

# To Study Impact & Reality of Customer Relationship Management (CRM) in Banking Sector in Nashik City

Dr.Vishal Waman Wagh  
Assistant Professor  
Management (MBA) Department  
AISSMS IOM,Pune,India

## **ABSTRACT:-**

Customer relationship management is a broad concept for creating, retaining and expanding customer relationships in banking sector. CRM is not just a single application that will solve all customer related problems in an organization. Rather, CRM is almost a state of mind. Within an organization in which three key functional areas of the organization are integrated. These areas are sales, marketing and customer service. The market became much clearer for customer because of new media. The results are an increasing pressure of competition and demanding customer. Therefore a binding and long-term customer relationship seems to be necessary in banking sector. In modern era, the ability to maximize customer reliability, consistency and durable relationships is critical in banking sector. It is said that CRM is not a product or service; it is an overall business strategy that enables organization to effectively manage relationship with their customers. CRM is the business strategy that aims to understand, anticipate, manage and personalize the needs of customers. The idea of CRM is that it helps businesses use technology and human resources gain insight into the behavior of customers and the value of those customers. Today in banking sector customers are more value oriented in their services because they have alternative choices in it. CRM goes beyond the transactional exchange. Customer can be provided with products and services effective relationship. The study is primarily to understand the contribution of CRM in banking sector.

**Keywords:** - Customer, Facilities, Marketing, Product, Service

## **INTRODUCTION:-**

Customer relationship management is a broad concept for creating, retaining and expanding customer relationships in banking sector. There are probably five different answerers, when five different banking officers were asked about their views on Customer Relationship Management. CRM is not just a single application that will solve all customer related problems in an organization. Rather, CRM is almost a .state of mind. Within an organization in which three key functional areas of the organization are integrated. These areas

are sales, marketing and customer service. The market became much clearer for customer because of new media. The results are an increasing pressure of competition and demanding customer. Therefore a binding and long-term customer relationship seems to be necessary in banking sector. In modern era, the ability to maximize customer reliability, consistency and durable relationships is critical in banking sector. As banks strive to create and manage customer relationships, several emerging trends affect to approach and tools. Banks employ to achieve sustainable growth. These trends reflect a fundamental change in the way that banks interact with the customers what they have and those they want to require. It is said that CRM is not a product or service; it is an overall business strategy that enables organization to effectively manage relationship with their customers.

## CRM

is the business strategy that aims to understand, anticipate, manage and personalize the needs of customers. Today, many businesses such as banks, insurance companies, and other service providers realize the importance of CRM and its potential to help them acquire new customers retain existing ones and maximize their lifetime value

In current situation of competitive banking world, improvement day-by-day in customer service is the most important tool for their better growth. Customer requirement and complaints are part of their banking business life. This is so more important for banks because banks are service industry. As a service industry, customer service and customer satisfaction are their prime work. The need for the study arises because banking sector helps in economic development of the country and to fulfill this, customer satisfied first by providing better services with the help of computer and other innovated technologies. Hence there is need for customer survey, identifying their requirements and satisfaction.

## **LITERATURE REVIEW:-**

D.Gopalakrishna (2001) expressed his views that Customer relationship is not an outside element which started exerting its influence on the business. It is an integral part of management and of late, it has occupied an important and indispensable central place in today's business. M.P.Jaisawal & Anajli Kaushik (2002) E-CRM is a combination of business process and technology that seeds to understand a company's customer from multifaceted perspective.

E-CRM system has been recently adopted in the industry. Selecting an E-CRM system is a part of the Customer Relationship Strategy. H Peeru Mohamed & A Sagadevan (2005) Managing relationship with customer and making them delighted has become a necessity in the wake of globalisation, where customer delight is the only key to success and to the very existence of the company. Nils Merkel (2005) stated the expectations from companies in the banking sector and requirement of a successful implementation of CRM. For a successful implementation, there must be a common sense that the

implementation will affect all parts of the company and that there might be server changes to get positive results. Due to that the project must be supported by the management from the very beginning. Graham Roberts-Phelps (2008) explains that there are three elements to consider when aligning your business towards a customer relationship format. These are retention, customer potential and selection of customer. He also mentioned four steps if CRM i.e. Segmentation, Analysing, Developing strategy and Behaviour maintenance.

### **OBJECTIVES:-**

The study is primarily to understand the contribution of CRM in banking sector and its impact and reality.

- (1) To assess the awareness of CRM in banking sector.
- (2) To analyses on decision making activity by banking sector.
- (3) To motivate long-term reliability in the terms of relationship with customer.
- (4) To evaluate the effectiveness of complaint request management of bank.
- (5) To increasing lifetime value of individual customer through CRM.

### **RESEARCH METHODOLOGY:-**

In present paper, I briefly summarize some of key concepts and frameworks of customer relationship management. This research is based on secondary data. The scope of the present study is restricted to analyses the impact and reality of customer relationship management in banking sector in Nashik city. The secondary data has been collected from internet and books.

- Sources of Secondary Data Collection:** -
- 1) Internet
  - 2) Books
  - 3) Journals, Manuals
  - 4) Annual Reports of Banks
  - 5) News Papers etc.

### **TECHNIQUES IN CRM:-**

**i) Customer Service and Retention:** - More competition and increased regulation made it more difficult for banks to stand out from the crowd. However, the development of CRM gave proactive banks access to technology that helped them improve customer retention by using customer feedback to offer conveniences like ATMs and online banking. Banks can also use CRM tools to improve customer loyalty by using data collected through customer sign-ups, transactions and feedback processes.

**ii) Call Centers:** - Bank call centers use CRM solutions for various purposes. Cost-driven call centers use CRM to track call transactions and troubleshooting techniques to fine-tune the service resolution process. Metrics like average handle time and customer feedback ratings help bank call centers improve their customer support for retention. Profit driven call centers also leverage CRM customer account records for add-on selling opportunities.

**iii) Sales:** - Sales has taken on more importance in banks with the evolution of CRM. Bundling of products and premier customer accounts are examples of techniques used by banks to build single-product customer accounts into full product suites including a range of financial services. With CRM software, bankers can easily see what products you currently use, what products you are eligible for and what the benefits are should you add the additional product or service.

### **IMPACT & REALITY OF CRM IN BANKING SECTOR:-**

The idea of CRM is that it helps businesses use technology and human resources gain insight into the behavior of customers and the value of those customers. If it works as hoped, a business can: provide better customer service, make call centers more efficient, cross sell products more effectively, help sales staff close deals faster, simplify marketing and sales processes, discover new customers, and increase customer revenues. It doesn't happen by simply buying software and installing it. For CRM to be truly effective an organization must first decide what kind of customer information it is looking for and it must decide what it intends to do with that information. *For example*, many financial institutions keep track of customer's life stages in order to market appropriate banking products like mortgages or IRAs to the mat the right time to fit their needs. Next, the organization must look into all of the different ways information about customers comes into a business, where and how this data is stored and how it is currently used. One company, for instance, may interact with customers in a myriad of different ways including mail campaigns, Web sites, brick-and-mortar stores, call centers, mobile sales force staff and marketing and advertising efforts. Solid CRM systems link up each of these points. This collected data flows between operational systems and analytical systems that can help sort through these records for patterns.

Company analysts can then comb through the data to obtain a holistic view of each customer and pin point areas where better services are needed. In CRM projects, following data should be collected to run process engine.

- (1) Responses to campaigns
- (2) Shipping and fulfillment dates
- (3) Sales and purchase data
- (4) Account information
- (5) Web registration data
- (6) Service and support records
- (7) Demographic data
- (8) Web sales data.

**CHALLENGES & OPPURTUNITIES:-**

Today in banking sector customers are more value oriented in their services because they have alternative choices in it. The present times demanded that bank consolidate with moderate and selective expansion in service, social banking with financial possibility, selective up gradation, computerization and innovative mechanization, better customer service, effective managerial culture, adequate profitability, strong organization culture, internal supervision and control.

Therefore, banks must be able to provide complete personal service to customers who come with high expectations. For customers who value convenience most, banks must offer the latest product. In shortly, customer value services would be a strong driver of customer retention. The crisis provides an opportunity to the banking sector to reach out to the financially excluded, who have the capability to make productive use of the available financial resources.

**FINDINGS:-**

- i) There is a large scope for the development of banking sector with the help of customer relationship management.
- ii) In today's banking sector customers are more value oriented in their services because they have number of other options available in the market.
- iii) In banking sector most of the customers got satisfaction with maintaining good and long term relationship with customer.
- iv) Banking sector providing better services to the customer along with Internet banking, Mobile banking etc.

**CONCLUSION:-**

Customer Relationship Management in banking is concerned with attracting, maintaining and enhancing customer relationship. CRM goes beyond the transactional exchange. Customer can be provided with products and services effective relationship. CRM is depended upon banking employees with proper utilization of services and their behavior. We know that providing effective and efficient service is essential not only to attract new customers, but also to retain existing customers. Current banking sector has come up with a lot of initiatives that are oriented to providing a better customer service with the help of new technologies. A good business plan and guidance about the facilities is the major success factors of Customer Relationship Management in banking sector. Hence it is proved that a good business plan and continues guidance about facilities available to customers in banking sector, which has emerged a successful Customer Relationship Management.

**REFERENCES:-**

- (1) D.Gopalakrishna (2001), Electronic Marketing in 21<sup>st</sup> Century, Himalaya Publishing House, New Delhi.
- (2) M.P.Jaisawal & AnajliKaushik (2002), E-CRM: Business & System Frontiers, Asian Books Pvt. Ltd. New Delhi
- (3) Semith Onut & Bora Hosver (2002), Customer Relationship Management in Banking Sector and A Model Design for Banking Performance enhancement.
- (4) H Peeru Mohamed & A Sagadevan (2005), Customer Relationship Management, Vikas Publishing House Pvt. Ltd., New Delhi.
- (5) Nils Merkel (2005), Customer Relationship Management in Banking Sector, Books on Demand Gmlb H, Germany.
- (6) Graham Roberts-Phelps (2008), Customer Relationship Management, Viva Books Pvt. Ltd., New Delhi.

