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The Role of Customer Relationship Management (CRM) in Systematic Investment Plan (SIP) Marketing

Mr. Hasan Bhopal Wala[1], Prof. Linu George[2], Prof. (Dr.) Bhawana Sharma[3]

[1]BBA 3rd Year (Marketing), Amity University, Mumbai
[2]Assistant Professor, Amity Business School, Amity University Mumbai
[3]Director-International Affairs & Programs, Officiating HOI, Amity Business School, Amity University Mumbai

1. Executive Summary

As businesses shift toward hyper-personalization and analytics-driven decisions, CRM solutions are transforming how Systematic Investment Plans (SIPs) are promoted and maintained. This study examines CRM's effectiveness in not only acquiring new SIP clients but also in retaining them through personalization, behavioural insights, and ongoing engagement.

Drawing from a survey of over 80 investors and secondary data, the research evaluates how CRM—especially when powered by artificial intelligence and data analytics—can redefine investor relationships. While CRM usage shows significant potential, awareness remains low and user satisfaction varies. However, essential features like personalized recommendations and timely reminders underscore CRM's capacity to create sustained investor engagement.

1. Introduction

1.1 Evolution of CRM in Business

CRM is more than software; it's a strategic framework. By collecting customer data and tracking behaviour, CRM allows businesses to offer tailored interactions. In finance, CRM helps maintain continuous, relevant communication throughout the customer journey.

1.2 SIP Marketing Overview

SIPs are widely embraced in India for their simplicity and consistency. Despite their benefits—like compounding and disciplined investing—many investors discontinue SIPs due to fear of market fluctuations or insufficient knowledge.

1.3 Importance of CRM in SIP Promotion

Financial institutions use CRM to:

• Segment clients by age, risk appetite, and income.

• Automate communication (e.g., alerts, investment suggestions).

• Offer live dashboards.

• Leverage AI to forecast investor behaviour.

These functions support better client acquisition, lower dropout rates, and foster trust.

2. Literature Insights

CRM has undergone major transformations:

• 2000s: Emphasis on customer loyalty and database outreach.

• 2010s: Integration with mobile and social channels.

• Present: AI-infused CRM delivers hyper-personalized support.

Key takeaways:

• AI refines customer segmentation.

• Omnichannel access ensures message consistency.

• Ethical practices improve loyalty.

• Case studies (e.g., SBI and HDFC Mutual Fund) demonstrate enhanced SIP renewal through CRM implementation.

3. Methodology

A dual research method was used:

Primary Data

• A survey of 80+ SIP investors using Google Forms.

• Covered demographics, investment habits, and CRM familiarity.

Secondary Data

• Insights from SEBI, AMFI, and finance reports.

• CRM strategies from major mutual funds.
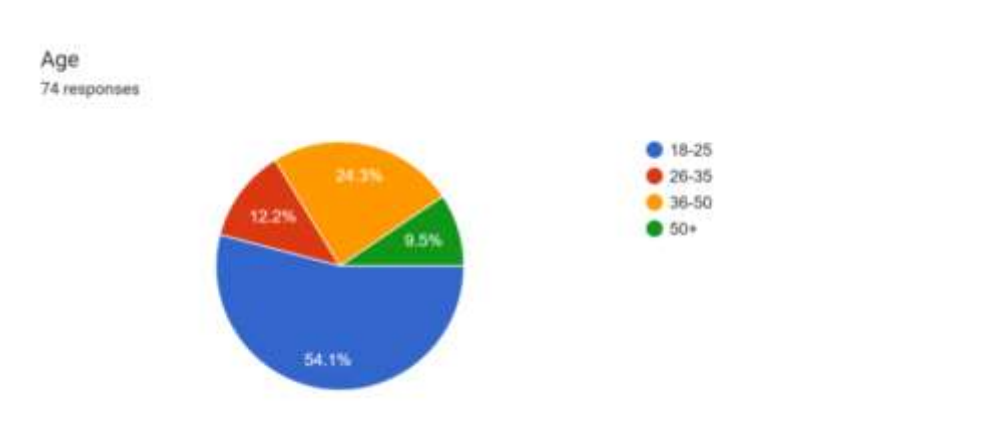
Tools Employed:

• Likert scale evaluations.

• Qualitative feedback.

• Descriptive statistics.

This blended approach enabled a thorough analysis.

4. Findings

4.1 Demographics

• Age: 54.1% between 18–25.

• Profession: 47.3% were students; rest were working professionals.
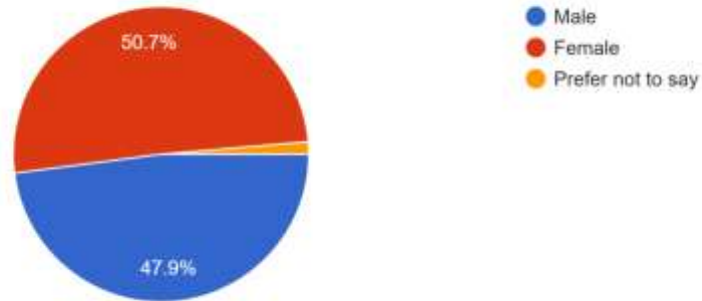

• Gender: Balanced representation.

4.2 SIP Behaviour

• 47.3% actively invest in SIPs.

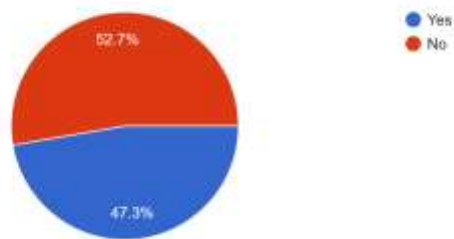• 63.3% began investing less than a year ago.

This indicates an emerging investor base needing guidance.
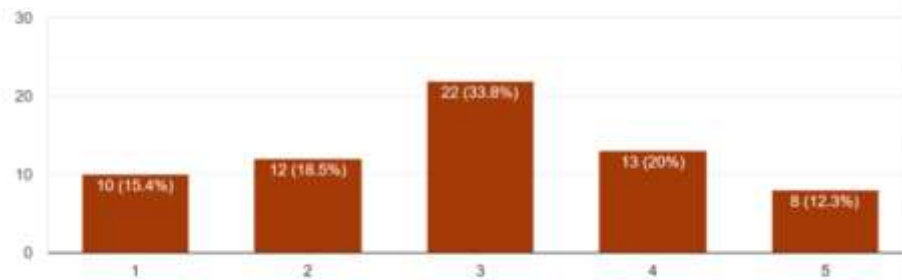
Gender

4.3 CRM Usage

• 52.7% acknowledged interacting with CRM systems.

• 47.3% were influenced by CRM messages, even passively.

4.4 Satisfaction with CRM

• 33.8% neutral.

• 20% satisfied.

• 12.3% highly satisfied.

• Around 34% were dissatisfied.

How satisfied are you with the Customer Relationship Management (CRM) experience in SIP marketing?
65 responses

The disparity points to varying implementation quality.

4.5 Preferred CRM Features

• Customized SIP suggestions.

• Investment reminders.

• Visual investment summaries and dashboards.

5. Challenges Identified

CRM adoption in SIP marketing faces hurdles:

• Limited financial knowledge in smaller towns.

• Inadequate integration between CRM and transaction systems.

• Excessive automation can feel impersonal.

• High deployment cost for smaller firms.

• Resistance from traditional advisors.

• Lack of clear metrics for CRM success.

6. Strategic Recommendations

1. Improve Financial Literacy

Provide accessible educational content via CRM platforms.

2. Make CRM Tools More Visible

Highlight features like dashboards and alerts during user onboarding.

3. Deliver Real-Time Personalization

Utilize AI for personalized, timely SIP advice.

4. Human-AI Hybrid Models

Combine automated services with advisor support for better trust.

5. Behaviour-Based Segmentation

Identify and intervene with users likely to discontinue.

6. Gamification Techniques

Incorporate progress indicators and rewards to boost engagement.

7. Future Vision for CRM in SIPs

Next-gen CRM will be:

• Smarter: AI will proactively suggest actions and manage risks.

• Omnichannel: Unified communication across mobile, web, and messaging apps.

• Lifecycle-Oriented: Tailored journeys from early career to retirement.

• UPI-Compatible: One-click SIP transactions.

• Compliant: Built-in data and consent management.

8. Conclusion

CRM is central to investor relations—not a backend tool. This study confirms that:

• CRM can significantly boost SIP marketing outcomes.

• Young investors are eager but need more education and guidance.

• Personalized and empathetic CRM builds long-term loyalty.

For lasting success, CRM systems must educate, personalize, and emotionally connect with users, paving the way for a loyal and informed investor base.

9. Bibliography

• Ruler Analytics: CRM in Marketing

• Visma: Importance of CRM

• The Economic Times

• SIPMarket.com

• Investopedia: SIP

• AMFI, SEBI, RBI reports

• Industry whitepapers and consulting firm publications (BCG, McKinsey, Bain)

10. Annexures

You can check out the full survey form here:

Google Forms Questionnaire

https://forms.gle/dJ6PDvRHX84TwyoT8