Customer Relationship Management with Special Reference to Indian Banking Industry

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Abstract
The financial liberalization and globalisation paved a new way of growth and development for the businesses. Simultaneously, the reform process also threw a major challenge for the business entities i.e. serving and satisfying the customer to maintain good relationship in order to compete and sustain in the market. The dynamic business environment is portrayed by increasing competition, converging tastes of customers, preferences of customer, increased focus on quality etc. The process of developing a cooperative and collaborative relationship between the buyer and seller has become important and this process is called Customer Relationship Management (CRM). CRM progressed well in India and became crucial in all businesses to cope up with exceeding competitive global market as today’s customer is well aware of the information regarding products and services available and rendered to him and Banks are no exception to this. With this backdrop, the present study aims to analyze Customer Relationship Management as a vital tool in the hands of the banking industry to satisfy the customer towards banking products and services offered by them; and to sustain in the market. CRM in a bank brings about important phases, such as incorporating the communication tools to meet the needs of customers, referring each customer as individual, and making the customer relationship an impressive and long lasting experience.

Introduction
The CRM is a new management practice in marketing where the marketer tries to develop long term relationship with the customers to develop them as life time customers and aiming to make the customer climb up the ladder of loyalty. Customer Relationship Management aims to establish a management mechanism to improve the relationship between enterprise and customer. As a business strategy, CRM effectively organizes the enterprise resource in the department of marketing, sales and support; as the customer centered strategy with the usage of Information Technology, the system indents to redesign the business function, recombine the work flow, and upgrade the satisfaction degree to appeal the customer, in order to gain profit.

The enterprises all over the world have undergone a profound change with the introduction of Customer Relationship Management. It has been a well-liked and widely accepted practice to maximize customer equity. This system is predominantly useful to banks for building up and managing of flourishing relationships with advantageous customers. CRM initiatives often lead to improved customer satisfaction.

The present study aims to analyze Customer Relationship Management as an important tool in the hands of the banking industry to satisfy the customer towards online banking products and services and to sustain in the market. The paper examines the efficiency of CRM efforts in the commercial banks of India while determining the usefulness of CRM implementation on customer contentment and perceived business performance of banks.
Need and Importance of the Study
The thrust of financial sector reforms in recent past paved a way for improving efficiency, competitiveness and productivity of the businesses which in turn improved the efficiency of Indian financial system followed by economy. In the light of the above, Indian banking industry has witnessed rapid development by way of providing technology aided services like Internet banking, Mobile banking, Inter Branch network etc. These have in turn aggravated the banking environment in India and have added new dimensions to automation in Indian banking. CRM represents an enterprise approach to develop programs and strategies that encourage customers to continually enhance their business relationship with the company. Organizations within emerging markets like India design their CRM implementations according to their market environments in later stages of CRM practice.

Banking businesses opting for CRM are putting their customers at the heart of their business by way of effective sales promotion and with the support of technology. The goal of CRM is to have a 360-degree view of the customer which will enable the organisation to improve the quality and satisfaction of each customer interaction and maximize the profitability of customer relationships.

Scope and Methodology of the study
The scope of this study is confined to examine the CRM in only banking sector with special reference to ING Vysya Bank, SBI Bank and ICICI Bank. The study is purely based on secondary source of information collected from official websites of SBI, ICICI and ING Vysya, Annual reports published of SBI, ICICI and ING Vysya, as well as related journals, magazines, different websites, books etc.

Objectives
The main objective of the study is to examine the importance of CRM in banking sector with reference to ING Vysya Bank, SBI Bank and ICICI Bank.

1) To study the CRM practices in ING Vysya Bank
2) To study the CRM practices in SBI Bank
3) To study the CRM practices in ICICI Bank
4) To compare the practices of the above Selected Banks

CRM in Banking Sector
Over the last 3-4 decades, changes in technology have highly affected the banking industry. For more than 200 years, banks were using branch based operations. Since the 1980s, things have been really changing with the advent of multiple technologies and applications. Different organisations got affected from this revolution; the banking industry is one of it. CRM is developing into a major element of corporate strategy for many organisations. A greater focus on CRM is the only way the banking industry can protect its market share and boost growth.

In India, the banking sector has been operating in a very stable environment from last thirty-forty years. In current scenario of banking sector, the falling interest rates and tough competition between the nationalised, private and foreign banks has made Indian bankers to realise that the purpose of their business is to create and retain a customer and to see that the entire business process is consistent with an integrated effort to discover, retain, and satisfy customer needs. But the success of CRM strategy depends upon its ability to understand the needs of the customer and to integrate the strategy, people, and technology and business process. Financial and Banking Services are in a structural change whereby competition and customer demands are increasing; and the organisations are forced to shift their focus from product orientation to customer orientation.

CRM practices in ING Vysya Bank
IBM along with its business partners Avaya Global Connect and Talisma has implemented CRM for ING Vysya Bank. It has launched the “customer first” initiative that would use the technology
creatively towards the objective of making the bank “easy to deal with the customers” and it also helped in re-engineering the project for account opening and account maintenance and making the customers happy.

The company assures customers of daily provision of information and the effective communication with as main priorities in their work. They offer various possibilities for access to the information about their products and services. They offer consultations to their customers and aim to provide adequate solutions that meet their individual needs. Existing customers are offered services for payment of insurance premium, claim for insurance benefits, surrender of policies, investment of insurance units, personal information update, file a complaint or give recommendations. When they give information, they comply with the standards they have laid down for information privacy, safety, which ING applies its activity worldwide.

ING Vysya Bank claims to maintain constant touch with their clientele through seminars, customer meets and personal contact in order to evaluate.

**CRM in State Bank of India (SBI)**

State Bank of India (SBI) is the largest nationalised commercial bank in India in terms of assets, number of branches, deposits, profits and workforce. With the liberalisation of the Indian banking industry in the mid 1990s, SBI faced stiff competition from the private sector and foreign banks which resulted in significant loss of its market share. To overcome the intense competition from the private and foreign banks SBI planned a major organizational restructuring exercise. SBI has equipped to develop a blue-print for their Customer Quality Initiatives to create long-term competitive advantage.

SBI Life’s getting ahead of competition and future-proofing their success with a new CRM solution. SBI had an in-house CRM system that would serve as a complaint and lead management system. Their goal was to provide the customer a uniform and consistent service experience across all touch points. To allow this, the service agent must have the history of customer interaction SBI can reduce the TAT (Turnaround Time). SBI has improved its revenue, maximize profits, optimize costs and establish efficient management systems to accelerate growth after implementation of CRM.

**CRM in ICICI Bank**

Industrial Credit and Investment Corporation of India (ICICI) Bank is a major banking and financial services organization in India. It is the 4th largest bank and the largest private sector bank in India by market capitalization.

CRM at ICICI Bank involves increased communication between the bank and its present and prospective customers. Its philosophy focuses on each and every customer’s satisfaction. CRM helped ICICI to figure out valuable customers and made it easy to formulate retention strategies for them. CRM is being used for targeting customers, sales, and continuous interface with customers etc. ICICI Bank has managed to focus better on customers by undertaking a serious approach that has enabled it to manage its operations effectively. It included better targeting of customers, more effective channel strategies, database marketing etc.

The bank is able to evaluate customer usage pattern through CRM data warehouse. New products are developed through extensive customer profiling. Through CRM, ICICI is able to manage its data centrally.

**Findings**

CRM is enabling the companies to identify and target their most profitable customers. Banks are offering customized services with innovative financial products to meet customer’s specific needs not only to retain the existing customers but also to attract the new customers. Implementation of CRM is
helping the banks in improved customer retention, increase in revenue, and decrease in operational cost. Customer centric approach of CRM is helping the banks to offer better services and to gain comparative and competitive advantage to compete effectively with their foreign counterparts and sustain in the market. The structured approach of CRM can provide various benefits to a bank, like distinctive and consistent customer experience, clear identification of the organisation, technological and process-related capabilities.

**Conclusions**
The increased competition and advancement of technological innovations has resulted in the increase in the demand and expectations of the customers. Therefore, the concerns of customer and CRM have become important in the developing environment. The banking companies along with other companies started recognizing the value of superior customer care. All the selected banks succeeded in the implementation of CRM by creating right environment, changing the attitude of the employees to serve the customer better.

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