



## A Study on Crm in Nationalized Banks With Special Reference to Coimbatore City

### KEYWORDS

CRM, Nationalized Banks

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### ABSTRACT

India has a well developed banking system. Most of the banks in India were founded by Indian entrepreneurs and visionaries in the pre-independence era to provide financial assistance to traders, agriculturists and budding Indian industrialists. Indian banks have played a significant role in the development of Indian economy by inculcating the habit of saving in Indians and thereby lending finance to Indian industry. With the growth in the Indian economy, demand for banking services-especially retail banking, mortgages and investment services are expected to be strong. Customer Relationship Management (CRM) is a business strategy designed to reduce costs and increase profitability by solidifying customer loyalty. 300 respondents were selected using convenient sampling to analyse the data by using percentage analysis and weighted average score analysis. Suggestions have been given to improve the customer loyalty, customer awareness and CRM. If implementation is done in a phased manner it will definitely lead to

### Introduction

India has a well developed banking system. Most of the banks in India were founded by Indian entrepreneurs and visionaries in the pre-independence era to provide financial assistance to traders, agriculturists and budding Indian industrialists. Indian banks have played a significant role in the development of Indian economy by inculcating the habit of saving in Indians and thereby lending finance to Indian industry. With the growth in the Indian economy, demand for banking services-especially retail banking, mortgages and investment services are expected to be strong.

### Customer Relationship Management (CRM) in banking

Customer Relationship Management (CRM) is a business strategy designed to reduce costs and increase profitability by solidifying customer loyalty. CRM brings together information from all sources within an organization to give one, holistic view of each customer in real time. This allows employees in the marketing areas to face the customers, to make quick decisions from cross-selling and up-selling to target marketing strategies to competitive positioning tactics.

CRM is the business strategy that aims to understand, anticipate, manage and personalize the needs of an organization's current and potential customers. CRM is primarily driven by the innovation of technology, but unlike other technological innovations, CRM has power to help organizations quickly and directly improve customer satisfaction. CRM is an added dimension to ensure that what the customer expects is consistent with what the organisations is prepared to deliver.

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### Statement of the problem

The Indian bank management today is facing many challenges to improve their profitability on the one hand and

to serve the public in new ways with greater efficiency and effectiveness on the other. In the noble task of fulfilling the socio economic responsibilities, commercial volatility and the customer relationship should not be ignored.

### Objectives of the study

1. To study the basic awareness regarding the products offered by banks.
2. To study the satisfaction level of customers towards the Public Sector Banks.
3. To offer suggestions for the improvement of the services.

### METHODOLOGY OF THE STUDY

#### i) Area of the study

Coimbatore being the Manchester of south India is taken for the study.

#### ii) Source of data

The study has used primary data which is collected from 300 respondents. A questionnaire has been prepared in such a way that the respondents were able to give their opinion regarding the study.

#### iii) Sampling design

300 respondents are taken for the study

#### iv) Sampling technique

Convenient sampling is used to collect the data

#### v) Tools for analysis

Following tools were used to analyse the data collected from the respondents.

1. Percentage Analysis
2. Weighted Average Analysis

### Limitations of the study

1. The study is restricted to Coimbatore city only
2. Sample size is restricted to 300 respondents

**TableNo.1: Source of awareness**

S. No	Awareness	No. of respondents	%
1	Advertisements	42	14.0
2	Banks Customers	72	24.0
3	Bank Representatives	84	28.0
4	Friends and Relatives	102	34.0
	Total	300	100.0

**Table No 2: Number of years of relationship with bank**

S. No	Relationship	No. of respondents	%
1	Below 5 years	102	34.0
2	5-10 years	120	40.0
3	More than 10years	78	26.0
	Total	300	100.0

**TableNo.3: Level of satisfaction about the facilities offered by Nationalized banks – Weighted average rank analysis**

Facilities	Level of Satisfaction						Total Respondents	Total score	Mean
	Highly Satisfied	Fairly Satisfied	Just satisfied	Not Satisfied	Not at all Satisfied	Total			
Access to bank Cards	78	120	60	24	18	300	1116	3.72	
Different types of Account	48	72	96	72	12	300	972	3.24	
Forex services	36	36	54	96	78	300	756	2.52	
Insurance & Investments	54	36	72	96	42	300	864	2.88	
Loans	24	132	78	42	24	300	990	3.30	
Payment services	58	114	84	38	6	300	1080	3.60	

**Finding**

Majority of the respondents are male. Majority of the respondents belong to the age group of 35-45 years. Majority of the respondents belong to the category of 3 members in the family. Majority of the respondents are undergraduate. Majority of the respondents are married. Most of the respondents come under the occupational status of business. Majority of the respondents family monthly income is in between Rs.10,001 to Rs.20,000. Most of the respondents have 2 savings account in bank. Most of the respondents are aware about the bank through friends and relatives. Most of the respondents have relationship with the banker between 5-10 years. Weighted average score analysis gives a clear picture regarding the level of satisfaction about the facilities offered by Public sector banks. Thus, it could be inferred that the facility of free access to banks gives highest level of satisfaction and Forex services of the public sector banks gives the least level of satisfaction.

**Suggestions****Customer Loyalty**

With increased number of banks, products and services customers are easily switching from one bank to another whenever they find better services and products. Banks are finding it tough to get new customers and importantly retain existing customers.

**Creating awareness**

The banks should create awareness among the customers regarding the various new facilities offered by them, so that the customers can effectively make use of the improved facilities like Forex facilities and Insurance and investment facilities which is growing rapidly.

**Customer relationship management**

CRM is a sound business strategy to identify the banks most profitable customers and prospects, and devoted time and attention to expanding relationships with those customers through individualized marketing, reprising, discretionary decision making and customized service delivered through the various sales channels that the bank uses.

**Conclusion**

The banking industry in India has undergone volatile changes during the last decade and one of the major areas of change is customer service. Indian banks have not yet seen big results from CRM solutions, probably because of improper implementation. Being short sighted, they have adopted new technology without a clear understanding of how to integrate it with the existing systems and processes. Indian banking industry should aim to formulate strategies incorporating people, processes and technology issues. In accordance with the strategies, current and future IT initiatives can be formulated, prioritizing the related activities and their feasibility. If implementation is done in a phased manner it will definitely lead to organization's success in achieving the Customer Relationship Management.