

CRM Practices in Private Commercial Banks, Influencing Long Term Relationship and Customer Centric Holistic Approach

**Dr. Arvinder Kour Mehta¹, Dr. Ajatashatru Samal², Dr. Manasa N³,
Dr. Priya Vinod³, Dr. Hemalata Radhakrishna⁴**

¹*Astt Professor , Department of Humanities and Management, Yeshwantrao Chavan
College of Engineering*

²*Associate Professor, HOD, Dept of MBA, Sri Venkateshwara College of Engineering,
Bangalore*

³*Department of Business and management CHRIST (Deemed to be University)
Yeshwantpur campus, Bangalore*

⁴*Associate Professor, REVA Business School, REVA University*

Purpose: The exigent purpose of the research is to find out whether socio-economic characteristics impress the study on CRM in private banks and to study CRM practices, factors sway long term relationship between customer and banks, and to know CRM as a customer central holistic approach. CRM gaining more attention as it is attracting and retaining the customers. CRM technology is used to organize, mechanized and integration of sales, marketing , support service and technical support (Robertshaw, 1999). There is a tremendous changes in market, innovation of technology, regional integration increasing competition and especially moderating customers.

Approach : A well structure questionnaire was recommended for data collection in order to avoid delay, non-response and incompleteness. Respondents were met while they approached the bank. Either before or after their work respondents were appealed to provide the suitable consumer. A total of 220 questionnaires were in the hand and out of this 200 were usable and this forming 91% success rate.

Findings: There is a significant variation in socio economic uniqueness except the demography account at different bank branches and all the factors shows high relationship sums account at different banks. The CRM practices ranked by respondents in the rank-wise are providing security of funds, providing greater value for money and transparency in banking services. Factors like customer satisfaction, well developed privacy policy and quick service are influencing better forever relationship between private sector banks and customers. The measurement of CRM a customer centric approach reveals that CRM protects data privacy, establishes and maintains strong relationship and CRM anticipates anticipates needs of customers. Further factors like data privacy, retention of existing customers and establish and maintain strong relationships are the impressing factors of customer centric approach.

Keywords: Data privacy, long term relationship, retention, acquire, quick service, satisfaction, customer centric, customer trust and loyalty, income, attrition.

1. Introduction

The idea of CRM in private banks has attracted the attention of academicians, experts and bankers in the financial area. The organizations have extensively recognized that customers are profitable now-a-days. CRM develops life time customers. It allows developing customer base. It manages all aspects of customer interaction in a manner that enables banks to maximize profitability from every customers. CRM is a business model that aligns product and sales strategic with needs of customers and preferences (Sampath et al., 2014). CRM has been viewed as a process aimed at collecting customer data, find profiles of customers and use the customer knowledge in specific marketing activities (Anu Putney et al., 2013). Indian private banks are facing a dual challenge of building customer base and performance maintenance. CRM helps to build customer base through IT and helps in the building of

long term relationship and sustainability. CRM can be viewed as a process geared towards increasing the value of a customer order life time (Farress, P. 2001). Banks need to focus for creating added value and establishing forever relationship with customer. For the last two decades there is a significant changes in the banking industries for business process like mobile banking , ATMC, cost reduction in transaction and delivering better service for managing the supplier- CRM is continuously the important critical issue in the banking sector ((Ndubisi, et al., 2007) customers have also started demanding more and more, more knowledgeable, aware of alternatives and capable of negotiating with different service providers (Heinonen, 2014).

Statement of the Problem

Customer switching to others banks and effective retention and attraction of customers can be effectively managed by CRM strategies. On account of severe competition among banks CRM came into existence with much focus on customers. Consumer attraction and retention has become a complex impressing factors banks here introduced different strategies to retain the existing customers or attract new customers. The strategies followed by different private banks speak about the significance of CRM in banks. CRM is a approach for management that gives the firm to get, attract and retain the customer profitability through the process of CRM. The CRM achievement depends upon the needs and desires of the customers and by integrating them by using organizing strategy , people technology and business process

CRM in banks in banks must maintain good relationship with customers. This makes the banks to take up branch expansion all over the country. Further, maintenance customers loyalty and trust is utmost important in addition to providing different products and services.

Customer will never switch to other banks if they are fully satisfied with quality of service.

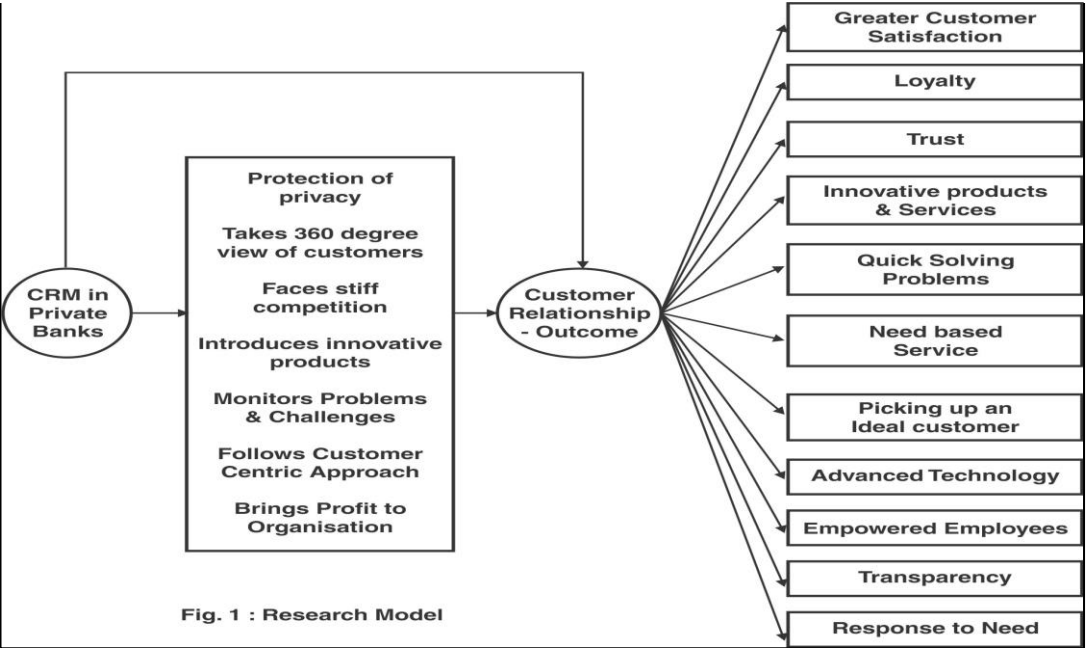


Fig. – 1 : CRM Model

2. Review of literature

Kundu, S. Et al. (2015) revealed that e-quality service, credence and customer satisfaction are strongly correlated . e-banking quality of service has strongly linked with trust . The authors also concerned that banks need to focus the security and privacy for every customers individual transactions.

Anis Ali et.al. (2017) found in their research work banking services satisfied for many customers but banking employees give less focus on individual attention of customers and rapport . Due the behavior of the banking employees the customers are discontented . It is essential to increase customer satisfaction for the better relationship with customers and banking employees .

Kalaia rasi et al. (2019) expressed that CRM create culture transformation, re-engineering process and restructuring the process of the organization. CRM enables customer segmentation and capable of customize banking products and services. The acquisition of customers and their retention are well impressed by CRM.

The authors suggested that Indian banking need to focus new services and develop new marketing strategy for the betterment of banking sectors

Objectives of the study

- 1) To understand the socio-economic feature of respondents.
- 2) To understand CRM as a customer centric approach

- 3) To examine the CRM practices in private banks.
- 4) To identify the factors influencing long term relationship between private banks and customers.

Hypotheses

- H01 The socio-economic characteristics are not impacting on the study.
- H11 The socio economic characteristics are impacting the study.
- H20 Private commercial banks do not practice CRM.
- H20 There is no customer centric approach in private banks.
- H21 There exist significant variation in the customer centric approach followed by banks.

Research questions

- 1) What are the CRM practices that followed in private banks?
- 3) What are the long term factors influencing the relationship between private banks and customers?
- 4) Is CRM a customer centric approach?

Limitations

- 1) The study is restricted only to Yelahanka Sub-district and covered only the private banks.
- 2) The study considers only 200 respondents.

3. Research Methodology:

CRM as a customer centric approach has been taken with an academic interest and with inspiration of different experts who have contributed their best to the concerned topic. Data for the present study was obtained in a natural setting and interview was conducted near the premises of the banks either before or after the purpose of customer visit is completed. The main focus of article is to know the CRM practices, long term relationship impacting factors and to study

CRM as a customer centric approach.

Participants : 200 customers belong to different of Yelahanka subdistrict has been considered for the present study. These respondents vary from agriculture to home makers.

Sampling technique: Four busiest areas of Yelahanka sub district of Bengaluru Urban district were selected. These areas include Yelahanka Old Town, Hunusamaranahalli, Yelahanka New Town and Bengaluru area. The banks covered include ICICI, HDFC, Axis, Indusind Bank, Citi banks and 40 each in different branches of bank were approached convenient sampling technique was adopted for the study to approach bank customers.

Research instrument: A well structure questionnaire was selected in the form of primary data.

The bipolar opinions expressed by customer respondents was adopted Likert 5 point scale was followed to present the opinions. The secondary sources include books, e-journals and websites.

Method of analysis : Statistical tools like χ^2 , contingency co-efficient, Garrett Ranking

Data presentation & Analysis – A : The relevant socio-economic characteristics were studied and characteristics includes gender, marital status, age, education, occupation, monthly income account at different banks and relationship with the banks.

Justification No. 1 : Why socio-economic parameters are not impacting the study of CRM practices, factors driving long term relationship, customer centric approach?

Hypotheses No. 1 : H_0 : The socio economic characteristics not jolt on the study of CRM in private commercial bank.

H_1 : There exist considerable variation in the socio economic parameters and hence impact the study of CRM.

Table1: Socio Economic characteristics of respondents

Demographics	χ^2	TV@5%	d.f.	Result of χ^2	'c'	Result of 'c'
Gender Male 175, Female 25	112.5	3.841	1	Significant	0.60	High Degree
Marital Status : Married – 165, single – 35	84.50	3.841	1	Significant	0.55	High Degree
Age in years : <20 = 5, 21-30 = 25, 31-40 = 22, 41-50 = 93, >51 = 45	108.63	9.488	4	Significant	0.59	High Degree
Education: 10 th Std = 15, PUC = 22, Degree = 35, PG = 25, Professional = 55, ITI = 38, Home makers = 10	59.48	12.592	6	Significant	0.48	High Degree
Occupation : Agri = 65, Govt. Service = 21, Private = 80, Business = 25, Self employed = 34, Home maker = 15, Retired = 20	124.525	12.592	6	Significant	0.61	High Degree
Monthly income	93.349	11.070	5	Significant	0.56	High Degree
Account different bank financial Yes = 70, No = 130	18.0	3.841	1	Not significant	0.28	Low Degree
Relationship with banks: <1Y = 25, 1-4 Y = 55, 4-7Y = 40, 7-10Y = 20, >10Y=10	68.75	9.488	4	Not significant	0.50	High Degree

Source : Field Survey

Note : χ^2 = chi-square

$$'c' = \sqrt{\chi^2 / \chi^2 + N}$$

Where c = contingency co-efficient, N = Number of observation

When the value of 'c' is equal or near 1, it means there is high degree of association between attributes. Contingency co-efficient will always be <1.

Table – 1 asserts that there are 175 males and 25 females, 165 are married and 35 remained single. 93 respondents belong to the age group of 41-50 years, 45 to the above 51 years 32 to the 31-40 years. 55 respondents possessed professional degree like medical, engineering,

chartered accountant and advocates. The occupation details reveals 80 are employed in private sector, 34 self-employed, (medical doctors, engineers, mobile repairer, CA and Advocates) 25 doing business, 21 in government service and 20 retired. The monthly income details reveals that 70 are getting monthly income in between 40K-60K, 60 in between 60K-80K, 22 in between 20K-40K, 20 in the range of 80K - 1 lakh, 70 respondents are having multiple bank accounts and 55 respondents having 1-4 year relationship with the bank followed by 4-7 years 40 respondents, 7-10 years 20 respondents. The table-1 reveals about the existence of significant and high degree of relation except in the case of respondents having multiple branch accounts.

Research question No. 2 : Is CRM a customer centric approach?

Hypotheses No. 2 : H_0 : There exist no considerable variation in the customer approach followed by private commercial banks.

Table-2: CRM Practices in private commercial banks–Garrett Ranking Technique

Initiatives	Scale & Scale Value													T	MS	R
	Scale	I	II	III	IV	V	VI	VI I	VI II	IX	X	XI	XI I			
	Value	83	73	66	61	56	52	48	44	39	34	27	17			
	e- x															
Providing security of funds	f	61	51	46	13	6	6	4	5	2	3	1	2	200		
	fx	5063	3723	3036	793	336	312	192	220	78	102	27	34	13916	69.58	I
Bank employees communicating effectively & efficiently	f	58	41	38	23	10	5	5	6	5	2	3	4	200		
	fx	3654	2993	2508	1403	560	260	240	264	195	68	81	68	12294	61.47	XI
More quality with more interaction with clients	f	52	45	39	25	9	8	5	6	5	2	1	3	200		
	fx	4316	3285	2574	1525	504	416	240	264	195	68	27	51	13465	67.32	VI
Providing better services to retain the employees	f	50	49	24	20	15	10	8	6	4	7	3	4	200		
	fx	4150	3577	1584	1220	840	520	384	264	156	238	81	68	13082	65.41	VI I
Availability of senior managers	f	59	50	40	13	9	5	6	5	4	2	3	4	200		
	fx	4897	3650	2640	793	504	260	288	220	156	68	81	68	13625	68.12	V
Display of positive attitude	f	58	50	30	20	6	6	9	6	5	4	4	2	200		
	fx	3654	3650	1980	1220	336	312	432	264	195	136	108	34	12321	61.60	X
Visually appealing physical facilities	f	37	30	24	19	22	21	14	8	9	7	6	3	200		
	fx	3071	2190	1584	1159	1232	1092	672	352	351	238	162	51	12154	60.77	VI I
Influencing client & bank relationship	f	49	44	27	21	10	11	8	8	7	6	5	4	200		
	fx	4067	3212	1782	1281	560	575	384	352	273	204	135	68	12893	64.47	IX
Providing greater value for money	f	59	50	45	14	3	4	9	5	3	4	1	3	200		
	fx	4897	3650	2970	854	168	208	432	220	117	136	27	51	13730	68.65	II
Committed employees	f	59	50	40	15	8	5	6	4	5	2	3	3	200		
	fx	4897	3650	2640	915	448	260	288	176	195	68	81	51	13669	68.34	IV
Bench mark	f	42	43	40	18	15	9	8	7	6	4	3	5	200		

services against competitors	fx	3486	3139	2640	1098	840	468	384	308	234	136	81	85	12899	64.50	VI
Transparency in banking services	f	60	49	39	14	12	6	5	3	4	3	2	3	200		
	fx	4980	3577	2574	854	672	312	260	132	156	102	54	51	13724	68.62	III

Source : Field Survey

Note : Mean Score = Total Score / No. of respondents

Table - 2 reveals data about factors impressing customer centric approach. To measure the relationship between factors impressing a customer centric approach, Kendall's co-efficient of concordance was performed. Highest significance was given to CRM protects data privacy, the second are that existing customers are retain by the CRM process and the the third one is establishes and maintains strong relationship. 'w' reject H0 and accepts H1 and accepts H1 and hence it is justified that there exist considerable relationship between the factors developing and customer centric approach.

4. Findings :

This paper is to focus how far the socio-economic factors impress the study on CRM, CRM practices, factors shape the long term relationship, and to know about customer centric approach followed by private commercial banks. The different experts opinions were considered in order to give the present work an appropriate context. The present study followed research design. A open end organized questionnaire was administered as schedule after considering delay, non-response, incompleteness and raising Covid-19. Internet was referred to arrive at the private banks and their branches in Yelahanka sub district. Further, the study revealed about long term factors like customer satisfaction, developed policy and quick service are impressing long term policy between bank and customer. Finally the study also asserts that CRM – A customer centric holistic approach. The factors decide customer centric approach includes CRM protects data piracy, retention of existing customers and establishing and maintaining strong relationship. To measure CRM practices Garrett ranking technique was performed, and to know the factors impressing customer centric approach Kendall's coefficient of concordance was performed.

Depending upon the views stated by the Yelahanka sub-district respondents of Bengaluru Urban district, it was found that the socio economic characteristics are impacting the study. The execute CRM followed by the banks helps to survive in the competitive situation, and variable impresses long term relationship indicates banks can follow and consider variables impacts relationship.

5. Conclusion

The main focus of this paper is to examine whether demographic profile impacts in CRM or not. The study also probed about CRM practices in banks. Factors influencing long term relationship, CRM – a customer centric holistic approach. The result of the study reveals that demographic profile of the respondent's significant and high relationship between the characters and CRM except account of different bank branches. Further, the study reveals

ranked CRM practices which include prioritizing security of funds, transparency in banking services and providing greater value for money. The factors as per the study which influences long term relationship includes customer satisfaction, developed private policy and quick service. The study also asserts that factors like CRM protect data privacy, retention of existing customers and maintenance of strong relations. Bank should use the existing favorable socio economic factors and other issues which are highlighted in the present study.

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