

CRM IN BANKS FROM B2B PERSPECTIVE

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ABSTRACT

Globalization and technology improvements have exposed companies to a situation with tough competition. In this new era, companies are focusing on managing customer relationships in order to efficiently maximize revenues. Today marketing is not just developing, delivering and selling, it is moving towards developing and maintaining long term relationships with customers. Relationship marketing is becoming important in financial services. CRM is an opportunity that banks can avail to rise above minor advantages by developing actual relationships with their customers. The purpose of this study has been to investigate how B2B CRM in banks can be described. Definition and benefits of CRM, CRM processes, CRM technology and CRM structure and people have been studied in 4 different banks from 4 different sectors that are public, private, foreign and co-operative. The results revealed that banks know the term CRM very well. Even though they claim customer satisfaction, which indeed differs for different banks, there exists areas of improvement for all the banks. Banks have implemented CRM processes which are considered necessary for a customer centric organization. As far technology in CRM is concerned all banks are using technology, only thing is use of advanced technology can help them to have competitive advantage on their customers.

INTRODUCTION

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 retain existing ones and maximize their lifetime value

1. CRM is a sound business strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationships with those customers through individualized marketing, re-pricing, discretionary decision making, and customized service-all delivered through the various sales channels that the bank uses. Its objective is to return to the world of personal marketing.
2. Rather than market to a mass of people or firms, market to each customer individually. In this one-to-one approach, information about a customer (e.g., previous purchases, needs, and wants) is used to frame offers that are more likely to be accepted. This approach is made possible by advances in information technology. Remember that CRM is an abbreviation for Customer Relationship Management, not Customer Relationship Marketing. Management is a broader concept than marketing

because it covers marketing management, manufacturing management, human resource management, service management, sales management, and research and development management.

Thus, CRM requires organizational and business level approaches – which are customer centric – to doing business rather than a simple marketing strategy.

RESEARCH METHODOLOGY

The purpose of taking up this research of CRM in banks for B2B clients is to understand and compare the various methods and measures used to handle, retain and get new customers. We started the study with a descriptive approach to find the answer to all the questions who, what, when, where, and how a CRM in Bank operates for Corporate clients. The intention was to describe the area of research and try to find out the differences and similarities in the operation of CRM. The aim of this research is clearly structured, so the purpose of research is descriptive. Towards the end of this study conclusions are presented by answering the research questions. In that sense, this study explains the issues that have been described. This makes our study mainly descriptive with explanatory touches. While conducting our study we found Qualitative research fulfilling our requirements, since we are conducting research on behaviors not on figures. For our study, both Primary and Secondary data have been used. Telephonic Interview in case of Yes Bank and face-to-face interview with the managers at the respective banks formed the primary source of data and the information about the Banks from their websites formed the secondary source of data. A set of questions were prepared before approaching the Banks to know about their respective CRM for B2B customers. The questionnaire contained questions both open-ended and close-ended. These questions were common for all the banks which pave the way for easy comparison of all the data collected from all the four banks. The questions were restricted to know about the credibility of the bank with respect to CRM for B2B. The primary data can be considered as qualitative data since the correspondent's opinions and point of view had a great importance of the outcome of this study. The data is also based on meanings expressed through words and not derived from numbers. Banks studied are DBS (Development Bank of Singapore), National Co-op Bank Ltd., Bank of India & Yes Bank

RESULTS AND DISCUSSION

Table 1. Definition of CRM

DEFINITION	LONG TERM RELATIONSHIP	CUSTOMER SATISFACTION	MARKETING SUPPORT SYSTEM
Dbs	✓	✓	
National Co-Op Bank	✓		
Bank Of India		✓	
Yes Bank	✓		✓

In the above within case analysis we saw similarities and differences in how the banks are defining CRM and theirs' benefits. It is very interesting to see the definition part CRM involves understanding each and every aspect about customers. Every bank is defining the same phenomenon in a very different way as shown in table 1. The basic concept is maintaining relationship with customers to retain and expand customers' base. Even every

view is correct but within the same banking industry every bank has its different view towards the same phenomenon—the CRM.

When it comes to CRM benefits, it is even more interesting that banks have different views, even there are also some similarities, like DBS and National Co-Operative bank uses the term long-term relationship while Bank of India used the same phenomenon by calling it fulfilling all the activities and queries of customers to see them happy. Yes bank talks about increasing the sales. But on the other hand all the banks have different views about benefits. DBS and National Co-Operative look at long-term relationships and customer satisfaction, Bank of India towards higher customer profitability and customer retention and loyalty while Yes bank towards increasing revenues, reduced handling and transactional cost and also take CRM as success and survival in the market place.

Table 2. Methods of gathering customer information

METHODS /BANKS	DBS	NATIONAL CO-OP BANK	BANK OF INDIA	YES BANK
Website	✓			
Intermediaries	✓			
Reference	✓		✓	✓
Account Opening From	✓			
Survey		✓		
Over The Counter			✓	✓
Business Meeting				✓

While analysing CRM process we saw many similarities and differences in collecting information about customers (table 2), channels of managing relationship with customers (table 3) and technology of interacting with customers (table 4). Foreign bank like DBS has more advanced technology and IT products compared to others. Co-operative banks still using traditional methods. They need to work hard to survive in this competitive world. As other banks are using advanced technology. Bank of India and Yes Bank also needs to use more technology to compete with foreign banks. Within banking industry itself there is difference in technology which they use

Table 3. Channels of managing customer relationship

CHANNELS/BANKS	DBS	NATIONAL CO-OP BANK	BANK OF INDIA	YES BANK
Internet Banking	✓	✓	✓	✓
Mobile Banking	✓	✓	✓	
Service Desk	✓			
Doorstep Banking	✓			✓

As far as challenges for CRM are concerned the common challenges are updating technology and competition with other banks. Foreign bank has challenge of following stringent rules where as co-operative bank and Bank of India has challenge of switching over of customers to other banks.

Table 4. Technology to interact with customers

TECHNOLOGY/ BANKS	DBS	NATIONAL CO-OP BANK	BANK OF INDIA	YES BANK
Call Centre			✓	✓
E-Mail	✓	✓	✓	✓
Sales Force	✓	✓		✓
Service Desk	✓			

Table 5. Customer application

CUSTOMER APPLICATION/BANK	DBS	NATIONAL CO-OP BANK	BANK OF INDIA	YES BANK
Database	✓ (Pinnacle)			

In CRM technology also there are differences and similarities. All the banks are using IT benefits by providing interactive websites to customers where they can do their transactions and collect any kind of information. Banks are using almost same technologies except for few like DBS which is using pinnacle customer application which no other bank is using (table 5). Banks are using such technologies as per their customer requirements.

Table 6. Roles in CRM

ROLES /BANKS	DBS	NATIONAL CO-OP BANK	BANK OF INDIA	YES BANK
Coordinates The Entire Crm Process	Relationship Manager	-	Middle Management Scale 3	Assistant Vp Sales
Interacts With Customers Using Right Channel	Service Manager	-	Relationship Manager (Staff)	Sales Executive

After in depth analysis of the three banks, we found that all of the organizations align around the key communication process. People are working together and effectively to share a process and activate their skills to complete the activities and tasks. Similarity is that all the banks do not have separate CRM department. They have CRM as part of some other department. Only difference is, responsibility is given to different departments in different banks as shown in table 6. In yes bank it is part of sales department where as in DBS it is part of operation management. In Bank of India it is handled by clerks and managements as described earlier where as in CO-operative bank it is done by the staff itself.

CONCLUSION

On the basis of the primary and secondary data and our personal experiences with the bank we provide with the following conclusions. All the four banks shared almost the same definition for CRM with retaining customers in the best possible manner and ensure happy banking. Even though they claim customer satisfaction, which indeed differs for different banks, there exists an area of improvement for all the banks, which is very much necessary to be noted for National Co-operative bank and its undergoing changes. As far technology in CRM is concerned all banks are using technology, only thing is use of advanced technology can help them to have competitive advantage on their customers. Along with technology

more organized CRM structure can help Banks to achieve their goals of managing customers and expanding customer base.

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