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A Study on Customer Relationship Management Practices in Public & Private Sector Banks

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A B S T R A C T

Abstract present research in an initial attempt at the banking sector level highlighting the relative customer relationship management (CRM) performance & evaluates its collision on customer retention between the public and private banks of Uttar Pradesh. CRM means, edifice an interpdependent relationship with the customer in whom each relies on the other for business solutions and success. It came into the power when banking industry were getting more ,more competitive and shield its market share and boost growth. From the banker's point of view, it is the management process or approach of acquiring, retaining and growing. SPSS package was applied to complied and analyse the data. Major factors take from various researches to analysis their importance and stratified random sampling techniques used for administrating the questionnaries. Result bring out that CRM practices more effectively. However, a micro analysis reveals that the public bank have highest scores in term of reliability and assurance. The analysis of the results suggest that the banks are equally affected by the kind of CRM intiatives they undertake.

Keywords: CRM in bank, Relationship management, Customer satisfaction of CRM

1. Introduction

CRM is a comprehensive approach for creating; maintaining and expanding customer relationship it provides seamless co-ordination between customer service, marketing, information technology and other customer related functions. It integrates people, process and technology to maximize relationships with all the customers. It does not aim to build closer relationship with all customers, but it recommends that organizations take initiative to identify the most valuable customers by looking for their life time value.

2 CUSTOMER RELATIONSHIP MANAGEMENT

Customer Relationship Management is a process or methodology used to learn more about customers' needs and behaviors in order to develop stronger relationships with them. There are many technological components to customer relationship management, but thinking about customer relationship management in primarily technological terms is a mistake. The more useful way to think about customer relationship management is as a process that will help bring together lots of pieces of information about customers, sales, marketing effectiveness, responsiveness and market trends.

3. Literature Review –

1. Hiroshi F. (1997) In his study "Electronic business for new administration and data framework base", he had given weight on electronic data gave to client indifferent managing an account divisions to make the framework more productive to satisfy the requirements of client utilizing saving money administrations and help as a part of CRM

2. Peevers G. et al (2011) examined that the transaction confirmation is shown to be important to customers – whether by an SMS message or within the IVR telephone call itself. Customers judged the role of SMS for CRM as highly desirable after monetary transactions; they prefer the version of the IVR banking service that provides (out-of-band). SMS confirmation compared to one that does not – and they judged it significantly higher for quality.

3. Wa'el Hadi (2015) focused on the concept of CRM strategies stage (attraction, acquiring, withholding and expanding), and the competitive advantage. It contains four major steps: the attraction, acquisition, withholding and expansion the relationship with the customers. That has

encouraged the authors to examine all available studies from all available sources. Therefore, this paper contributes to this field by providing a clear model for employing CRM strategy as a model to improve Competitive advantage.

4. Partha Saradhy et al (2014) explored the comparative use of CRM in various private sector banks. The tenure of banking transactions of the respondents influences the CRM efficiency, especially in the public banking sector. Nationalized banks are succeeding in collecting feedback regularly from the right customers and succeeding in maintaining a transparent and well-defined system, and the customers are highly satisfied with the privacy policy and ATMs provision.

5. Alaka Samanta ray (2016) examined that the characteristic features of the customers, the executives of these banking industries should survey to measure the customer preference and level of satisfaction. It is suggested that the bank should develop the channel incorporation for proper CRM practices. The consumers should be encouraged by the way of rewards, and prizes for using more and more banking facilities.

6. (Lau K, et al, 2003) It is also important to understand that if customers bring in profits for the bank, it becomes imperative for the bank to provide excellent services to those customers, otherwise they switch to other banks.

7. et al, 2004). Hallowell Roger (1996) conducted a research on customer satisfaction, loyalty, and profitability and found that as compared to public sector, private sector bank customers' level of satisfaction is comparatively higher. Customer service is the primary end of any bank.

8. Ryals L, et al, 2001). Customer service is the primary end of any bank. A customer always wants something and expects that the bank should come up to the level to fulfil those needs. Again, the more you provide, still more the consumer needs. Service quality is about meeting customers' needs and requirements, and how well the service level delivered matches customer expectations. Service quality in banking implies consistently anticipating and satisfying the needs and expectations of customers

4. Research Methodology

4.1 Objectives of the Study

- To analyze the concept of CRM and demographic profile of the customers.

- To analyze the existing CRM practices in the private sector banks.

- To recommend the ideas to satisfy their customer towards the CRM.

4.2. Research Design:

The research is descriptive nature because previous researchers have not studied the indicators, which the researcher has chosen, and it has explained the attributes, which are related with Customer Relation management aspect in banking sector in Uttar Pradesh. The data are collected through questionnaire cum interview from the officers and the customers of selected public sector banks, private sector banks and was evaluated by various methods.

Sources of Data:

1. Primary Data: It is gathered for the first time by the researchers. If the secondary data is found to be inadequate or unavailable, the researcher goes for primary data.

2. Secondary data: is the data borrowed from secondary sources by the researcher. Secondary data can be internal or external i.e., internal records of the company or information available from library and other statistical organization This project is based on both primary as well secondary data. Primary data is collected by preparing a questionnaire and conducting a survey regarding the topic & Secondary data is taken from internet & various books

4.3 Data Collection:

Both primary and secondary sources are to be used to collect the data. Primary data will be collected through interview conducted to obtain information on customer relationship management from selected banks and questionnaire is designed to gather feedback from customers on customer relationship management by selected banks. A lot of secondary information related to selected banks and customer relationship management will be collected through web sites, journals books, magazines etc.

4.4 Sampling Method:

The sample to be studied is selected through Multi-Stage Sampling. Firstly the private and public sector banks are chosen on the basis of Convenience Sampling. Secondly, branches to be studied are chosen through Cluster Method.

4.5 Sample Frame:

The study was conducted in Vadodara district from only in private and public sector banks and the sample size is 80 customers were taken.

4.6 Sampling technique:

Stratified random sampling technique used for present study for administrating the questionnaire Statistical tools: Percentage analysis and Pearson correlation were utilized for this study

5. Data Analysis

Table 1 Demographic Details of Respondents

Sr .no	Factors	Category	Frequency	Percentage
01	Gender	Male	37	48.7
		Female	39	51.3
02	Age	Below 20	7	9.2
		21-30	34	44.7
		31-40	9	11.9
		41- Above	26	34.2
03	Occupation	Student	29	38.2
		Business man	15	19.7
		Government employee	4	5.3
		Other	28	36.8
04	Highest Qualification	Matric	4	5.4
		Senior Secondary	6	8.1
		Graduate & Professional	25	33.8
		Post Graduate	31	41.9
		Other	8	10.8

Response: The above analysis that below 20band the 41 is above

Gender: In this analysis male are 51.%and female are 48.7%

Occupation: The anynsis in business man and woman 19.7% and other 36.8 % and there are students 38.2%

Height qualification: The above matric 5.4% senior secondary 8.1% post graduate 41.9% and other 10.8%

Table 2 Demographic Details of Bank

05	Having Bank Account	Yes	73	96.1
		No	3	3.9
06	Sector Bank we have	Public	35	46.1
		Private	12	15.8
		Both	29	38.2
07	Types of account using	Saving	64	85.3
		Current	5	6.7
		Demat	0	0

		FD	1	1.3
		Salary	5	6.7

Bank account: 96.1% have to a bank account This analysis in a public 46.1 % private 38.2 % and Both sector Bank in 15.8%

Sector bank do you have :This analysis in a public 46.1 % private 38.2 % and Both sector Bank in 15.8%

Account do you have: In analysis savings are 85.3% current account 6.7% salary account 6.7 %

Table 3 Preference of Most preferred bank by Respondents

08	Most Preferred bank	ICICI Bank	6	7.9
		HDFC Bank	14	18.4
		SBI Bank	21	27.6
		Bank of Baroda	26	34.2
		Punjab National Bank	1	1.3
		Federal Bank	1	1.3
		Axis	1	1.3
		IDBI	1	1.3
09	Criteria Opening Account	Brand Image	17	22.4
		Services	48	63.2
		Charges	3	3.9
		Location	8	10.5

- Account do you have: In analysis savings are 85.3% current account 6.7% salary account 6.7 % Basic purpose: This analysis in ICICI Bank 7.9% HDFC Bank 18.4% and SBI 27.6% and BOB 34.2

Table 4 Respondents finding information from different sources about Bank facilities

	ATM Debit card	14	18.4
Facilities Available at bank	Credit Crad	9	11.8
	Insurance	7	9.2
	Mobile Banking	11	14.5
	All of the above	61	80.3
	1	3	3.9
	2	2	2.6
Satisfied with bank overall performance	3	11	14.5
	4	27	35.5
	5	33	43.4

Facilities available in bank : This analysis debit card 18.4% credit card 11.8 % insurance 9.2 % mobile banking 14.5 % and all of the above 80.3 % Open Debit card :Occasionally 55.3% never 18.4% and frequently 26.3 %

Table 5 Factors consider for preference of bank

Often using Debit Card	Occasionally	42	55.3
	Never	14	18.4
	Frequently	20	26.3

Open Debit card : Occasionally 55.3% never 18.4% and frequently 26.3 %

Table 6 Factors consider for preference of bank

Rank with the preference of bank	Friendly Behaviour of the staff	16	21.1
	Reliability / trust	30	39.5
	Quick & fast Services	20	26.3
	Location	10	13.2

Satisfied bank overall : On 1st setp an a 3.9% 2nd 2.6% 3rd 14.5% and 4th 43.4% Friendly behavior of the staff 21.1% reliability trust 39.5% quick and fast service 26.3 % and location 13.2% Specific services expect from bank :In Analysis in highest 48.5 % low 12 % Satisfied bank overall : On 1st setp an a 3.9% 2nd 2.6% 3rd 14.5% and 4th 43.4%

Table 7Respondents Switch from present bank

Switch from present bank	yes	14	18.4
	no	40	52.6
	Maybe	22	28.9

Satisfied bank overall : On 1st step an a 3.9% 2nd 2.6% 3rd 14.5% and 4th 43.4%In Analysis in highest 48.5 % low 12 %

Table 8 Factors consider for better functioning

| Suggestions for better functioning in bank | Public | 49 | 64.5 |
| | Private | 27 | 35.5 |

Public sector 64. 5% and private sector are 49 % Private is of 35.5 to 27

Table 9 Factors consider Problem regarding services

| Problem Regarding services | If yes | 19 | 43.2 |
| | No | 9 | 20.5 |

Anaysis in a no sector is 20.5% and if yes are 43.2% Yes 18.4 % and no 5.26% and may be 28.9%

6. Findings

- Maximum respondents were answered from the age between 21-30 age group in years 44.7% the respondents.

- Responded from the female category 51.3% of the respondents are completed their educational qualificantion up to graduate. 33.8% of the respondents are working as self employed regarding occupation.

- 96.1% of the respondents were said to bank accounts . Majority of 85.3% of the respondentias are having their account only in saving account.

- Majority of 46% of respondents were frequently using their transaction .

- The result shows here all the factors of customer relationship management such as awareness, strategy, deposit scheme, loan schemes, E-services, physical facilities and solving customer's problems and complaints are positively correlated with each other.

7. Conclusion

The bank must always give importance to customer satisfaction that can turn in increasing of customer. The study identified key dimensions of CRM namely, awareness, strategy, deposit schemes, solving customer problems and complaints, customer satisfaction and customer retention through that many ideas useful to enhance the customer relationship management in the banking sector. Still bank has been understood that CRM is best tool to build

the stronger customer relationship with potential customers, definitely if bank is concentrate that the CRM continuously with the customer of bank they could be achieve their target easily.

The present study provides some guidelines for customer relationship management satisfied customers are loyal customer, their retention rate is much higher and so is their overall profitability. CRM offers the most holistic route for banks to enhance customer relationships. Banks can enhance customer retention, profitability and loyalty and get an increased share of banks from their customers. Banks need to embrace CRM as a principle and adopt a strategy for managing customer relationships that effectively addresses three key areas, customers, processes and technology. Finally banks should take actions such as recognition and delegation of work, freedom to handle

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