



A Study of Crm - as a Strategic Tool Adopted by Banks with Reference to Axis Bank in Thane City.

KEYWORDS

Globalization, Innovation, Competitive Advantage, Strategic tool & Customer, Experience.

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ABSTRACT

Today one of the approaches which are creating the buzz in the banking sector is Customer Relationship Management. Indian Banks are realizing that the magical formula for attaining success in a competitive environment is to focus on maintaining relationship with customers. The main purpose behind this study is to analyze whether banks are really implementing the whole concept and philosophy of CRM as a means of securing competitive advantage. The research design in this study will consist of exploratory research whereby different aspects with regards to CRM in the banking sector have been extracted from literature review and tested on a sample size of both employees and customers. These results were discussed and analyzed so as to get an indication of how far CRM is strategically implanted to secure competitive advantage. Based on the findings, a set of recommendations will be made so as to pinpoint how CRM can be used to secure competitiveness.

INTRODUCTION TO CRM:

CRM is a managerial philosophy that seeks to build long term relationships with customers. CRM can be defined as the development and maintenance of mutually beneficial long-term relationships with strategically significant customers. It is the establishment, development, maintenance and optimisation of long term mutually valuable relationships between consumers and the organisations. Successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organisation's strategy, people, technology and business processes. CRM identifies the present and future markets, selects the markets to serve and identifies the progress of existing and new services.

CRM AS A STRATEGY:

The idea of CRM is that it helps businesses use technology and human resources to gain insight into the behavior of customers and Customer relationship management is a broad approach for creating, maintaining and expanding customer relationships. CRM is the business strategy that aims to understand, anticipate, manage and personalize the needs of an organization's current and potential customers. At the heart of a perfect strategy is the creation of mutual value for all parties involved in the business process. It is about creating a sustainable competitive advantage by being the best at understanding, communicating, and delivering and developing existing customer relationships in addition to creating and keeping new customers. So the concept of product life cycle is giving way to the concept of customer life cycle focusing on the development of products and services that anticipate the future need of the existing customers and creating additional services that extend existing customer relationships beyond transactions the value of those customers.

CRM involves new and advance marketing strategies which not only retain the existing customers but also acquire new customers and also analyzes their efforts in terms of a strategic framework and points out some of the deviations that have occurred in the implementations. It has been invented as a unique technique capable of remarkable changes in total output of companies.

OBJECTIVES OF STUDY:

1. To examine the importance of CRM in banking sector.
2. To review the literature on the concept of CRM in Indian Banks.

3. To understand the use of CRM in Axis Bank.
4. To analyse the perception of customer on CRM as a tool of Axis Bank.
5. To evaluate the service quality offered by Axis Bank
6. To offer pertinent suggestions based on the findings of the study.

STATEMENT OF PROBLEM:

In the banking field a unique 'Relationship' exists between the customers and the bank. But because of various reasons and apprehensions like financial burdens, risk of failure, marketing inertia etc., many banks are still following the traditional ways of marketing and only few banks are making attempts to adapt CRM. It is with this background, the researcher has made a modest attempt towards the idea that CRM can be adapted uniformly in the banking industry for betterment of Banking Services. So there is a need to study the role of CRM in development and promotion of banking sector through the sidelines of the practices, problems and impact of the CRM on banking sector all the time.

REVIEW OF LITERATURE:

1.) Chary & Ramesh, 2012: CRM is a sound business strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationship with those customers through individualized marketing, reprising, discretionary decision making, and customised service through the various sales channels that the bank uses. Any financial institution seeking to adopt a customer relationship model should consider six key business requirements they are:

1. Create a customer-focused organisation and infrastructure.
2. Gaining accurate picture of customer categories.
3. Assess the lifetime value of customers.
4. Maximise the profitability of each customer relationship.
5. Understand how to attract and keep the best customers.
6. Maximise rate of return on marketing campaigns.

2.) Rangarajan, 2010; Shibu, 2011: CRM is developing into a major element of corporate strategy for many organisations. A greater focus on CRM is the only way the banking industry can protect its market share and boost growth. With intensifying competition, declining market share, deregulations, smarter and more demanding customers, there is competition between the banks to attain a competitive advantage over one another or for sustaining the survival in competition.

3.) Panda 2003: CRM is fundamental to building a customer-centric organisation. CRM is a key element that allows a bank to develop its customer base and sales capacity. The goal of CRM is to manage all aspects of customer interactions in a manner that enables the organisation to maximise profitability from every customer. The author described customer expectations are difficult to manage but are often the cause of dissonance which results in loss of existing customer base. So understanding of customer expectations with regard to service delivery levels and product quality is essential for establishing a long term symbolic value relationship.

4.) Bose, (2002) described the customer relationship management (CRM), essential and vital function of customer oriented marketing is to gather and accumulate related information about customers in order to provide effective services. CRM involves attainment analysis and use of customer's knowledge in order to sell goods and services. Reasons for CRM coming to existence are the changes and developments in marketing environment and technology.

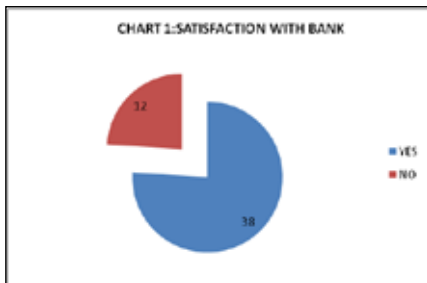
RESEARCH METHODOLOGY:

Due to lack of time we were not able to collect large number of data but still we were able to find suggestions which are going to help the bank to perform better. A sample of around 100 customers and 20 employees of six branches of Thane city of Maharashtra State were selected. With the help of the questionnaire developed for both employees as well as customers were collected to analyze the level of customer relationship maintained by the organization and the level of customer satisfaction that the customer was able to get. The questionnaire is attached with the paper.

ANALYSIS AND INTERPRETATION:

TABLE 1: SATISFACTION WITH AXIS BANK SERVICES

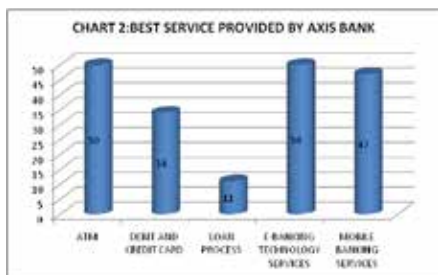
YES	38
NO	12



As per the chart and table it is clearly assumed that more than 70% of the customers are happy and satisfied with the bank and its services.

TABLE 2: BEST SERVICE PROVIDED BY AXIS BANK

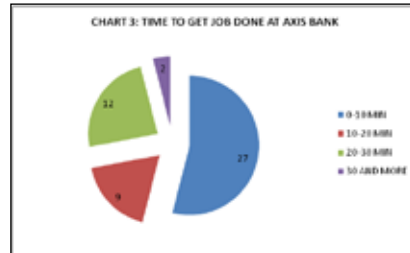
ATM	50
DEBIT AND CREDIT CARD	34
LOAN PROCESS	11
E-BANKING TECHNOLOGY SERVICES	50
MOBILE BANKING SERVICES	47



Mostly all of the customers happy with the services like ATM and E-banking technology of the bank. Nearly 25% are happy with the loan process as the data collected was young population.

TABLE 3: TIME TO GET JOB DONE AT AXIS BANK

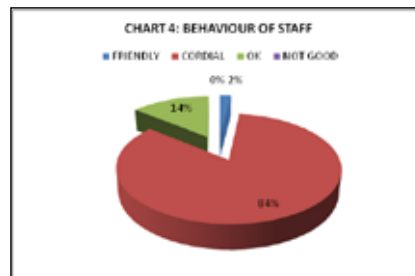
0-10 MIN	27
10-20 MIN	09
20-30 MIN	12
30 AND MORE	02



More than 50% customers are getting quick services from the bank i.e. within 0-10 minutes once they reach to branch of Axis Bank in Thane city.

TABLE 4: BEHAVIOUR OF STAFF

FRIENDLY	01
CORDIAL	42
OK	07
NOT GOOD	00



84% customers are saying that the behaviour of the staff is cordial during the visit and 14% says it is ok. There is no customer against the behaviour of staff. These shows the customers are getting good CRM from the bank.

TABLE 5: SATISFACTION FOR PROBLEM SOLVING ATTITUDE OF BANK

YES	40
NO	07
CAN NOT SAY	03



80% customers are happy with the problem solving technique of the bank. 6% do not want to disclose the fact and 14% are not happy and they are senior citizens mainly.

TABLE 6: IS CUSTOMER KING ACCORDING TO BANK?

YES	42
NO	08

CHART 6: IS CUSTOMER KING ACCORDING TO BANK?



94% Customers are happy with the bank and they interpreted customers are king as per bank.

CRM STRATEGIES AT AXIS BANK IN THANE CITY (FINDINGS THROUGH EMPLOYEES OF THE BANK):

1. Customer care department or centers:

The Axis bank customer care department is the department which handles all customer queries, suggestions, feedback and complaints if any. Customers can also find out all the newly introduced financial products and services by calling here. The Axis bank customer care centers are spread across the country in places like Delhi, Gurgaon, Mumbai, Bangalore, Ahmadabad, Chennai, Pune, Hyderabad, Kolkata, Pune etc. This department works in a 24x7 work environment so that the customers can contact the bank at any time in case of any problem.

2. Axis Bank Customer Care Phone Number:

The customer care numbers of Axis Bank can provide great help to the users as they can enquire about their problems from the customer care department. Also Axis Bank ensures that there is availability of well qualified professionals in order to satisfy customers and give appropriate solutions to their queries.

3. Axis Bank Customer Care Toll Free Number:

The customer care toll free numbers of the Axis Bank for Lost Credit Cards are:

1-800-233-5577
1-800-209-5577
1-800-103-5577

This number remains a toll free number if contacted from anywhere in India from a MTNL or a BSNL landline phone.

4. NRI phone banking service:

NRI / Other customers can access services of phone banking from outside India by dialing +91 22 27648000.

5. Blocking of debit cards:

For blocking of Debit cards or Prepaid cards, the 24 hour emergency number is +91 22 67987700

6. Axis Bank customer care SMS Service:

One can also send them an SMS on their number 5676782 or 9717000002. The customer care executive of the bank would either call you up or reply your query.

7. Axis Bank Customer Care e-mail Service:

Contact customer.services@axisbank.com for Credit Card Related issues Contact debit.card@axisbank.com for Debit Card Related queries Contact mobile.banking@axisbank.com for Mobile Banking queries Contact nricell@axisbank.com for NRI Related queries

FINDINGS FROM CUSTOMERS FEEDBACK:

1. Customers share positive views concerning bank trustworthiness and accuracy of banking solutions. Therefore, it can be argued that customers trust their bank. Indeed, trust is seen as a critical construct in a range of discipline areas including CRM.

- The customers sometimes have to wait a little long but that is only during weekends when there are a huge number of customers. As the bank had made necessary help desks for each of its services that are offered, there are hardly any problems regarding the management of banking transactions
- The study demonstrates that most of the customers have positive perceptions pertaining to their Bank keeping them up to date with the best ways of investing money and they are of the opinion that the information provided by their banks are up to their expectations. New communication and information technologies and self-service systems provided by bank are creating some utilities of space and time which is valued by the consumers
- The employees are trained how to deal with the customers and their problems and queries. Due to the emergence of the concepts of CRM one thing that is quite sure that employees of Axis bank are quite aware of their role.
- Apart from technology, the changing demographic structure of Indian population that shows a young working population has created a demand for better services.

The overall findings of this research reveal that the Axis Bank has able to convince their customers on their CRM efforts. Various CRM initiatives and dimensions measured in this study report favorable response. Still there is underperformance found in the bank in spite of technological developments. So, for proper application and implementation of CRM deep research is required at Axis Bank.

CONCLUSION:

This study provides a step in understanding the existing CRM strategies in Axis Bank at Thane. The findings indicate that there are several loop holes in the existing tactical CRM strategies in Axis Bank. This study is an example of the knowledge that can be gained in understanding the effectiveness of front end CRM strategies in the Indian banking sector from the customer perspective and further in-depth case study analysis can be executed to give more on CRM strategies in the Indian banking sector.

This study shows that if organizations want to attain a sustainable competitive advantage through CRM, they should efficiently apply all the CRM resources to create CRM process capabilities which are unique and cannot be copied by other organizations. There is a direct relationship between perception and satisfaction, important. And employing CRM may only strengthen the relationship between perceptions and up-buying and cross buying which is all in support of introducing CRM in service sector.

Banks are realizing that CRM is the magic bullet that helps financial institutions to build stronger and more profitable relationships. Hence Banks should focus on delivering to customers by having a concise and precise ways of doing things through effective CRM solutions rather than developing product strategy.

SUGGESTIONS:

- Front office executives should stop looking at customers for multiple product promotion and start focusing on making the customers feels comfortable in terms of service consumption.
- It is important for banks to handle the customers directly through their human resources rather than IVRS (recorded voice) at the appropriate stage in the process.
- The banks need to promote branch banking or branch contact numbers.
- Employ more relationship executives for catering the needs of the people visiting the banks.
- Efforts should be made to redress the problem of the customer as early as possible.

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