

CRM IN BANKS: A COMPARATIVE STUDY OF PUBLIC, PRIVATE, FOREIGN AND CO-OPERATIVE SECTORS

Deepak Bhattacharya¹ and Dr. R. R Patil²

¹Research Scholar, Shri Jagdish Prasad Jhabarmal Tibrewala University, India

Email: dbcta1@gmail.com

²Director, Decision Science School, Mumbai, India

Email: rohirohish@yahoo.com

ABSTRACT

Usually all persons want money for personal and commercial purposes. Banks are the oldest lending institutions in the Indian scenario. They are providing all facilities to all citizens for their own purposes by their terms. To survive in this modern market every bank implements so many new innovative ideas, strategies, and advanced technologies. For that they give each and every minute detail about their institution and projects to Public. They are providing ample facilities to satisfy their customers i.e. Net Banking, Mobile Banking, Door to Door facility, Instant facility, Investment facility, Demat facility, Credit Card facility, Loans and Advances, Account facility etc. And such banks get success to create their own image in public and corporate world. These banks always accept innovative notions in Indian banking scenario like Credit Cards, ATM machines, Risk Management etc. So, as a student keen interest is taken in the way banks function. At this stage every person must know about new innovation, technology of procedure new schemes and new ventures. So all the information is put together gathered for the facilitation of learning by working CRM project by looking into a Co-operative Bank (The Shamrao Vitthal Co-op Bank), Private Bank (IndusInd Bank), Public Sector Bank (Allahabad Bank) and a Foreign Bank (American Express Bank).

INTRODUCTION

The banking sector is facing enormous challenges of attracting the new customers and retaining the existing ones. The problems commonly encountered by the bankers are shifting of customer loyalty, difficulty in synchronizing demand and supply, controlling the performance quality of human interaction, etc. – need to be articulated and tackled by managers. The attraction, retention, and building strong customer relationships through quality services are at the heart of the modern marketing (Zeithmal & Bitner, 2003). A sound marketing strategy is required to be adopted by the banker to build customer trust and retain them in the business and for competitive advantage across the industry. The strategy should focus on service quality rather than existing marketing mix, understanding of the customer

expectations and perceptions and what they imply for the marketer, use of technology, planning for service recovery, customer-defined service standards, value pricing, etc.(Dhananjayan, 2005). At this backdrop, the main objective of this paper is to analyse the data collected from the customers to understand their banking behaviour; with particular emphasis on the following factors: a) Reasons for opening accounts with a bank, b) Expectation and perceptions of the customers regarding banking services.

RESEARCH METHODOLOGY

Since the research is done to know how banks manage CRM, it is a descriptive. It is a qualitative type of research since we conducted research on behaviors and not on figures. The research is conducted through survey method where in a questionnaire was pre-designed Since it is a qualitative research the data is analyzed with the help of concepts.

RESULTS AND DISCUSSION

Comparative analysis

Basis of comparison	Allahabad Bank	Indusind Bank	Shamrao Vithal Bank	American Express Bank
Relation with clients	Friendly and professional	Friendly and professional	Personal, friendly and professional	Professional
Wat is CRM?	maintain the existing customers	retaining customers, keeping relation with clients and getting new customer	Maintaining the existing customer and one to one contact.	Retaining customers, keeping relation with clients and getting new customers and handling queries of the customers.
Need for CRM	maintain the clients	keeping relation, maintain the customers, retaining and handling queries of customers	maintain customers and also to build rapport with customers	Handling queries, keeping and maitaing customers, handling queries of customers, more sales and for company's growth.
Channels to interact	face to face, telephone and direct mail	face to face, telephone and direct mail	face to face, telephone and internet	face to face, telephone, direct mail and internet
Type of cust. Info.	professional and financial information	professional and financial	Personal, professional and financial	professional and financial information

Comparative analysis (Contd....)

Basis of comparison	Allahabad Bank	Indusind Bank	Shamrao Vithal Bank	American Express Bank
Sources of info.	company's database and sales force	company's database, personal contact and sales force	personal contact and through people working in the bank	company's database, sales force and reference from existing clients
Channels to manage CRM	Database management	Call centres, internet, sales force and database management	Call centres, internet and database management	Call centres, internet, sales force and database management
Programs for cust. Satisfaction & loyalty	schemes and offers	membership cards and various schemes and offers to the customers	organize events and functions, net banking, SMS alert and phone banking	membership cards, organize events and functions for loyal customers and offer various schemes to the customers
Methods of measuring cust. Satisfaction	feedback from clients, no. of clients and no. of complaints	feedback from clients and no. of complaints and Kapity software	feedback from clients and no. of complaints	Feedback from clients and no. of clients.
Technology for CRM	No technology	Online services, customer, call centre automation database, kapity software	Online services and e-product	Salesforce.com, Online services, customer service helpdesk, email management and CRM software
Importance of tech.	Agree	Agree	Strongly agree	Strongly agree
Dept. in org. responsible for CRM	high level managers	Sales department & CRM department	Back office and sales department	back office, sales department, high level managers

Comparative analysis (Contd....)

Basis of comparison	Allahabad Bank	Indusind Bank	Shamrao Vithal Bank	American Express Bank
Challenges for CRM	Customer service, Professionalism, Responsiveness, Quality of support	Customer service, Price of CRM tools, Delivery of service, Quality of support	Customer service, Professionalism, Customer needs, Delivery of service, Quality of support	Price of CRM tools & Quality of support

There is more of professional relation with clients in case of American Express and Indusind Bank. CRM is understood differently by different People even within the same bank. Need for CRM is also different. Almost all the channels are used by American express compared to other banks. A source of information is mostly personal contact in case of Shamrao Vithal and Allahabad bank. All the banks use sales force mainly to manage CRM. Different programs are conducted by banks for customer satisfaction. All the banks use feedback from clients to measure customer satisfaction. Technology is more prevalent in American express followed by Indusind then in Shamrao Vithal. In Shamrao Vithal and Allahabad Bank mainly high level managers are held responsible for managing CRM. However in case of American express every department is responsible. In case of challenges one of common challenge in all the banks is quality of service. According all the interviewed people future of CRM is bright.

CONCLUSION

From the findings of the research we can conclude that every bank believes that CRM is an important technique for acquiring, maintaining and enhancing customers for the business. We studied that different categories of banks manage CRM in different ways. We also found out that different people in the same bank have different opinions about managing CRM in their bank. From the above research we can conclude that there is more professionalism and more seriousness about CRM in foreign bank i.e. American Express Bank where CRM is given utmost importance. However in case of public sector and co-operative banks i.e. Allahabad Bank and Shamrao Vithal Bank respectively does not give much importance to the management of CRM. Another conclusion which we can make is that all the banks agree that technology plays a very important role in managing CRM. At last, all the banks believe that the future of CRM is very bright especially in case of service sector industries.

REFERENCES

1. Gruen, T. W. (1997), 'Relationship Marketing: The Route to Marketing Efficiency and Effectiveness', Business Horizons, November – December,
2. Berry, L. L. (1983), 'Relationship Marketing of Services: Growing Interest, Emerging Perspectives', Journal of the Academy of Marketing Science,
3. Parasuraman, A., Zeithaml, V. A., and Berry, L. (1985), "A Conceptual Model of Service Quality and its Implications for Future Research," Journal of Marketing

ABHINAV

NATIONAL MONTHLY REFEREED JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

www.abhinavjournal.com

4. Payne, A. (2000), 'Relationship Marketing: The UK Perspective', in Sheth, J. N. and Parvatiyar, A. (eds.) Handbook on Relationship Marketing, Sage Publications, Inc.:
5. Reichheld, F. F. and Sasser, W. E. (1990), 'Zero Defections: Quality Comes to Services', Harvard Business Review, September – October
6. Sheth, J. N. and Parvatiyar, A. (1995) 'Relationship Marketing in Consumer Markets: Antecedents and Consequences', Journal of the Academy of Marketing Science
7. Jagdish And Sheth, Atul Parvatiyar, G Shainesh, 'CRM Emerging Concepts, Tools and Applications'
8. Philip Kotler: Marketing Management
9. Anderson, C and Zeithaml, C.P. (1984), "Stage of The Product Life Cycle, Business Strategy and Business Performance", Academy of Management Journal, Vol.27, March, pp.5-24.
10. Dhanajayan, G. (2005), "Service Marketing: Integrating People, Technology and Strategy", Marketing Mastermind, February, pp.17-23