CUSTOMER RELATIONSHIP MANAGEMENT [CRM] IN BANKING SECTOR WITH SPECIAL REFERENCE TO SBI

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ABSTRACT:

Today, many business 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**.** At this point, close relationship with customers will require a strong coordination between IT and marketing departments to provide a long-term retention of selected customers. This paper deals with the role of Customer Relationship Management in banking sector and the need for Customer Relationship Management to increase customer value by using some analytical methods in CRM applications.

Keywords: Customer , Relationship management, Banks, Applications

INTRODUCTION:

Competition in the financial services industry has intensified in recent years, owing to events such as technology changes and financial industry deregulation. Conventional banking distribution has been gradually supplementary by the emerging use of electronic banking. Many bank customers prefer using ATMs or a website rather than visiting a branch, while technology has also reduced barriers to entry for new customers.

CRM is a sound business strategy to identify the bank's most profitable customers and prospectus, and devotes time and attention to expanding account relationships with banking industry in India has undergone a rapid changes followed by a series of fundamental developments. Those customers through individualized marketing, repricing, discretionary decision making, and customized service-all delivered through the various sales channels that the bank uses. Under this case study, a campaign management in a bank is conducted using data mining tasks such as dependency analysis, cluster profile analysis, concept description, deviation detection, and data visualization. Crucial business decisions with this campaign are made by extracting valid, previously unknown and ultimately comprehensive and actionable knowledge from large databases. The model developed here answers what the different customers segments are, who more likely to respond to a given offer is, which customers are the bank likely to lose, who most likely to default on credits cards is, what the risk associated with this loan applicant. Finally, a cluster profile analysis is used for revealing the distinct characteristics of each cluster, and for modeling product propensity, which should be implemented in order to increase the sales.

REVIEW OF LITERATURE:

Bhat and Darzi (2016)[1]

Bhat and Darzi, provided empirical evidence that the customer knowledge is the CRM dimension that has most positive effect on the development of customer loyalty and competitive advantages of the bank. The customer knowledge as the root for greater adoption of digital banking and development of digital CRM was noted by Larsson and Viitaoja (2017).

Parthasarathy & Ramasamy, (2015)[2]

"A way of automating the front office functions of sales, marketing and customer service" (based on the relatively new phenomenon of the integration of previously separate applications such as Sales Force Automation and Customer Service Support into Enterprise Applications).

Saarija'rvi, Karjaluoto & kuusela, (2013)[3]

"CRM is defined as the management of mutual relationship between customer and firm where collection and analysis of customer data plays significant role".

RESEARCH METHODOLOGY

Research methodology is a methodology for collecting all sorts of information & data pertaining to the subject in question. The objective is to examine all the issues involved & conduct situational analysis. The methodology includes the overall research designs, sampling procedure & feedback done and finally the analysis procedure. The methodology used in the study consistent of sample survey using both primary & secondary data.

OBJECTIVES OF THE STUDY

- ➢ To review the Customer Relationship Management of SBI.
- ➢ To find out the types of banking services are availed by the customers.
- ➢ To examine the CRM measure of SBI.
- ➢ To find out why customers have an account in more than one bank.
- ➢ To study the customer satisfaction regarding the services provided by the bank.

SCOPE OF THE STUDY

The present study was undertaken to know the customer relationship management towards State Bank of India (SBI).

In my study, I have used both primary and secondary sources of data.

- ➢ The study has been conducted on behalf of – **STATE BANK OF INDIA**.
- ➢ The study is confined to the Chennai.
- ➢ The study covers the services provides and uses of **– STATE BANK OF INDIA**.
- ➢ The study has put forward the customers as well as acceptability behavior for the services.
- ➢ The scope of the study is to find out the - **CRM.**

NEED OF THE STUDY

The banking industry was selected for CRM models research because, in general banks are more advanced in terms of technology adoption than many other organizations. The reasons is that other organizations do not usually require the level of information from their customers which banks do; banks keep a lot of in depth information about their customers. Therefore, the CRM system currently used in banks need to be more robust to be able to handle such sensitive information about different types of customers.

LIMITATIONS OF THE STUDY

- ➢ The report has been conducted within a limited time frame.
- ➢ The study is limited to the customer of Chennai only.
- ➢ The sample of size is limited to 60 only and the sample size may not represent whole market.

COLLECTION OF DATA

The data can be collected from primary and secondary sources. The basic premises of my study are primary data. Convenient sample that was representative of the target market was chosen, the respondents were contacted personally and the instrument used for collecting data is questionnaire.

STATISTICAL DATA CAN BE CLASSIFIED INTO TWO CATEGORIES

1. Primary sources
2. Secondary sources

PRIMARY DATA

Primary data is collected by using the structured questionnaire.

SECONDARY DATA

The main sources of secondary data are combination of information from the internet and books of the related topic.

SAMPLE SIZE

The total number of questionnaire distributed were 100 out of which 80 questionnaire were considered for the study a simple random sampling technique is used.

AREA OF STUDY

The study related to CRM in banking sector with special reference to SBI in Chennai city has been conducted in the overall Chennai city. The project has been done with the people only belongs to the Chennai city and the opinion has been genuinely collected from the people related to the Chennai city.

PERIOD OF STUDY

The study of the CRM in banking sector with special reference to SBI in Chennai city has been conducted from the month of December to February. The study has took three months to complete every topics and survey related to the CRM in banking sector with special reference to SBI in Chennai city.

DATA ANALYSIS

After data collection, it is analyzed according to customer's views, ideas and opinions related to services of the SBI and SBI will come to know the customer requirements.

DATA INTERPERTATION

Interpretation of data is done by using statistical tools like pie diagrams, bar graphs and also using quantitative techniques (by using these techniques) accurate information is obtained.

FINDINGS

➢ From this project it is found that most of the people are satisfied with the services of the SBI bank.

➢ It has been observed that maximum no of people are using the savings bank account of SBI bank.

➢ Majority of the respondents said that their banking problems and issues are addressed by the bank staff within 24 and 48 hours a day.

➢ Maximum people said that customer service and wide branch network are the two things that come in their mind when they think of their bank.

➢ Maximum people will recommend their bank to other people.

➢ Majority of the respondents are male when compared to female in dealing with SBI bank.

➢ Maximum people are from 20-30 age group in dealing with SBI among 80 respondents.

➢ Majority of the people are dealing with SBI bank for more than 3 years.

➢ Maximum number of people gave a feedback that banking issues are handled quickly by the customer service representatives of the bank.

➢ Maximum respondents are use online banking services for online bill payments.

➢ Maximum number of people are very satisfied with the financial transactions with SBI bank.

➢ The services quality has a major influence on deciding the customer relationship with the bank, as customers utilize the services of the SBI bank.

➢ Professionalism is expected by the customers at all levels.

➢ Majority of the people are using mobile banking, phone banking, money transfer and facilities through ATM.

➢ Most of the people are using online banking services more than 1 year.

SUGGESSTIONS

The above study elicited few inconveniences faced by the respondents; the most provoked problems and the suggestion for are mentioned below. The suggestions may prove fruitful in solving the teething troubles, if not all, some of problems of the customers in the banks.

➢ The research shows that the teller is the most crowded counter and always having long queues, so teller should be increased.

➢ Personal relations of the bank employees with customers will improve customer, satisfaction. The bank employees may be trained to provide courteous service to the customers. Service with smile should be the motto of every bank employee.

➢ Proper customer knowledge regarding banking will increase better utilization of the banking services. This can be achieved through seminars and meetings with the customers at frequent intervals.

➢ As the cheque is not cleared in time due to lack of attention. So staff should pay proper care that cheque should be credited in customer's a/c in time.

➢ The ultimate objective of CRM is to retain and acquire most profitable customers, which affect overall the profitability of bank. To attract more banking customers, bank must offer more individualize and attractive products and services to these customers.

➢ Ways and means to bring a WOW effect on the customers must be sought after. If customers request something or if employees notice an opportunity to do something out of the ordinary, it has to follow through that extra goes a long way in creating customer loyalty.

➢ The major problem faced by the customers is ATM is not working.

CONCLUSION

Banking can be mysterious for consumers and how they interact with their finances can be a complex matter. The challenges faced by banks and their customers are many but the trick lies in de-mystifying complex financial relationships.

Technical solution deployed by banks today are flexible, user-friendly and meant to facilitate specific workflow and requirements in implementation processes. In order to simplify lives, banks have began to implement end-to-end technologies through all departments with the intention of removing human error from processes. Previously existing manual environments could not have been adequate for future vision, growth plans and strategies.

In this day and age, customers enjoy complete luxury in terms of customized technical solutions and banks use the same to cement long-term, mutually-beneficial relationships. For a bank to succeed in adopting a CRM philosophy of doing business, bank management must first understand CRM as a holistic concept that involves multiple, interlocking disciplines, including market knowledge, strategic planning, business process improvement, product design and pricing analysis, technology implementation, human resources management, customer retention, and sales management and training. Turning the business strategy into actionable items is a difficult undertaking. For which Customer Relationship Management works a magic wand.

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