance strategies, technology, service satisfaction and impact of CRM.

Study Area
The Salem district has been chosen for the purpose of study because of the following reasons

1. The Salem district is one of the industrialist areas and most of the transactions through the banks.
2. Salem district is the fourth place of the corporation in Tamilnadu
3. Almost every bank of the state has multiple branches in the city.

Data Collection
1. The total number of Public Sector Banks, Private Sector Banks, in the Salem district has been taken into consideration to decide about the number of banks for the purpose of study in each category.
2. By the above process totally 22 banks were chosen for the purpose of study. From each of the 22 banks 25 customers were selected as respondents.
3. The branches situated in the North, South and Central part of the Salem district were covered for the purpose of study.

Customer Role in CRM
The following t-test and factor analysis to identify the customer's perception of variance elements of crm in public and private sector banks. These perceptions are identified in lick-

ers 5 point scale which range from strongly agree to strongly disagree in fact theses variables are considered as dependent in nature.

The exact perceptions of these 500 respondents is ascertain through the comparisons of hypothesized mean value 3 and computed mean value this enables to uncertain the optimist or pecimistic perception about various element of CRM.

1. Perception of customers regarding initial strategies:

CRM is a business strategy and philosophy. CRM aims at understanding the customers, their present and future needs, providing best possible service enhancing customer experience and satisfaction, reducing the customer turnover, and ensuring that they remain customers for life. This study concentrates on 9 variables of customer relationship of banks. The prominent variables are banks are able to ascertain time which has been taken to service your transaction, hospitability offered, behavior of the officials in your bank, periodical statement received from your bank, efficiency of ATM service by your bank, appropriate location of the ATM centers, physical appearance of your bank, customization of your bank's services to suite your specific need.

The application of t-test to compare the computed mean value based on the perception of customers. In this t-test the computed mean value of the customer is compared with hypothesized mean value 3 to obtain the significance or insignificance value. The results are presented in the following.

Table 1
One sample Statistics and t- test for Customers regarding Initial Strategies

variable	N	mean	Std.De-viation	Std. Error Mean	t-value	Sig(2-tailed)
IS1	500	3.7420	1.03614	.04634	16.013	.000
IS2	500	3.0640	.96632	.04322	1.481	.139
IS3	500	3.4580	.90904	.04423	10.355	.000
IS4	500	3.8560	.97013	.04339	19.730	.000
IS5	500	3.9140	.86493	.03868	23.629	.000
IS6	500	3.1080	.97685	.04369	2.472	.000
IS7	500	3.1440	.99863	.04466	3.224	.000
IS8	500	3.8860	.88689	.03966	22.338	.000
IS9	500	3.7600	.92309	.04128	18.410	.000

(Source: Primary Data)

From the above table, it is found that the mean value of the initial strategies variables range from 3.0640 to3.9140. In particular it is identified that the variable number of IS2 to IS5 hospitality offered by your bank, effiency of ATM service by your bank possesses the mean values strictly greater than 3.5.

The T-test values are significantly greater than "3".The significance of these mean value are derived from the t-values shown in the table. It is found that t-values 16.013, 10.355, 19.730, 23.629, 2.472, 3.224, 22.338, 18.410 are statistically significant at 5% level. But the second variable in the initial strategies t=1.481 is insignificant at 5% level. Therefore, it can be concluded that, the customers of these banks strongly agreed the time taken service, behavior of the officials in your bank, periodical statement, efficiency of ATM service, appropriate location of the ATM centers, loan facilities, physical appearance of your bank, and customization of bank's services. It also indicates, the IS2 variable, hospitability offered by your bank. These t values are insignificant because these t- test values are lower than 3. It is found that the customer

perceived with agreeableness that their bank satisfy them in the quickness of service and ambience of the banks.

2. Strategies to maintenances the customers:

Recently a new trend has been observed in the market place with respect to maintaining the customers. Though most people feel that implementation of an integrated CRM is better, some organisations, including some reputed and structural organisations, have implemented several strategies to maintain the customers. This study has 16 variables of strategies to maintain the customers. The prominent variables are personal contract, marketing information and advertisement ,personal reports, bank's communication with its customers, general and promotional communication, various services offered by the bank, bank staff are courteous and give proper guidance, may I help you counter, understand customers requirements, all information pamphlets and banners are displayed for customers, ombudsman committee, grievance redressal, customers suggestions and complaints, the different scheme offered by this bank are customers friendly, important and valuable customer, customer make better financial decision.

The application of t-test to compare the computed mean value based on the strategies to maintain the customers. In this t-test the computed mean value of the customers is compared with hypothesized mean value 3 to obtain the significance or insignificance value. The results are presented in the following.

Table 2
One sample Statistics and t- test for CRM Maintances Strategies

variable	N	mean	Std. Deviation	Std. Error Mean	t-value	Sig(2-tailed)
MA10	500	3.5780	.95590	.04275	13.521	.000
MA11	500	3.5220	.98155	.04390	11.892	.000
MA12	500	2.2640	.96133	.04299	17.119	.000
MA13	500	4.6080	.50084	.02240	71.792	.000
MA14	500	4.4260	.59769	.02673	53.349	.000
MA15	500	3.1820	.90028	.04026	4.520	.000
MA16	500	4.2580	.58662	.02623	47.952	.000
MA17	500	3.4900	.89639	.04009	12.223	.000
MA18	500	3.8280	.86250	.03857	21.466	.000
MA19	500	3.8620	.82724	.03700	23.300	.000
MA20	500	3.5820	.84659	.03786	15.372	.000
MA21	500	3.8760	.84738	.03790	23.116	.000
MA22	500	3.9960	.83988	.03756	26.517	.000
MA23	500	4.0160	.91948	.04112	24.708	.000
MA24	500	3.6300	.76830	.03436	18.336	.000
MA25	500	3.3960	.91917	.04111	9.634	.000

(Source: Primary Data)

From the above table, it is examined that the mean values of the strategies maintain the customer's variable range from 2.2640 to 4.6080. Generally, it is ascertained that the variable number 12 and 13, personal reports and account summary reports are prompt and clear, and bank's communication with its customers are frequently and personalized dealings possess the mean values strictly greater than 4.

The T-test values are significantly greater than "3". The significance of the mean value is derived from the T-values have

been shown in the table. It is found that T-values 13.521, 11.892, 17.119, 71.792, 53.349, 4.520, 47.952, 12.223, 21.466, 23.300, 15.372, 23.116, 26.517, 24.708, 18.336, 9.634 are statistically significant at 5% level. Therefore, it can be concluded that the customers from the different banks strongly agreed about 16 strategies to maintain the customers. Hence, they also agreed. It is emphatically identified that the customers are maintained with the help of their personal contact to customers, marketing information advertisements from the banks, personal reports are prompt and clear to the customers. It also found their bank's communication, may I help you counter, ombudsman committee, grievance redressal, customers suggestions and complaints, banker's advice to the customer about financial decision are ranked by the customers of the banks in an optimistic manner.

It is found that the CRM maintenances strategies with agreeableness that there banks satisfy them in the maintances of customers and ambience of the banks.

3. Technology on CRM:
Technology has enabled banks to offer new services. Today the demand is not only for accurate, speedy and efficient service but also for new services.

This study reveals 10 variables of technology and CRM. The distinguished variables are ATM installed, e-mail internet services, the answers the phone call in a courteous manner and in a friendly way, customers phone call are immediately directed to the appropriate person, core banking, technology time consuming to the customer, employees recruit, technology the bankers will avoid the rush too, computerizing the banking transactions. This study also focuses identification of customer problems through advanced technology and technology perfects the customer relationships. The application of t-test to compare the computed mean value based on the CRM technology of customers. In this t-test computed mean of the customers is compared with hypothesized mean value 3 to obtain the significance or insignificance value. The results are presented in the following.

Table 3
One sample Statistics and t-test for Technology on CRM

variable	N	mean	Std. Devia-tion	Std. Error Mean	t-value	Sig(2-tailed)
TEC26	500	3.4340	.73670	.03295	13.173	.000
TEC27	500	4.1160	.76924	.03440	32.441	.000
TEC28	500	3.3260	.87936	.03933	8.290	.000
TEC29	500	3.8880	.85611	.03829	23.194	.000
TEC30	500	3.6620	.97656	.04367	15.158	.000
TEC31	500	3.5360	.95841	.04286	12.505	.000
TEC32	500	3.6400	.93603	.04186	15.289	.000
TEC33	500	4.2240	.67434	.03016	40.587	.000
TEC34	500	4.0760	.73164	.03272	32.885	.000
TEC35	500	4.1360	.75806	.03390	33.509	.000

(Source: Primary Data)

From the above table, it reveals that the mean values of the CRM technology and customers variable range from 3.3260 to 4.2240. Generally, it is ascertained that the variable number 28 and 33, customers problems are identified through advance technology, employees will recruit more to fill the needs to the customers possess the mean values strictly greater than 4.

The T-test values are significantly greater than "3". The significance of these mean value are derived from the T-values shown in the table. It is found that T-values 13.173, 32.441,

8.290, 23.194, 15.158, 12.505, 15.289, 40.587, 32.885, 33.509 are statistically significant 5% level. Therefore, it can be concluded that the customers of these banks strongly agreed the e-mail internet services, ATM, core banking systems, technology time consuming, identification of customer's problems through advanced technology and technology perfect the customer relationship. It is found that the technology and CRM with agreeableness that their banks satisfy them through CRM technology to customers.

4. Customers Satisfaction:
All customers are not equal. The good and valuable customers must be retained. Companies during the customer acquisition focus on market share, there on retention and later on differentiated service to the best customers. In the complex business environment that exists today, only those that are capable of providing total customer satisfaction can survive.

This study provides 14 variables of customer satisfaction in CRM. The important variables are awareness creation, bank's services and scheme widely available, bank users all available media to create awareness, branches are located at convenient locations, waiting time to contact the concerned person, customer services genuine and satisfying, customer services in your banks is personalized, friendly, customers services prompt and modernized, the atmosphere in the bank is warm and welcoming, the service provided is very much concerned about customers problem, the scheduled banking hours suits all customers, ample parking space, the facilities' and benefits provided by this bank.

The application of t-test compare to the computed mean value based on the CRM technology of customers. In this t-test computed mean of the customers is compared with hypothesized mean value 3 to obtain the significance or insignificance value. The results are presented in the following.

Table 4
One sample Statistics and t- test for Customer Satisfaction

variable	N	mean	Std.De-viation	Std. Error Mean	t-value	Sig(2-tailed)
CS36	500	4.0540	.83215	.03721	28.322	.000
CS37	500	3.6940	.94560	.04229	16.411	.000
CS38	500	2.7360	1.02391	.04579	-5.765	.000
CS39	500	3.4500	.92802	.04150	10.843	.000
CS40	500	3.9220	.83265	.03724	24.760	.000
CS41	500	4.0560	.71686	.03206	32.939	.000
CS42	500	3.6520	.88570	.03961	16.461	.000
CS43	500	3.7260	.86743	.03879	18.715	.000
CS44	500	3.6880	.87418	.03909	17.598	.000
CS45	500	3.9120	.79594	.03560	25.621	.000
CS46	500	3.0300	1.07676	.04815	.623	.534
CS47	500	3.9480	.86649	.03875	24.464	.000
CS48	500	3.8000	.93474	.04180	19.137	.000
CS49	500	4.1620	.79057	.03536	32.866	.000

(Source: Primary Data)

From the above table indicates that the mean values of the variables range from 2.7360 to 4.1620. Generally, it is indicated that the 38 and 49 variables, bank users all available media to create awareness about their services, the facilities and benefits provided by this banks is to be appreciated and possess the mean value strictly greater than 4.

The T-test values are significantly greater than "3". The significance of these mean value are derived from the t-values shown in the table. It is found that t-values 28.322, 16.411,

5.765, 10.843, 24.760, 32.939, 16.461, 18.715, 17.598, 25.621, 24.464, 19.137, 32.866 are statistically significant at 5% level. Except the variable of 46 in the customer satisfaction t=.623 insignificant at 5% level. This shows that, the customers of these different banks strongly agreed about 13variables of customer satisfaction such as: awareness creations, the ample parking facilities, media awareness, the customer's services satisfaction, personalized, prompt and modernized, the banks atmosphere is warm and welcoming at the suitable banks hours. It is also indicated that the 46 variable, the services provided is very much concerned about customers problem, T-values are lower than 3, so, it gives insignificance. Therefore, it can be concluded that the customers' satisfactions of different banks agreed to the customers. It is found that the customer's satisfaction with agreeableness that there banks satisfy them in the customer's satisfaction and ambience of the banks.

5. Impact of CRM on Customer:
CRM provides the competitive differentiation in near parity environment. CRM enables customer centric process. Identifying, acquiring, nurturing, retaining customers and developing lifelong relationships with them by providing best possible service and satisfaction in the process of achieving organizational goals towards this end. CRM aims at serving the customers on one to one basis, reducing the intermediaries, continuously monitoring customer needs, both stated and unstated and providing services and products in alignment visit to those needs. This study to examine on 7 variables of impact of CRM on customer. The distinguished variables are customers have inclination towards smooth management, CRM reflects the growth of the banking services, customer satisfaction is primary responsibility of the bank, problems are solved through proper CRM, prompt services-availability are essential for crm, financial performance of banks, CRM is lucrative concept for customer.

The application of t- test to compare the computed mean value based on the CRM technology of customers. In this t-test computed mean of the customers is compared with hypothesized mean value 3 to obtain the significance or insignificance value. The results are presented in the following.

Table .5
One sample Statistics and t-test for Impact of CRM

variable	N	mean	Std.De-viation	Std. Error Mean	t-value	Sig(2-tailed)
IMP50	500	3.4880	.97146	.04345	11.233	.000
IMP51	500	3.1140	.98943	.04425	2.576	.010
IMP52	500	3.2300	.97725	.04370	5.263	.000
IMP53	500	3.9180	.82743	.03700	24.808	.000
IMP54	500	3.1080	1.07827	.04822	2.240	.026
IMP55	500	3.4740	.93116	.04164	11.383	.000
IMP56	500	3.4760	.93765	.04193	11.351	.000

(Source: Primary Data)

From the above table, it is examined that the mean values of the variables range from 3.1080 to 3.9180. Generally, it is ascertained that the 54 and 53 variable CRM is lucrative concept for customer, financial performance of banks is essential for CRM, possess the mean values strictly greater than 3.

The t-test values are significantly greater than "3". The significance of these mean value are derived from the t-values shown in the table 11.233, 5.263, 24.808, 11.383, 11.351are statistically significant at 5% level. But except the 51and 54 variable in the impact of CRM on customers, t- values of 3.1140 and 3.1080 insignificant at 5% level. Therefore, it can be concluded that the customers of these different banks

strongly agreed about 5 variables as the customer satisfaction, prompt services, and financial performance. If banks, CRM have inclination towards smooth management, CRM reflects the growth of the banking services. This study also indicated that the customers in these banks disagreed the service and the problems are solved through proper CRM, CRM is lucrative concept of customer. Because, these 2 variables T- test values are lower than 3 so, it gives insignificant. It is found that the impact of CRM on customer with agreeableness that their banks satisfy them in the impact of CRM and ambience of the banks.

The following percentage analysis and t-test executive's perception of variance elements of CRM maintenance, CRM strategies, technology on CRM and customer satisfaction, is done to identify the banking details of public and private sector banks. The main aim of this section is to analysis the banking details the various banking services offered by public and private sector banks. The opinion of the bank personal is obtained through likely 5 point scales which ranges from strongly agree and strongly disagree. In this context a parametric t-test applied to study exactly the opinion of respondent.

FINDINGS
v The customers of banking industries strongly believed that advertisements, reports, communication, guidance, may I help you counter, information pamphlets and ombudsman committee role to achieve the customer satisfaction. The customer staff relationships in CRM depend upon employee's personal touch with their customers and employee's performance.
v Finally, internet services, advanced technology, core banking, and financial performance well defined strategies and achievement of customer satisfaction directly create incidental effects on customers and make them to stick on to the same service providers.
v Male customers possess high perception about initiation strategies, strategies increase the customers, customers satisfaction and customer staff relationship of the banking industry. Hence, in the case gender, CRM and customer satisfaction differ significantly and other factors do not differ significantly.

SUGGESTIONS
v The customers of banking industries preferred and expect transparency with the executives. Customer interaction programmes are essential to study the characteristic features of the customers.
v Information search place a major role in consolidating optimistic relationship between customers and executives. The meticulous care must be taken by the industries to advertise their services.
v The customers are advised the about mutual benefit. This enables the industries to improve the quality of services. The qualitative approach to improve customer satisfaction.

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. CRM is aimed at mutual benefit to the customers and industries. It creates deep and wide impact on customers and to make in deep- in- roads in identifying the lucrative move of the industries.

The study has taken a wider view about CRM in public sector banks and private sector banks. The future of banking lies with the CRM strategies adopted by banking companies. The conclude , the researcher would like to maintain that the relationship building with customers is now accepted as overriding goal of marketing and business as a whole and it applied to services industries also.

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