

## **A Study On Channelizing The Brand With CRM Applications In Indian Banking Services**

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### **ABSTRACT**

While ample literature is available on CRM today, hardly any information is forthcoming on the gains from CRM, whether for the organization or the customer, in concrete terms. No study has yet reported in precise form and figure, as to what and how much an organization, employing the CRM philosophy has benefited out of it, while the claims are many. The paper reports findings of the said survey. In the past, the prime approach to attracting new customers was through media and mail advertising about what the firm has to offer. This advertising approach is scattershot, reaching many people including current customers and people who would never become customers. For example, the typical response rate from a general mailing is about 2%. Thus, mailing a million copies of an advertisement, on average yields only 20,000 responses. Another driver is the change introduced by electronic commerce. Rather than the customer dealing with a salesperson either in a brick and mortar location or on the phone, in electronic commerce the customer remains in front of their computer at home or in the office. Thus, firms do not have the luxury of someone with sales skills to convince the customer. Whereas normally it takes effort for the customer to move to a competitor's physical location or dial another 1-800 number, in electronic commerce firms face an environment in which competitors are only a few clicks away.

**Keywords :** CRM Applications ,Indian Banking Industry, Channelization

### **INTRODUCTION:**

Customers are becoming more individualistic quality conscious and impulsive in their buying behavior that demands a complete range of products and services under one roof in order to optimize their satisfaction. The present study evaluates the customer perception of CRM practices in the selected Foreign Sector Banks, by identifying the

four major CRM dimensions: Pre-Transaction Services, During Transaction Services, Post-Transaction Services and Behavioral Factors. Today, the banking industry has been undergoing a rapid transformation by participating in the developments that are reshaping Indian economy. In pre-liberalization era, the role of a bank was restricted to the function of channelizing.

### **Review of literature**

The CRM approach has received increased attention as a marketing concept during the last decades, both amongst practitioners and in academia (c.f., for instance, [Sin et al. 2005; Osarenkhoe and Bennani 2007; Wilson et al. 2002]). The number of articles and books on CRM appears to be increasing incrementally, and the implication from this is that a new sub-discipline of marketing research is emerging. As with most emerging research fields, there appears to be a certain amount of confusion associated with CRM research, not least since there is a great variety of topics that have been addressed in CRM research(2008). There is a need for reflection on this emerging research field, and consideration must be given to identifying trends and relevant topics for further research. Attempts have been made to map and categorize publications representing CRM research. The study was coded using functional categories: CRM, marketing, sales, service and support, and information technology & information systems. Articles falling outside these functional categories were categorized as general(2006). It was found that the most common category of CRM articles belonged to the IT & IS category, followed by the general category, the marketing, the sales, and the service & support categories. There were, in relative terms, a substantial number of articles belonging to the general category.

### **New initiatives towards CRM**

The modern banks has been striving hard to offer the best of products to customers enabling them to enjoy the latest and hassle free banking. Current banks mobile services (SMS)-A mobile banking services based on SMS. It offers the convenience of receiving information about accounts with bank, in the form of text message on the mobile phone screen.

New banks - Utsav- A family specific loan product, intended to finance any kind of religious or family functions like wedding, birthday, etc..... Modern banks - cash passport- A service product, which is cash card that is preloaded with funds before the customer goes travelling abroad. It can be used to withdraw cash from visa ATMs in over 104 countries. -Express Transfer- A method for instant online credit to the beneficiary's account at the desired branch through 'FINANCE', immediately on remittance of cash transfer.

### **Objectives of the study**

This paper is divided into six sections. After a brief introduction second section reviews some related studies. Third section describes objectives, hypothesis, and

database and research methodology. The fourth section describes the process and contents of bank transformation. The fifth section analyzes the performance of the selected banks whereas sixth section discusses general challenges faced by the banks and available opportunities. Last part concludes the paper. The present paper analyzes the impact CRM of banking sector during second phase of banking sector reforms.

There is an imperative need for not mere technology up gradation but also its integration with the general way of functioning of banks to give them an edge in respect of services provided to optimizing the use of funds and building up MIS for decision making and better management of assets and liabilities and risk assumed which in turns have a direct impact on the balance sheet of banks as a whole. I have approached this study based on these following objectives, such as finding the satisfaction level of the customer regarding service provided by banks, finding out the awareness level if customer towards CRM, To determine the requirements and needs of the customer. To know what people perceive and thinking about modern banks.

### **Research Methodology**

Research comprises defining and redefining problems, formulating hypothesis on suggested solution, collection, and at last carefully listing the conclusion to determine whether they fit the formatting hypothesis.

This study has done to the customers of some private banks through structured questionnaire and the data source of primary and secondary like Different type report and records of those banks, journals, magazines and websites of respective banks. Before going to the full-fledged data collection with 5000 respondents, the questionnaire was tested with 500 respondents to measure the reliability and the end of the reliability test found the **Cronbach alpha values stood as 0.71**. Duration of this study was 3 months in the field of banking with the target customer of 800 out of the population those who regularly making a transaction with banks (loyal customer) based on convenience sampling method. Area of study which I done at Chennai city-south circle , in respect of covering upper class customer those who maintain the accounts in corporate banks.

### **Validity & Reliability test**

The CRM best practices questionnaire comprises 29 best practices limited to the domain of CRM as explained by well known researchers (e.g., Parvatiyar and Sheth, 2001; Jackson, 1985; Sin *et al.*, 2005), each of which is different from any other. Factor analysis can be used to determine the broad underlying constructs of a scale. However, it also mandates that the minimum number of observations should be five times the number of variables (Hair *et al.*, 2006). In this study, the actual number of observations (49 observations) is much less than the minimum requirement of 145 observations and, therefore, factor analysis is not feasible. Further, the questionnaire was pre-tested with a set of five bank managers similar to those targeted to participate in the research. The pre-testing results indicated that the questionnaire was clearly understandable and unambiguous leading to the conclusion that the questionnaire had

adequate content validity. We can safely infer that the findings can be further generalized to the larger Indian retail banking sector. Reliability was computed using Cronbach's coefficient alpha for the entire set of 29 best practice statements and was found to be 0., which is much higher than the threshold value of 0.65. Therefore, the scale can be considered to be reliable (Nunnaly, 1978).

### Analysis and testing

Table showings the attributes of satisfaction level:

ATTRIBUTES	LEVEL OF SATISFACTION					TOTAL
	HS	S	N	DS	HDS	
Service Quality	33	53	13	1	0	100
Transparency in the work	32	50	12	6	0	100
Role of advisor	40	45	15	0	0	100
security	33	47	16	4	0	100
Value added service	22	50	25	3	0	100
<b>TOTAL</b>	<b>160</b>	<b>245</b>	<b>81</b>	<b>14</b>	<b>0</b>	<b>500</b>

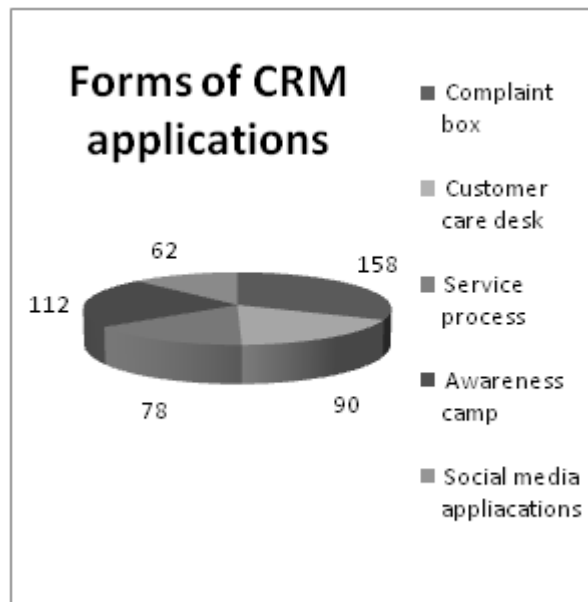


This concept is of immense importance in the current trend this also help to stay ahead in the much competitive market which has a do or die situation. To meet the competition, more awareness about the brand needs to be created and new advertising strategies have to be adopted. I hope that, this project would be useful to the company to improve their position of services by retaining customer and getting the new customer.

**Forms of CRM applications**

All the banks either nationalized or privatized ,supposed to follow different ways in CRM implementation ,based on their capacity and economic status. Here , some of modern banks had followed these types of prominent role in the platform of CRM practices to build the better brand image . As per the above table, friendly approach with the customer has opted by 28% out other 5 modules, follow up of relationship has occupied by 18%.Its finally end with facility 24% of the customer. In this analysis, the factors such as complaint box, customer forum .service centers, awareness camp and feedback session which has conducted by respective modern banks in the current trends. Based on the customer’s opinions, the tests and analysis has been made.

S. No	Opinion	No of respondents	Percentage
1	Complaint box	158	31.6
2	Customer care desk	90	18
3	Service process	78	15.6
4	Awareness camp	112	22.4
5	Social media applications	62	12.4
	<b>TOTAL</b>	<b>500</b>	<b>100</b>



**Findings & discussions**

Based on the study, 40% of the respondents were highly aware and 28 % were aware about CRM activities of the company. 14% of the respondents were not highly aware about the CRM activities.38% of the respondents were agree and only5 % were Strongly agree that the staff of nationalized banks are giving proper respect to the customers.. 19% of the respondents were strongly disagreed with the same. Very few

9% of the respondents were agree and only 6 % were Strongly agree that they had participated in the feedback survey conducted by the Angel Broking are giving proper respect to the customers. Only 10% of the respondents were agreed and only 6 % were strongly agreed that they are interested to provide feedback/ suggestions to the company. Majority (58%) of the respondents were strongly Disagreed with the same. It is noted from the analysis that maximum of the respondents are satisfied on the process of course module. Overall, customer perceptions are far more positive in the context of the bank employing CRM as compared to that not employing CRM. No noteworthy differences were found between perceptions of individual and organizational customers.

It is obvious from the analysis that maximum of the respondents are satisfied on level pertaining to commitment of knowledge delivery. It is inferred from the analysis that maximum of the respondents are opinion that the factor 'prompt service and 24/7 services' gives maximum strengthen the relationship with new generation banks

### **Conclusion and Areas for Future Research**

This study contributed toward understanding factors that might shape and influence success or failure of CRM technology implementation in different bank set-up .One bank appeared to brace a holistic and cultural perspective of banking industry, while other banks took a more superficial perspective of banks, which may explain the wide variation in CRM functionality implemented. In an interpretative sense the conceptualization of the model shows promise and the results, preliminary as they are, are encouraging. Implementation of our CRM initiative should enable you to see improvements in all of these areas. A Well-executed CRM program should result in increased employee satisfaction, renewed sales confidence and improved personal productivity. Conducting surveys with your distribution partners and customers can also help show the impact our system has on customer satisfaction. As per our study we can suggest that CRM is a mode that changing trends and mentality of customer behavior in the modern banks. This can be leading the scope of making the study on CRM with customer's acquisition and profit maximization.

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