

Customer Relationship Management in Banking Sector- A Comparative Study

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ABSTRACT- CRM is not a product or service; it is an overall business strategy that enables companies to effectively manage relationships with their customers. It provides an integrated view to every company and to every employee in the organization, that they have to treat their customers with respect. Customers have a lot more choices and they do not have to be loyal to any company in general, so companies are now trying to figure out ways to manage customer relationship effectively. Hence, CRM has become a major corporate strategy for many organizations. It is concerned with the creation, development and enhancement of individual customer relationship with carefully targeted customer groups resulting in maximizing the total customer life time value.

Key Words: Customer Relationship Management, Loyalty, Data Warehousing, Customer Satisfaction.

1. INTRODUCTION

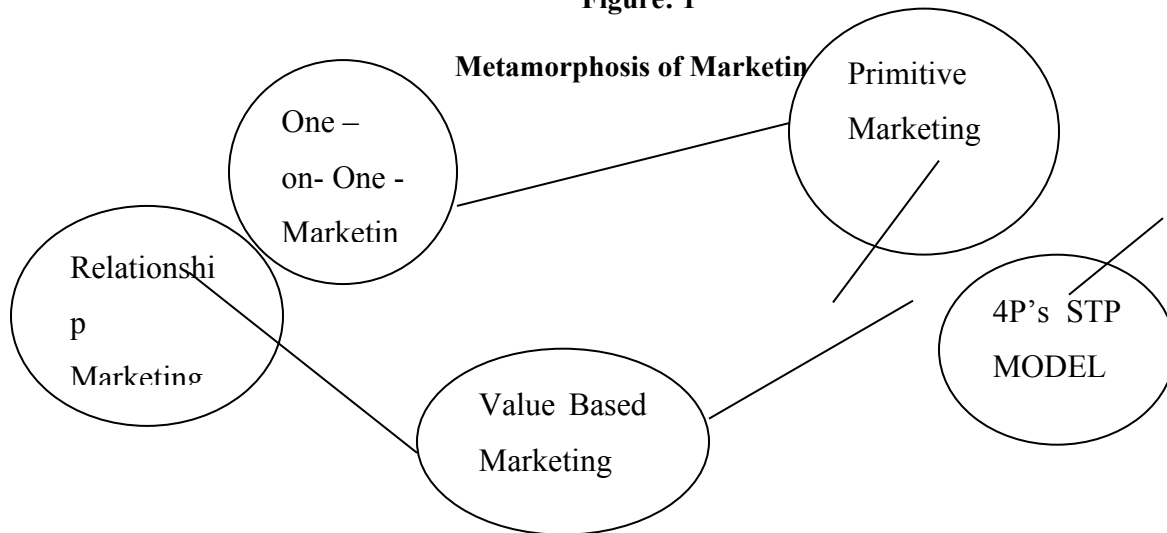
The Marketing orientation in manufacturing and services organization has grown a long way from the earlier concepts like production concept, product concept, selling concept, Marketing concept and even societal Marketing concepts too. Production concept holds that the consumers will

support those products that are produced in large quantities at a lower cost. The assumption in product concept is that customers will automatically buy products of high quality even at high cost. The selling concept assumes that the consumers in the absence of any selling effort will not purchase the products. The Marketing concept revolves around satisfying the needs and wants of the customers. Now the Marketing orientation has even grown from marketing concept to societal Marketing, wherein it is believed that the society's welfare should be included while satisfying the needs of the customer. However, in the recent past, Marketing has undergone lot of changes with the surge of new products and technologies. The diffusion of technology in several product categories and the resultant benefits to the customers is forcing the marketers to quickly plan for a modified product and promotion mix. The traditional diffusion time of technology into customers markets may no longer be appropriate for the present day context. The basic reason is the upsurge of improved technology and the speed with which consumers have adapted to new products and technologies. Technology has always been the prime mover of development of human kind. Specially, the surge of Information Technology has changed the concept of Marketing in terms of E-commerce, E-Business, and Internet which have

brought in many changes in the strategic development. Marketing, competition and even the consumers needs too. It is due to the development in information technology which made it possible to collect data from individual customers over a period of time to analyze and study the patterns of their individual preferences. New product development process uses a number of novel methods to reduce the time for development without developing a prototype, customer preferences, but through only the computer simulated model. To price a new product, information about the competitor's product's pricing and its success, potential of the customers can be easily obtained with the help of internet. Thus the concept and aspects of Marketing have been dramatically changed a lot due to high pace of technological and cultural dynamics.

On the other hand, the established frame work of the 4p's of the Marketing (Product, price, Place and Promotion) was found to be inadequate to explain the complexities of the emerging scenario. Because, the Relationship paradigm stressing on the Relationship customization at the individual level after getting several experiments through Mass Marketing, Segmented Marketing and Niche Marketing, it is moving toward one-on-one Marketing. Thus the different stages of Marketing metamorphosis started from primitive Marketing to mass Marketing, which has lead to the 4p's and STP model. Later on, the value-based Marketing has emerged, which has improved itself to Relationship Marketing (See Figure 1 and Table 1).

Figure: 1



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Table-1
Distinction between Traditional Marketing and Relationship Marketing

Traditional Marketing	Relationship Marketing
<ul style="list-style-type: none"> . Focus is on single sale . Orientation on product features . Little emphasis on customer service . Limited commitment for customers . Moderate contact with customers . Quality is primarily a-concern of product department s 	<ul style="list-style-type: none"> . focus is on customer retention . orientation is on product benefits . high emphasis on customer service . high commitment for customer . high contact with customers . quality is the concern of all department s of the organization.

2. THE CONCEPT OF CUSTOMER RELATIONSHIP MANAGEMENT

CRM is the process of managing detailed information about individual customers and carefully managing all the customer “touch points” with the aim of maximizing customer loyalty (Philip Kotelr). The major objective-cum-meaning of CRM is “to turn current and new customer into regularly purchasing clients and then to progressively move them through being strong supporters of the company and its products and finally being active and vocal advocate for the company in the market. Hence, CRM is to establish, maintain and enhance Relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is

achieved by mutual exchange and fulfillment of promises. Such relations are usually but not necessarily always long term (Gronroos). So CRM is the commitment of the company to place the customer experience at the center of its priorities and to ensure that incentive systems, processes and information resources leverage the Relationship by enhancing the experience.

3. BENEFITS OF CRM

The benefits of CRM can be enlisted as general benefits and specific benefits they are:

1. Identifying and targeting the most profitable customers and having a deeper knowledge of customers.
2. Getting more Marketing or cross-selling opportunities.

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3. Ability to manage Marketing campaigns which clear the objectives.
4. CRM solutions increase profitability and boost market share thorough specific benefits, Viz., Increased Revenues and Reduced costs, Increased Return on Investment (ROI) and Increased Customer Satisfaction
5. Increased revenues and costs due to, Increased market share, Decreased Marketing and promotion expenses, Improved channel efficiency, Profitable cross-selling and up-selling opportunities to existing customer, Reduced service expenses with on-line self-service, Increased repeat business revenues from customized, Personalized customer on-line experience-maximized lifetime profit per customer.

On the other hand, there are certain factors found as suitable and relevant for Increased Return on Investment (ROI) they are: Improved productivity of service personnel, Reduced inventory on service parts, Reduced physical storage space of service parts.

4. PROBLEMS OF CRM

Despite, many benefits the CRM is expected to face the exposure of various problems as discussed in following lines:

1. Building and maintain a customer database require a large investment in computer hardware, database software, analytical programmers,

- communication links and skilled personnel.
2. It is difficult to collect the right data, especially to capture all the occasions of company interactions with the individual customers.
3. The difficulty of getting everyone in the company to be customer-oriented and to use the available information. Employees find it far easier to carry on with the traditional transaction marketing than to practice CRM.
4. The other problem is that not all customers want a Relationship with the company and they may resent knowing that the company has collected that much personal information about them.
5. Marketers must be concerned about customer attitudes towards privacy and security.

5. THE CRM PROCESS

CRM process consists of all most all four major components they are: creating and management of data mines and warehouses, development of appropriate organizational structures, investment in technology and people development. The top management should itself initiates CRM process and invariably all departmental heads should be involved in the process. Development of inter-fictional process should be ensured, so that, customer problems are resolved by all the departments that have a role in it. Strategic alliances like centers may be developed within the organization that has set up a large customer service center. In order to be effective, data mining has to be more intelligent and offer information on the customer in real time. This data mining should help the organization to disseminate information on

customers to everybody in the organization, which should facilitate each employees functioning and also make him or her to be customer responsive. Companies should use data mining to support their sales and service staff in particular. They should also support their sales and service staff with advance technology, which in turn helps them to use data for the purpose of developing a customized offer. Companies like General Motors, GE, Airline companies all over the world, and even telecom companies have entered into strategic alliances with call centers that have been setup in India and in other parts of the world. Financial services segments and cellular phone industries commonly use a different structure i.e., direct sales agents or independent Marketing groups.

6. MEASURING CRM

Measurement of Customer Relationship is very classical in nature, and it is important as it helps the organization to understand not only what they are doing but also how well they are doing the things with regard to CRM. There are several approaches to measure CRM. One of the techniques of measuring the same is the Balanced Score Card. Evaluating the organization on the basis of such a score card helps the organization to develop a cause and effect business strategy. The other measure is the catalytic measure, which measure the organization's efforts on identifiable changes. The implementations of such measures facilitate and speed up the modus operandi effectively in the areas of the organization as desired. Astrologically, most of the Indian companies still do not understand and change the way they treat the customers, but in the days to come companies will try to change the state of affairs as far as CRM is concerned as it is emerging as a Critical Responsibility of Marketing. Another important

approach of CRM is an evolutionary approach that focuses heavily on "customer equity" assets management. This begins with business strategy development based on infrastructure created that supports customer interactions and finally produces CRM results. At the end customer communication channel strategies are created, and strategy execution technology is used to create an on-going dialog with the customers.

Customer relationships are an important Bank asset. A firm can use this customer equity to improve its growth and profitability prospects during economic downturns and upturns. Just as a squirrel buries nuts in anticipation of winter, a smart business will build customer equity during good times in order to produce more business during bad times. Companies should know that their Most Valuable Customers (MVCs) are. More resources should be used to market relevant products and services to these MVCs while fewer resources should be expended on unprofitable customers. The goal is to make the right offer to the right customer at the right time. Such customer knowledge can immediately and significantly reduce total cost while, at the same time, increase sales will also with individual customers. This strategy enables an organization to anticipate greater returns from its campaigns, a reduction in costs, an increase in conversion rates, and more one-to-one communication initiatives (which will gradually replace the organization's previous dependence on mass marketing tactics). The "Picket Fence" strategy can be used to isolate the firm's MVCs from the broader customer base. For each customer behind the picket fence, there is a particular objective and a strategy for achieving that objective by the management team. In an upturn economy, business strategies should involve growth. This includes acquiring new customers and increasing

the number of current customers. In a downturn economy, business strategies should involve harvesting. Which implies that an organization gets the most from every existing relationship by selling more to current customers?

7. CRM AND BANKING SECTOR

Banks and financial institutions started recognizing that they can no longer look at a customer from a specific product or snapshot perspective but must encompass the entire customer relationship towards a client's profitability. From a strategic standpoint, CRM mobilizes resources around customer relationships rather than product groups and fosters activities that maximize the value of lifetime relationship. From an operational standpoint, CRM links business processes across the supply chain from back-office functions through all touch points, enabling continuity and consistency across a customer relationship. From an analytical standpoint, CRM is a host of analytical data tools that enable banks to fully understand customer segments, assess and maximize lifetime value of each customer, model "what-if" scenarios, predict customer behaviors, and design and track effective marketing campaigns. Today, many businesses such as banks, insurance companies, and other service providers realize the importance of Customer Relationship Management (CRM) and its potential to help them acquire new customers and retain existing ones and maximize their lifetime value. At this point, close relationship with customers will require a strong coordination between banks and its marketing departments to provide a long-term retention of selected customers. CRM is a sound business strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationship with those customers through

individualized marketing, reprising, discretionary decision making, and customized service through the various sales channels that the bank uses. Any financial institution seeking to adopt a customer relationship model should consider six key business requirements, they are:

1. Create a Customer-Focused Organization and Infrastructure
2. Gaining Accurate Picture of Customer Categories
3. Assess the Lifetime Value of Customers
4. Maximize the Profitability of Each Customer Relationship
5. Understand how to Attract and Keep the Best Customers
6. Maximize Rate of Return on Marketing Campaigns
7. The Implications of These Six Imperatives

8. RESEARCH PROBLEM

Modern Marketing philosophy advocates the concept of CRM that creates customer delight. This applies to all sectors of sales and Marketing includes the banking. In the banking filed a unique Relationship exists between the customers and the bank. But because of various reasons and apprehensions like the financial burdens, the risk of failure, Marketing inertia etc., many banks are still following the traditional ways of Marketing and only few banks are making attempts to adapt CRM. It is with this background, the researcher has made a modest attempt towards the idea that CRM can be adapted uniformly in the banking industry for betterment of Banking Services.

9. REVIEW OF LITERATURE

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Shani and Chalasani (1992) define Relationship Marketing as an integrated effort to identify, maintain and build up a network with individual customers and to continuously strengthen the network for the mutual benefit of both sides through interactive, individualized and value added contacts over a long period. Narrow functionally based traditional Marketing is being replaced by CRM. A narrow perspective of CRM is database Marketing emphasizing the promotional aspects of Marketing linked to database efforts (Bickert 1992). Berry stresses that attracting new customers should be viewed only as an intermediate step in the Marketing process. Developing close Relationships with these customers and turning them into loyal ones are equal aspects of Marketing. Thus he proposed Relationship Marketing as attracting, maintain and in multi service organizations - enhancing Customer Relationships. Berry's notion of customer Relationship Management resembles that of Gronorooos (1990), Gummensson and Levitt (1981). Another important facet of CRM is customer selectivity. As several research studies have shown that not all customers are equally profitable for an individual company (Storbacaka 2000).

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. Still more scarce is literature on what is in it for the customer. Is the customer gaining anything out of the exercise (CRM)? Does he feel that the services handed out to him by a business corporation using services handed out to him by a business corporation using CRM as a strategy is

any better than others in the industry? In order to seek an answer to this question a survey on customer perception of service quality was carried out. The paper reports findings of the said survey.

Traditionally, few people changed their banks unless their banks unless serious problems occurred. In the past there was, to certain extent, a committed, often inherited Relationship between a customer and his/her bank. The philosophy, culture and organization of financial institutions were grounded in this assumption and reflected in their Marketing policies, which were product and transaction-oriented, reactionary, focused on discrete rather than continuous activities.

Puccinelli (1999) looks the financial services industry as entering a new era where personal attention is decreasing because the institutions are using technology to replace human contact in many application areas. Over the last few decades, technical evolution has highly affected the banking industry (Sherif, 2002). For more than 200 years, banks were using branch-based operations, since 1980s things really getting changed with the advent to multiple technologies and applications. A different organization got affected from this revolution; banking industry is one of it (Sherif, 2002). In this technology revolution, technology based remote access delivery channels and payments systems surfaced which included automated teller machines (ATM) displaced cashier tellers, telephone represented by call centers replaced the bank branch, internet replaced the mail, credit cards and electronic cash replaced traditional cash transactions, and interactive television will replace face-to-face transactions (Sherif, 2002). Global changes brought new trends, directions and new ways of doing business, which also brought new challenges and opportunities to the financial institutions. In order to compete with

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newly increasing competitive pressures, financial institutions must recognize the need of balancing their performance by achieving their strategic goals and meeting continues volatile customer needs and requirements. Different ways must be analyzed to meet Customer needs (Sherif, 2002). Business to business and the move to electronic transactions is allowing corporate to gain efficiencies, reduce costs, streamline business processes and provide their products and services to a larger customer base. Business to business e-commerce migrate the traditional business model towards the emerging digital marketplace (Duckett, 2001).

Relationship marketing as a concept is widely embraced by industrial marketers, today its time for Relationships, particularly in business markets (Morris, et, 1998). Dwyer (2001) explains business Marketing as the Marketing of products and services to other companies, institutions and other organizations. Business Marketing also includes Marketing of product and services that facilitate their operations. He further argues that business Marketing is unique and has several characteristics including shorter and direct channel of distribution, more emphasis is on personal and direct selling, web is fully integrated, and buying processes are complex resulted in unique promotional strategies. In contrast to consumer markets, there are very few industries and very close personal Relationships between the buyer and the seller in business markets. Since it is difficult for the companies to shop around when making a purchase; they want to make sure that the product fits their requirements and will be available when required at the right cost. Therefore many organizations enter into long-term contracts with its suppliers by building long-term Relationships that enable buyers and sellers to plan jointly, and work closely to secure the future for both companies (Dwyer, 2001). Dwyer (2001)

looks at business customers as organizations that buy, directly or indirectly, goods and services for their own use. Dwyer (2001) sorts out four types of business customers as firms that consume the products or services, government agencies, institutions, and firms that purchases and resells the products. Business customers vary in size from small to large are geographically scattered and are fewer in number.

CRM is a process designed to collect data related to customers, and to grasp features of customers not only that even to apply those qualities in specific marketing activities (Swift, 2001). Further Swift (2001) looks it as recursive process, changing customer information into customer relationship through use of and learning from the information. He further mentioned that CRM starts from building customer knowledge and results in high impact customer interactions. Business and government agencies establish, manage long-term, resource-manageable, profitable customer relationships by using this process. Swift (2001) divides this process into four stages: Knowledge discover, Market planning, Customer interaction, Analysis & Refinement.

10. NEED FOR THE STUDY

The role of CRM is quite different and distinguishable to traditional type of Marketing CRM participate not only in Marketing but also in implementing the business as a strategy to acquire, grow and retain profitable customers with a goal of creating a sustainable competitive advantage. Particularly in banking sector, the role of CRM is very vital in leading the banks towards high level and volume of profits. So there is a need to study the role of CRM in development and promotion of banking sector through the sidelines of the

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practices, problems and impact of the Customer Relationship Management (CRM) on banking sector all the time.

11. OBJECTIVES OF THE STUDY

The main objective of the study is to examine the importance of CRM in banking sector, and its impact on the Customer Satisfaction with a special reference to State Bank of India (SBI) and Housing Development Finance Corporation (HDFC) Bank. The other specific objectives of the study are:

1. To review the state of Banking Sector in India
2. To study the concept and use of CRM in banking sector.
3. To analyze the performance of CRM as a tool of banking sector in retention of customers in general and SBI and HDFC Banks in particular.
4. To offer pertinent suggestions based on the study for the improvement and successful implementation of CRM in the select banks through a suitable comparison.

12. SCOPE AND LIMITATIONS OF THE STUDY

The study covers a rigorous analysis over the concept of CRM and its implementation in Banking Sector in India as a comparative study with reference to select banks of private and public sector (SBI and HDFC). The analysis was made with regard to evaluation, growth and role of CRM in promotion of banking sector in India. Through the study is very comprehensive in nature, it is subjected to certain limitations as mentioned below.

1. The study is mainly based on the data collected from the customer of select banks; therefore, the accuracy of the data

provided by them is relied upon the point of time of taking perceptions from the customers.

2. The study is carried out through the select banks, so the findings may not represent the entire banking sector.

13. DATA SOURCE AND METHODOLOGY

The present study is a comparative and analytical one through the perceptions of the customers. So it used both primary and secondary data. Primary data was collected through a well structured qualitative questionnaire from the customers of select banks. The sources of secondary data was formed from News paper, Magazines, Reports, Research Bulletins, Journals annual reports of select banks and CRM related literature and other library sources. Data thus collected was processed, tabulated and analyzed by using various statistical tools, namely, Arithmetic mean, Standard Deviation and Pie-Charts etc.

14. SELECTION OF SAMPLE

For the purpose of collection of primary data, a sample of 120 customers of the select banks, SBI (60 customers) and HDFC (60 customers) of Warangal District of Andhra Pradesh (AP) were selected, as Warangal was considered as a case problem of the study.

15. ANALYSIS & FINDINGS

CRM has emerged as a popular business strategy in today's competitive environment. It is a discipline that enables the companies to identify and target their most profitable customers. It involves new

and advance marketing strategies that not only retain the existing customers but also acquire new customers. It has been found as a unique technique can bring remarkable changes in total output of companies. Through the literature survey and data analysis it can be inferred that CRM tries to find out the relationship between perception and satisfaction, commitment and loyalty that underlines the significance in Indian Banking Sector. Customers largely select their banks based on how convenient the location of bank was to their homes or offices. With the advent of new technologies in the business of banking, such as internet banking and ATM'S, now customers can freely chose any bank for their transactions. The pressures of competitive and dynamic markets have contributed to the growth of CRM in the Financial Services Sector as 5% increase in customer retention can increase profitability by 35 % in the market. Therefore, banks are now stressing on retaining customers and increasing market share. Private Banks have traditionally viewed themselves as exceedingly "Customer Centric" offering what they believe to be highly personalized services to the High Net Worth Customers.

It is also found that the structured approach of CRM can provide various benefits to a bank, namely a distinctive and consistent customer experience, clear identification of the organization, technological and process-related capabilities. The banking industry is much further along than other industries in recognizing the value of CRM and implementing decision support systems to support CRM. Though most of the banks have already focused on tactical point solutions, they're ready for a transition toward strategic, enterprise-wide CRM initiatives that cross major business lines. An effective decision support system for CRM enables to collect data about customer from every touch

point, consolidate this information into a single view of the customer, and use this information for customer profiling, segmentation, cross-selling, up-selling and retention efforts. Investment in CRM system is expected to grow at a compound rate of nearly 38 percent per year in India, 40 percent in North America and 17 percent in Asia-Pacific. The adoption of Internet and wireless technologies will only accelerate interest in CRM solutions. As banks continue to seek a unified understanding of customer relationships across diverse channels, the importance and penetration of CRM is expected to grow like anything. With regard to various aspects of CRM through the opinions of select bank customers the following findings are drawn and placed hereunder (see table II for details).

1. From the analysis it is found that only few customers recognize that there is a change in marketing approach of Banks due to changing business environment.
2. It is found that Customer Retention is not a big challenge to Banks as per the opinions of customers of select Banks.
3. It is beyond doubt that when banks through CRM activity attend the needs of customers without time delayment the banks can create more awareness to customers and can create a customer base very significantly.
4. It is found that though CRM activities have not helped to increase the confidence of the customers in meeting the changing needs, it helped to increase the confidence of the customers while rendering services in mean time efficiently.
5. CRM activities of select Banks is not up to the mark in retaining the key customers.
6. According to the perception of customers enhancing customer loyalty through

- different activities is not an absolute activity.
7. All the customers are uncertain about CRM of a Bank that contains creation of complete customer database.
 8. Through the study, it is observed that select Banks customers are being exposed to the new techniques, like Infrastructure, Call centers, Websites for better services.
 9. It is found that CRM is centered only to a mention in the internal news magazines / Annual report, in public sector Banks.
 10. Majority of customers uncertain that the CRM is centered in a particular department very few of the customers have accepted that CRM is prevalent through all the levels in the Banks.
 11. Customers' awareness through distribution of leaflets by the Banks is very less when compared to advertisement being played by the Banks
 12. CRM undertaken by employee approach to customers is found very poor.
 13. It is also observed that customers are strongly disagreeing and some of them are uncertain about CRM activity is undertaken by e-Marketing by their banks.
 14. It is found through the study that the awareness level of all respondents is less as far as the media ads by the Banks is concerned.
 15. According to the analysis it is very vivid that CRM activities have not helped to increase rapport with the customers to select banks as expected.
 16. Most the customers have not accepted that the select Banks are not showing interest in CRM activities with full attention but maintaining the same as a compulsion.
 17. Most of the customers are uncertain about the CRM's benefit in building the customer loyalty.
 18. It is found through the study that CRM activity does not help the Banks to get immediate commercial returns and also to have a favorable public image over the long run unless the CRM activities are taken up by all the departments in the banks.
 19. CRM is considered as essential in banking sector with increased competition as CRM helps the Banks to out beat the competition in the intensely crowded Banking Sector.
 20. It is also found that sometimes the attempts for getting nearer and closer to the customers may boomerang and sometimes the commercial gains may not commensurate with the CRM activities done / undertaken by the select banks.
 21. CRM activity has been felt as an additional workload by the employees but they have feel CRM is useful to customers and also the Banks.
 22. It is found that the technological necessities for the implementation of CRM do not require the environments of advanced countries. The basic services providing infrastructure facilities and technological tools that are available in India suit the implementation of CRM by banking industry in India.
 23. The attention of management on CRM activity is totally different between and among the Banks.
 24. The CRM activities are initiated and implemented by the banks in a serious manner, so that the customers in particular and the society in general benefited a lot.
 25. Providing service to customers has been identified as the prime responsibility of the

Banks, So Banks considered that CRM is the best tool to perform the job of rendering good services.

26. With regard to the modification of organizational structure to implement CRM, both banks have not taken any required initiation in training the employees about CRM and technological advancements required for the same.
27. Technological advancement adopted by Banks was not useful to get the update and latest information over CRM.
28. In improving the relations with the customers the technological advancement alone could not help the banks.
29. The reach of CRM of both SBI and HDFC is compared and tested through "*F*" Ratio. It is assumed that there is no significant difference between the perceptions of customers of SBI and HDFC towards CRM. As the calculated value (1.65) of *F* is higher than the standard value (1.54), the hypothesis is rejected at 5% significant level. Hence, it is clear that there is a significant difference between the perceptions of SBI and HDFC customers towards CRM.
30. At the end it can be said that CRM can be implemented in a selective and focused way even by medium and small size companies. It can also be inferred that CRM which is found to be useful for all the Banks not only gives the required commercial returns but also help in creating a favorable public image to the Banks in the context of global competition.

TABLE -2 ANALYSIS

Sl.no	Table name	Am		Sd	
		Sbi	Hdfc	Sbi	Hdfc
1.	Change in marketing approaches of bank	2.67	2.88	9.42	9.97
2.	Customer retention a big challenge	2.55	3.13	8.43	12.18
3.	Providing necessary facilities	2.55	3.13	8.43	12.18
4.	Rending services in mean time	2.5	2.58	9.03	9.16
5.	Retention of existing key customers	2.71	2.58	9.28	12.18
6.	Enhancing customers loyalty through different activities	2.6	2.5	8.68	10.19
7.	Crn is centered only in the internal news magazines	2.8	2.6	10.2	9.4
8.	Crn is prevalent throughout all the levels in the bank	2.75	2.68	10.3	9.2
9.	Crn creates awareness through leaf lets provided to the customer	2.51	2.33	9.07	8.10
10.	Crn is undertaken by employee approach to customers	2.83	2.51	9.5	10.60
11.	Crn objective is to increase relationship with the customers	2.91	2.61	10.77	8.85
12.	Crn objective is to get more data base about the customers	2.5	2.8	8.6	9.6
13.	Crn objective is to get more data base about the customers	2.7	2.4	9.3	8.2
14.	Bank interest in crn activities	2.33	2.28	8.8	7.6
15.	Crn can benefit the bank by retention of customers	2.8	2.3	9.7	7.8
16.	Crn can attract new customers	3.0	2.7	11.13	9.52
17.	Can crm benefit the bank by builidng customer loylaty	2.7	2.4	9.73	8.33
18.	Can crm benefit the bank by improving the total banking	2.61	2.71	10.5	9.8
19.	Can crm benefit the bank in improving the total banking	2.33	2.56	8.05	9.3

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Source: Primary data

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SUGGESTIONS

1. The Indian Banking Sector is flooded with different banks of the same molecule. In such a competitive environment, the Banks should adopt suitable marketing skills rather than depending on the trading skills. Hence, new services should be constantly introduced to ensure the growth of the Banks and to be competitive in the market and to keep up the enthusiasm of the employees and customers etc.
2. Banks should be the pioneers in the commercial introduction of any new molecule, because the banks which introduce at first such services in the market have always outperformed the followers.
3. The Indian banks should allot more budgets for R&D and should initiate the concept of “Forward Research” to discover molecules instead of depending upon, “Reverse Engineering” by which Banks are able to introduce the research molecules of other banks at lower rates.
4. Multiple services play a vital role for the customers in the present context, so services management is essential for the success of any Banks.
5. Banks are supposed to offer or apply special strategies should be adopted to sell “me too” services. They can be in the form unique reminders.
6. In the name of quality of service and research the Banks should not to try to sell their services at a premium price, hence the services are within the reach of the average person.
7. The Banks should not totally adopt the “PUSH” Marketing strategies like a consumer company, rather they should adopt “PUSH and PULL” strategies.
8. Individual customers can be segregated as small groups and on a regular basis they can be made to involve in an update conducted by a Key Opinion Leader (KOL) of Banks.
9. The trend of collect the full details about the personal data can be minimized and more interest should be given to the collection of professional data.
10. Pamphlets should be given in local language and the content should be easily understandable in a colloquial style particularly to suit the needs of rural customers.
11. Traditional method of meeting the customer’s needs and providing uniform material to them suits the Banking Sector than specific promotion in the form of CRM to select customers.
12. Proper follow-up should be done after collecting the details of the personal data from customers. On the eve of their marriage day of customer, banks should offer a good domestic gift along with a greeting card or a good children book given on the birthday of the children some memorable follow up should be done after collecting the personal data of select customers by the banks.
13. Proper training should be given to the bank personnel regarding the behavioral patterns by the Banks before they come and work in the field. They should be able to change their modus operandi

according to the mood of the customers and the situation. Moreover, they should have good knowledge, manners, attitude etc., which will add flavor to “one to one”.

14. Web promotion should be done more aggressively by the Banks. Customers can be provided with free access to the website through which they can update their knowledge, get some clarifications.
15. The Advertisements by the Banks should be simple explaining more about the services. Customers who see the advertisements should not be confused.
16. More importance should be given to handling online transaction and using m-commerce and mobile banking services.
17. Relevant and recent information should be given to the specific customers instead of repeating the already known information. Instead of regularly giving irrelevant information in a costly print some reputed journal can be sponsored once in a year.
18. CRM cannot be done suddenly by Banks. The Banks should try to establish a relation with the customers with regular in touch with them.
19. The banks should reduce the number divisions. They should create divisions according to customers’ needs and services.
20. The information provided to the customers about the services should be unbiased.
21. CRM should be considered as Continuous Relationship Management. Wherein CRM team should work with specific software of CRM to conduct Edutainment (combination of education and entertainment) programmes to get the favor of customers
22. CRM requires proper planning to see that a correlation exists between the input method and output.
23. It should be realized that customer relation cannot be built overnight. Initial commercial returns should not be the main objective of the companies. However continuous persuasion in building CRM should be the policy of the Banks throughout all levels. Fear of failure should not be the causative factor for not initiating the CRM activity or for withdrawal. One should not get deterred by the initial hiccups from the process of implementing CRM.
24. Data gathered from the customers should be given proper value and it should be properly utilized. Decision making authority should be extended to field force and some resources should be given for faster implementation.
25. More knowledge oriented CRM activities should alone be with an outward “non-commercial” touch and the concentration of the banks should be more fulfill their customer needs.
26. Banks should stop “Imposing and being Pushy” with customers just because they did some CRM activity. The whole activity should be customer centered.
27. The Banking Sector is developing and getting higher day by day in urban and semi urban areas; there is large number of customers using the services in the urban and semi urban areas. So a wide scope in rural areas is expected in the days to come hence, the Banks can offer

their services in rural areas to grab such opportunity.

28. Customers reward the Banks which treat them with care by being loyal. They use the Banks service over a period of time, so it is important for the banks to be loyal in providing the services to customers in order to retain them forever.
29. The success in marketing of any service lies in the quality and time aspect of the service. So there is need to have more qualitative and mean time oriented services and centers for both banks particularly HDFC.
30. CRM is found to be the buzz word and it is essential for the Banks to “stay” in the business as the expectations from customers are constantly changing. In the highly competitive environment the services should be extended according to the likes and dislikes of the customers
31. CRM is necessary to build up Customer Relationship to have a substantial growth of the organization and to establish the new services successfully. However, CRM should not be overdone to avoid the unhealthy and unethical practices and the cost of CRM should not be a charged.

CONCLUSION

Based on the analysis it is very clear that in almost all issues, the working performance of HDFC and SBI is similar but differing at certain aspects only. The SBI though it is public sector bank, taking much care in implementation of CRM, fine tuning the CRM and finally putting it on track. Whereas, HDFC was not at par with SBI in most of the aspects like database management, responding to the customers in

mean time and provisioning the services as expected by the customers. Particularly in marketing approach, considering customer retention as a big challenge, provisioning the facilities attending the needs without time delayment, meeting the changing needs creating the database, employee approach to customers, Advertisements in the media, customer awareness impact of CRM relationship with customer impact over bank objectives, CRM and public image, CRM and updating the data, CRM and customer satisfaction, HDFC is found quite good.

On the other hand, in terms of retention of existing key customers, enhancing customer loyalty, provisioning technological infrastructure, location of CRM, existence of CRM, approaches of CRM, coverage of CRM by e-Marketing, relationship with the customer, CRM's objectives and making the customer delight, retention of customers benefits of CRM to the organization, loyalty, customer confidence, commercial returns through CRM, controlling the problems, technical advancements, impact of technical advance over the relationship and making the requirements in short time or mean time are found quite satisfactory and in good condition with SBI. It is very clear from the foregone analysis that the approach of CRM by SBI and HDFC are same and one but the reach is quiet distinguishable. It is due to the profile, their capability and the strategy of CRM in making it and reaching down to customers. On the contrary, it can also be asserted that the background of both banks also found as a big cause for reaching the top CRM. Hence, CRM is an inevitable tool of marketing that can be considered as Critical

Responsibility of Market with regard to Banks in present context. If the SBI and HDFC work on the gaps or variances in the process of implementation and reach of CRM in a strategic way, it is beyond doubt that HDFC and SBI will be shining in the banking sector with a great smile.

In general there would be a significant difference between and among the customers of various banks. As, the present study is a comparative one between SBI and HDFC, there is a need to test the difference between the customers of SBI and HDFC, through ‘F’ – Test. The ‘F’ – Test or the variance ratio test has been calculated as follows:

ANNEXURE I - TEST OF HYPOTHESIS

$$F = \frac{S_1^2}{S_2^2} \text{ Where } S_1^2 = \frac{\sum(X_1 - \bar{X}_1)^2}{n_1 - 1}$$

It should be noted that S_1^2 is always the larger estimate of variance, i.e., S_1^2

$$F = \frac{\text{Larger estimate of variance}}{\text{Smaller estimate of variance}} \text{ and } S_2^2 = \frac{\sum(X_2 - \bar{X}_2)^2}{n_2 - 1}$$

SBI			HDFC		
X_1	$(x_1 - \bar{x}_1)$	x_1^2	X_2	$(x_2 - \bar{x}_2)$	\bar{x}_2^2
2.67	0.03	0.009	2.88	0.27	0.0729
2.55	-0.09	0.0081	3.13	0.52	0.2704
2.55	-0.09	0.0064	3.13	0.52	0.2704
2.56	-0.08	0.2809	3.03	0.42	0.1764
2.11	-0.53	0.0196	2.53	-0.08	0.0064
2.5	-0.14	0.0049	2.58	-0.03	0.0009
2.71	-0.007	0.0016	3.1	0.49	0.2401
2.6	-0.04	0.0016	2.5	-0.11	0.0121
2.6	-0.04	0.2116	2.8	0.19	0.0361
3.1	0.46	0.0256	2.4	-0.21	0.0441
2.8	0.16	0.0289	2.6	-0.001	0.0001
2.81	0.17	0.0784	2.43	-0.18/	0.9604
2.36	-0.28	0.0121	2.36	-0.25	0.0625
2.75	0.11	0.0169	2.68	0.007	0.0049
2.51	-0.13	0.0361	2.33	-0.28	0.0784
2.83	0.19	0.2209	2.93	0.32	0.1024
3.11	0.47	0.0004	2.6	-0.01	0.0001
2.66	0.02	0.0625	2.73	0.12	0.0144
2.91	0.25	0.0196	2.61	0	0
2.5	-0.14	0.0256	2.8	0.19	0.00361

3.0	0.36	0.0036	2.7	0.09	0.0081
2.7	0.06	0.0009	2.4	-0.21	0.0441
2.61	0.03	0.0009	2.71	0.1	0.0001
2.33	-0.03	0.0009	2.56	-0.05	0.0025
2.68	-0.31	0.0961	2.51	-0.1	0.0001
2.35	0.04	0.0016	2.66	0.005	0.000025
2.6	-0.29	0.0841	2.3	-0.31	0.0961
2.8	-0.04	0.0016	2.8	0.19	0.0361
2.7	0.16	0.0256	2.6	-0.01	0.0001
2.6	0.06	0.0036	2.7	0.1	0.0001
2.4	-0.24	0.0576	2.8	0.19	0.0361
2.4	-0.24	0.0576	2.6	-0.01	0.0001
2.7	0.06	0.0036	2.4	-0.21	0.0441
2.3	-0.34	0.1156	2.4	-0.21	0.0441
2.6	-0.04	0.0016	2.4	-0.21	0.0441
2.9	0.26	0.0676	2.4	-0.21	0.0441
2.4	0.26	0.0676	2.5	-0.11	0.0121
2.4	-0.24	0.0576	3.11	0.5	0.25
$\sum X_1 = 113.58$	$\sum x_1 = -0.53$	$\sum x_1^2 = 2.2156$	$\sum X_2 = 112.63$	$\sum x_2 = -0.39$	$\sum x_2^2 = 3.6204$

$$X_1 = \sum x_1 / n_1 = 113.58 / 43 = 2.64$$

$$X_2 = \sum x_2 / n_2 = 112.63 / 43 = 2.61$$

$$S_1^2 = \frac{\sum X_1^2}{n_1 - 1}$$

$$S_1^2 = 2.2156 / 43 - 1 = 0.052$$

$$S_2^2 = \frac{\sum X_2^2}{n_2 - 1}$$

$$S_2^2 = 3.6204 / 43 - 1 = 0.086$$

$$F = \frac{S_2^2}{S_1^2} = 0.086 / 0.052 = 1.65$$

HO: There is no significant difference between the perceptions of customers of SBI and HDFC towards CRM

Test Applied	D.F	Level of Significance	Calculated Value	Standard / Table Value	Result
F Test	42,42	5%	1.65	1.543	Rejected

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As the calculated value of 'F' is 1.65 which is higher than the table value, at 5% significant level (i.e., 1.543), the hypothesis is rejected. Hence, it is very clear that there is a significant difference between the perceptions of customers of SBI and HDFC towards CRM.

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