Abstract

The essence of the information technology revolution and, in particular, the World Wide Web (www) is the opportunity to build better relationships with customers than has been previously possible in the offline world. The ultimate goal is to transform these relationships into greater profitability by increasing repeat purchase rates and reducing customer acquisition costs. This revolution in Customer Relationship Management (CRM) has been referred to as the new “mantra” of marketing. In service industries, the goal is especially emphasized since a repeat customer is believed to cost merely a fraction of what needs to be spent servicing a new customer in a service transaction. Indian banking industry has witnessed rapid development in recent past with the initiation of financial sector reforms. Today, banks are facing an aggressive competition and they have to make efforts to survive in a competitive and uncertain market place. Indian banking industry has witnessed rapid development in recent past with the initiation of financial sector reforms. Today, banks are facing an aggressive competition and they have to make efforts to survive in a competitive and uncertain market place. Banks have realised that managing customer relationship is a very important factor for their success. The factors of CRM are indispensable to identify the predominant nature of CRM elements for the effectiveness of Banker-Customer Relationship. The present study focuses on the ranking of the factorial designs of CRM Viz., Acquisition of Customers, Implementation of CRM, Maintaining CRM through General Policies, and Specific Strategies, Customer Satisfaction and Customer Loyalty. The opinion of the customers of the bank is ascertained through a well framed questionnaire comprising relevant variables of CRM elements. The predominant factors of CRM and their dominance in the banking sector is an indispensable need to exactly determine customer perception. Customer wants value, value for money, time, and effort. Change has become very common and it is the only constant thing. To meet the challenges arising out of stiff competition and technological revolution it becomes necessary to create a special bondage with the customers. This becomes possible mainly through relationship marketing. Though loyalty and relationships are not interchangeable, relationship marketing keeps the link between bank and customers intact and this would at least give a chance to the banks to convert a customer to a loyal one. Hence, the study has given a clear message that the real challenge before the banks is to convert emotions into transactions, and a transaction-based relationship into an emotionally connected and loyal one over a period of time.

1.1 Customer Relationship Management

The essence of the information technology revolution and, in particular, the World Wide Web (www) is the opportunity to build better relationships with customers than has been previously possible in the offline world. By combining the abilities to respond directly to customer requests and to provide the customer with a highly interactive, customized experience, companies have a greater ability today to establish, nurture, and sustain long-term customer relationships than ever before. The ultimate goal is to transform these relationships into greater profitability by increasing repeat purchase rates and reducing customer acquisition costs. This revolution in Customer Relationship Management (CRM) has been referred to as the new “mantra” of marketing.

CRM is a fundamental business of every enterprise and it requires a holistic strategy and process to make it successful. (Jagdish N Sheth 2001)

1.2 Customer Relationship Management in Service Industry

Relationship building with customers is now accepted as over-riding goal of marketing and of the business as a whole. In service industries, the goal is especially emphasized since a repeat customer is believed to cost merely a fraction of what needs to be spent servicing a new customer in a service transaction. It is believed that relationships flourish when marketers play by the book, meet customers’ core expectations and exceed in respect of other features of their total offering. Service firms have been the pioneers in adopting CRM practices. (Shainesh and Ramneesh 2001)

1.3 Customer Relationship Management in Banks

Indian banking industry has witnessed rapid development in recent past with the initiation of financial sector reforms. The thrust of financial sector reforms was to improve efficiency, competitiveness and productivity of the financial system. Entry of new generation private sector banks which provided technology aided services like Internet Banking, Mobile Banking and Inter Branch
Network has electrified the banking environment in India and has added new dimensions to automation in Indian banking. CRM is a vital factor to improve the performance of the banks. (Sugnadhi 2003)

2.1. Review of Literature
The previous research works on the various elements of CRM is analysed besides identifying the research gaps. An attempt has been made to review case studies and the work of individual researchers, magazines, journals, articles pertaining to CRM in Banks. A wide range of academic literature on CRM has been reviewed for the purpose of this study. A range of online databases have been searched to provide a comprehensive listing of journal articles on CRM. Each of these articles was further reviewed and classified. Both foreign and Indian research studies are collected, reviewed and presented.

Monica, Theresa and Wong (2003) The paper highlights that an evolutionary change in the concept of CRM is required. Three key findings have been made. First, customers should be the major focus, and companies are actually dealing with Customer-Managed Relationships (CMR). Second, it is not just a one-to-one relationship pattern. The linkages with other parties are the cores of the relationships between customers and companies. It should therefore be a one-network-one relationship. Third, a co-creative approach should be used in order to integrate the CRM and CMR concepts to enable customers to participate in corporate strategy formulation and to encourage companies to cooperate with third parties in serving customers. The financial service sector is taken as a major example to illustrate the full concept of CRM and CMR. Managerial implications arising from the implementation of the co-creative approach are explored, which include market share and mind share.

Bhuvan et al (2001) This paper tries to synergize the concepts of CRM and Knowledge Management (KM) to give an organisation a strategic advantage in design and implementation of a CRM solution. To effectively implement a CRM solution it is very important to identify real knowledge about different types of customers’ viz., Most Valued Customers, Most Growable Customers and Below Growable Customers from plethora of internal and external data, figures and surveys. A straightaway technique is to create a data warehouse, thereafter information which is required to effectively implement principles of CRM, could be mined out of this data warehouse. It is essential to build knowledge architecture instead of accumulating the data from different places. KM has the potential to give an organisation a strategic advantage in designing and implementation of CRM solution. The factors of CRM are indispensable to identify the predominant nature of CRM elements for the effectiveness of Banker-Customer Relationship.

Nelson and Chan (2005) This research seeks to empirically evaluate the influence of the underpinnings of relationship marketing on the perceived quality of bank-customer relationship, and on customer satisfaction in the Malaysian banking sector. A field survey of bank customers in Malaysia was conducted using a questionnaire. The data were factor-analysed to determine the key dimensions of relationship marketing. The resulting dimensions were applied in the subsequent discriminant analyses conducted to determine which factors discriminate between customers on the basis of perceived bank-customer relationship quality and customer satisfaction. The results show that five key dimensions, namely: competence, communication, conflict handling, trust, and relationship quality discriminate between customers in terms of perceived relationship quality and customer satisfaction. Moreover, overall banker-customer relationship quality discriminates between satisfied customers and those who are not. Findings suggest that banks can create customer satisfaction by exhibiting trustworthy behaviour, showing genuine commitment to service, communicating information to customers efficiently and accurately, delivering services competently, handling potential and manifest conflicts skillfully and improving overall customer relationship quality.

Alexandros et al (2002) The paper explores the factors of electronic Relationship Marketing (e-RM) in the context of the UK financial services sector, focusing on the emerging phenomenon of e-banking and specifically the adoption of e-RM. Through the use of an interpretative, multi-case research approach, it seeks to reflect senior managers’ understanding of e-RM. Preliminary findings indicate a broad acceptance that relationships are becoming increasingly important in terms of encouraging loyalty amongst customers. Nevertheless, managers appear to be uncomfortable with their ability to establish and nurture e-banking relationships. The use of e-RM to create a relationship dialogue is not happening
on any significant scale and presents several strategic and tactical difficulties, particularly over channel decisions. Managers seem acutely aware of the utility of electronic media networks to lower costs, but do not know how to best approach e-customers, maintain a customer dialogue, or know whether this is what clients’ desire.

Aihie and Az-Eddine (2007) This paper aims to provide insights on the core components of CRM and the implementation of CRM strategy. A case study of CRM implementation at a large Swedish firm was carried out using open-ended, face-to-face and telephone interview methods to collect data from key informants at both strategic and operative levels. Results show that relationships are not only a tactical weapon, but represent a different and strategic approach to buyer-seller exchange. Findings also show that implementing sustainable CRM strategy requires the endorsement by and commitment from top management, systematic cross-functional communication and mandatory customer loyalty training programmes for all employees.

Margit (2008) The study seeks to identify basic values and objectives from different bank retailing customers by asking them about their views on topics that deal responsibly with money. Based on their experiences, perceptions and expectations, those values and objectives that are of utmost relevance for them regarding their money life are identified. The study is of a qualitative nature, using a total of 60 surveys with open-ended questions to acquire data that are evaluated by the qualitative rule-based method GABEK® (GAnzheitliche BEwaltigung von Komplexität), a tool for analysing textual qualitative data. The results show a holistic picture of people's views concerning money and the role of retail banks. Three main topics are identified: banks' and customers' responsibilities; trustworthiness; and support service. These issues are discussed based on the basic values and objectives discovered in the context of customer relations. The study adds to the discussion of CRM. A more detailed analysis of the results will bring additional illuminating information concerning the main topics identified.

### 3.1. Need and Importance of the Study

The present study concentrates on the ranking analysis of various factors influencing CRM practices of the Public Sector, New Private Sector, Old Private Sector and Foreign Banks in the city of Chennai. The banks are facing lot of difficulties in acquiring new customers and in retaining the existing customers. As a result of the advancement of banking technology and computerization and networking of bank branches, the customers are becoming more and more dynamic and less loyal in their behaviour. The development of the Internet is further adding to this trend and the whole market has become transparent and customers are in a position to move easily from one bank to another. In such a situation, customer satisfaction is the key to bank marketing, which aims at retention of the old customers and their bringing in new customers. Two strategies are identified for increasing bank’s market penetration; the offensive strategy, which focuses on generating new customers, and the defensive strategy which focuses on preserving the current customers. Although these strategies can be successful all customers are not retained as a consequence and organisation’s need to identify those customers at risk of leaving in order to reduce defections becomes vital. (Ellie and Malcolm 2000)

### 4.1. Statement of the Problem

Banking industry is undergoing tremendous changes; the focus is towards the customer service. The customer is aware of technology and the various service options. Due to these factors, there is heavy competition between banks. Increased competition in the market in the past few years propelled retail banks to focus greatly on maintaining and increasing their customer base while improving customer service quality. In other words CRM has become a major focus for the banks.

Today, banks are facing an aggressive competition and they have to make efforts to survive in a competitive and uncertain market place. Banks have realised that managing customer relationship is a very important factor for their success.
CRM is a strategy that can help banks to build long-lasting relationships with their customers and increase their profits through the right management system and the application of customer-focused strategies. CRM in the banking sector is of strategic importance. (Evangelia and Michalis 2006)11

The last decade has seen many changes taking place in the structure of banking and also in the way the banking sector has opened up. De-regulation and entry of new players are changing the banking scene. The future belongs to the player who keeps in touch with the time, who moves along with the time and is able to respond to the emerging needs of the customers.

5.1. Objectives of The Study
- To recognize the elements of CRM in banks
- To explore the various factors influencing CRM in banks
- To execute a ranking analysis over the factors of CRM

6.1. Research Methodology
6.1.1. Research Design
The research design is empirical in nature since the study is conducted using both analytical and diagnostic type of research. The major part of the study is based on primary data.

6.1.2. Study Area
The city of Chennai has been chosen for the purpose of study because of the following reasons:
- The city has become the financial hub of the entire country.
- Almost every bank of the country has multiple branches in the city.
- Foreign banks are also interested in establishing their branches in the city.
Hence, it is considered highly appropriate to conduct the study in the city of Chennai.

6.1.3. Sources of Data
Primary data has been collected from the employees of the Public Sector, New Private Sector, Old Private Sector and Foreign Banks in the city of Chennai.
Secondary data is collected from various published and unpublished sources including Journals, Magazines, Publications, Reports, Books, Dailies, Periodicals, Articles, Research Papers, Websites, Bank Publications, Manuals, and Booklets.

6.1.4. Sampling Technique
Simple Random Sampling Method is adopted to collect the primary data. The respondents for the purpose of the study are selected systematically.

6.1.5. Sample
The following criterion is adopted to collect responses from the bank employees. At the first instance, the total number of Public Sector, New Private Sector, Old Private Sector and Foreign Banks in the city of Chennai has been taken into consideration to decide about the number of banks for the purpose of study in each category.
Secondly, the banks under each category have been chosen based on maximum number of branches in the city of Chennai as on January 2012.

6.1.6. Sample Size
By the above processes totally 18 banks were chosen for the purpose of study. From each of the 18 banks 30 customers were selected as respondents totaling 540.

7.1. Ranking Analysis Over the Factorial Designs of CRM
The application of factor analysis by Principal Component Method ascertained predominant factors in the CRM elements.
1. Customer Acquisition
2. Implementation of CRM
3. Maintaining CRM through General Policies
4. Maintaining CRM through Specific Strategies
5. Customer Satisfaction
6. Customer Loyalty

The predominant factors of CRM and their dominance in the banking sector is an indispensable need to exactly determine customer perception. The mean-wise comparison is found suitable to identify the dominance and the characteristic features of customers.

7.1.1 Ranking the Factors of Acquisition of Customers

Acquisition of Customers by commercial banks in Chennai predominantly classify into three major factors viz., Optimistic Relationship, Operational Flexibility and Convenience. The overall average score of the typical variables of customer acquisition are computed and they are compared to arrange them numerically. In this juncture, the one sample t-test is applied with test value 3 and the following results are obtained:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Standard Error</th>
<th>t-Values</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optimistic Relationship</td>
<td>3.9392</td>
<td>.72400</td>
<td>.03116</td>
<td>30.145</td>
<td>.000</td>
</tr>
<tr>
<td>Operational Flexibility</td>
<td>3.9963</td>
<td>.62679</td>
<td>.02697</td>
<td>36.937</td>
<td>.000</td>
</tr>
<tr>
<td>Convenience</td>
<td>3.3870</td>
<td>.94967</td>
<td>.04087</td>
<td>9.471</td>
<td>.000</td>
</tr>
</tbody>
</table>

From the above table it is found that the mean values of Operational Flexibility (Mean Value=3.99), Optimistic Relationship (Mean Value=3.93) and Convenience (Mean Value=3.38) are statistically significant at 5% level. This is due to the respective t-values 36.937, 30.145 and 9.471 which are significant at 5% level. The standard deviation of these factors 0.626, 0.724 and 0.949 respectively are consistent to emphasize the reliable opinion of the respondents towards CRM in the banking sector. Therefore, it is concluded that operational flexibility plays a key role in the customer acquisition process followed by optimistic relationship of banks towards their customers and the strategies to discharge their services to their customers conveniently. This also emphasizes that the flexible operational procedure in the banking sector plays a vital role in maximizing customers.

7.1.2 Ranking the Factors of Implementation of CRM in Banks

Implementation of CRM in banks primarily classify into four major factors viz., Campaign Management, Contact Management, Propagation and Technology Adherence. The overall average score of the characteristic variables of Implementation of CRM in banks are computed and they are compared to arrange them numerically. In this juncture, the one sample t-test is applied with test value 3 and the following results are obtained:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Standard Error</th>
<th>t-Values</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campaign Management</td>
<td>2.7528</td>
<td>.93504</td>
<td>.04024</td>
<td>6.144</td>
<td>.000</td>
</tr>
<tr>
<td>Contact Management</td>
<td>3.6097</td>
<td>.85531</td>
<td>.03681</td>
<td>16.565</td>
<td>.000</td>
</tr>
<tr>
<td>Propagation</td>
<td>3.5588</td>
<td>.77090</td>
<td>.03317</td>
<td>16.844</td>
<td>.000</td>
</tr>
<tr>
<td>Technology Adherence</td>
<td>3.7630</td>
<td>.75633</td>
<td>.03255</td>
<td>23.442</td>
<td>.000</td>
</tr>
</tbody>
</table>
From the above table it is found that the mean values of Technology Adherence (Mean Value=3.76), Contact Management (Mean Value=3.60), Propagation (Mean Value=3.55) and Campaign Management (Mean Value=2.75) are statistically significant at 5% level. This is due to the respective t-values 23.442, 16.565, 16.844 and 6.144 which are significant at 5% level. The standard deviation of these factors 0.756, 0.855, 0.771 and 0.935 respectively are consistent to emphasize the trustworthy opinion of the respondents towards implementation of CRM in banks. Therefore, it is concluded that the technology adherence occupies a major role in implementation of CRM in banks followed by efficient contact management and the policies advocated by the banks in establishing contacts with their customers. Propagation is also considered to be very important in implementing CRM followed by campaign management. This also accentuates that technology plays a vital role in the banking arena to implement better CRM towards their customers.

7.1.3. Ranking the Factors of Maintaining CRM in Banks through General Policies

Maintaining CRM in banks through General Policies mainly classify into seven major factors viz., Physical Layout, Meticulous Mechanism, Prompt Service, Ambience and Amenities, Grievance Redressal, Customer Enlightenment and Best Practices. The overall average score of the classic variables of Maintaining CRM in banks through General Policies are computed and they are compared to arrange them numerically. In this juncture, the one sample t-test is applied with test value 3 and the following results are obtained:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
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<th>Standard Error</th>
<th>t-Values</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Layout</td>
<td>3.9867</td>
<td>.69366</td>
<td>.02985</td>
<td>33.054</td>
<td>.000</td>
</tr>
<tr>
<td>Meticulous Mechanism</td>
<td>3.2130</td>
<td>.82172</td>
<td>.03536</td>
<td>6.022</td>
<td>.000</td>
</tr>
<tr>
<td>Prompt Service</td>
<td>4.1157</td>
<td>.69788</td>
<td>.03003</td>
<td>37.152</td>
<td>.000</td>
</tr>
<tr>
<td>Ambience and Amenities</td>
<td>3.8481</td>
<td>.79110</td>
<td>.03404</td>
<td>24.914</td>
<td>.000</td>
</tr>
<tr>
<td>Grievance Redressal</td>
<td>3.6167</td>
<td>.72223</td>
<td>.03108</td>
<td>19.841</td>
<td>.000</td>
</tr>
<tr>
<td>Customer Enlightenment</td>
<td>3.3310</td>
<td>.81086</td>
<td>.03489</td>
<td>9.486</td>
<td>.000</td>
</tr>
<tr>
<td>Best Practices</td>
<td>3.2710</td>
<td>.87595</td>
<td>.03769</td>
<td>7.189</td>
<td>.000</td>
</tr>
</tbody>
</table>

From the above table it is found that the mean values of Prompt Service (Mean Value=4.11), Physical Layout (Mean Value=3.98), Ambience and Amenities (Mean Value=3.84), Grievance Redressal (Mean Value=3.61), Customer Enlightenment (Mean Value=3.33), Best Practices (Mean Value=3.27) and Meticulous Mechanism (Mean Value=3.21) are statistically significant at 5% level. This is due to the respective t-values 37.152, 33.054, 24.914, 19.841, 9.486, 7.189 and 6.022 which are significant at 5% level. The standard deviation of these factors 0.698, 0.694, 0.791, 0.722, 0.811, 0.876 and 0.821 respectively are consistent to emphasize the honest opinion of the respondents towards maintaining CRM in banks through general policies. Therefore, it is concluded that prompt customer service plays a key role in maintaining CRM in banks followed by physical layout of the branch. The next in the list is pleasing ambience and amenities provided in the branch followed by proper grievance handling mechanism adopted by the banks in solving customer related issues. Subsequently enlightening the customers by properly educating them about the nuances of the banking sector occupies a vital place followed by certain best practices espoused by the banks in dealing with the customers. Finally, meticulous customer handling mechanism plays a very significant role in maintaining CRM. This also highlights that prompt customer service is the foremost factor in maintaining CRM in banks.
7.1.4. Ranking the Factors of Maintaining CRM in Banks through Specific Strategies

Maintaining CRM in banks through Specific Strategies mainly classify into four major factors viz., Fund Management, Precision, Personalized Services and Personal Interaction. The overall average score of the classic variables of Maintaining CRM in banks through Specific Strategies are computed and they are compared to arrange them numerically. In this juncture, the one sample t-test is applied with test value 3 and the following results are obtained:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Standard Error</th>
<th>t-Values</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Management</td>
<td>3.2015</td>
<td>1.00651</td>
<td>.04331</td>
<td>4.653</td>
<td>.000</td>
</tr>
<tr>
<td>Precision</td>
<td>3.7412</td>
<td>.79074</td>
<td>.03403</td>
<td>21.782</td>
<td>.000</td>
</tr>
<tr>
<td>Personalized Services</td>
<td>2.7352</td>
<td>.99536</td>
<td>.04283</td>
<td>6.182</td>
<td>.000</td>
</tr>
<tr>
<td>Personal Interaction</td>
<td>2.3356</td>
<td>.91077</td>
<td>.03919</td>
<td>16.951</td>
<td>.000</td>
</tr>
</tbody>
</table>

From the above table it is found that the mean values of Precision (Mean Value= 3.74), Fund Management (Mean Value=3.20), Personalized Services (Mean Value=2.74) and Personal Interaction (Mean Value=2.33) are statistically significant at 5% level. This is due to the respective t-values 21.782, 4.653, 6.182 and 16.951 which are significant at 5% level. The standard deviation of these factors 0.791, 1.007, 0.995 and 0.911 respectively are consistent to underline the sincere opinion of the respondents towards maintaining CRM in banks through specific strategies. Therefore, it is concluded that the precision exercised by the banks in their operations plays a crucial role in maintaining CRM in banks followed by overall fund management techniques adopted by the banks to manage the entire financial activities of their customers. Personalized services and personal interaction are ranked next in the process. This also underlines that precision becomes an important factor in maintaining CRM in banks.

7.1.5. Ranking the Factors of Customer Satisfaction

Customer satisfaction in banks mainly classify into four major factors viz., Customer-Centric Approach, Perfection, Proactive Banking and Benchmark. The overall average score of the typical variables of Customer Satisfaction in banks are computed and they are compared to arrange them numerically. In this juncture, the one sample t-test is applied with test value 3 and the following results are obtained:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Standard Error</th>
<th>t-Values</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer-Centric Approach</td>
<td>3.7310</td>
<td>.76420</td>
<td>.03289</td>
<td>22.229</td>
<td>.000</td>
</tr>
<tr>
<td>Perfection</td>
<td>3.7667</td>
<td>.76412</td>
<td>.03288</td>
<td>23.315</td>
<td>.000</td>
</tr>
<tr>
<td>Proactive Banking</td>
<td>3.7548</td>
<td>.77572</td>
<td>.03338</td>
<td>22.612</td>
<td>.000</td>
</tr>
<tr>
<td>Benchmark</td>
<td>3.6338</td>
<td>.90186</td>
<td>.03881</td>
<td>16.331</td>
<td>.000</td>
</tr>
</tbody>
</table>

From the above table it is found that the mean values of Perfection (Mean Value= 3.77), Proactive Banking (Mean Value=3.75), Customer-Centric Approach (Mean Value=3.73) and Benchmark (Mean Value=3.63) are statistically significant at 5% level. This is due to the respective t-values 23.315, 22.612, 22.229 and 16.331 which are significant at 5% level. The standard deviation of
these factors 0.764, 0.776, 0.764 and 0.902 respectively are consistent to underline the earnest judgement of the respondents towards customer satisfaction. Therefore, it is accomplished that the perfection of the bank in performing their functions plays a decisive role in customer satisfaction followed by proactive attitude of the bank. Customer-centric approach of the employees of the bank and benchmark are ranked next in the process. This also underlines that perfection becomes a main factor in satisfying the customers.

7.1.6. Ranking the Factors of Customer Loyalty

Customer loyalty in banks mainly classify into four major factors viz., Positive Banking Climate, Confidence Building, Customer Delight and Necessity. The overall average score of the typical variables of Customer Loyalty in banks are computed and they are compared to arrange them numerically. In this juncture, the one sample t-test is applied with test value 3 and the following results are obtained:

<table>
<thead>
<tr>
<th>Variables</th>
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<th>Standard Deviation</th>
<th>Standard Error</th>
<th>t-Values</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive Banking Climate</td>
<td>3.9241</td>
<td>.76029</td>
<td>.03272</td>
<td>28.244</td>
<td>.000</td>
</tr>
<tr>
<td>Confidence Building</td>
<td>3.7411</td>
<td>.74257</td>
<td>.03195</td>
<td>23.192</td>
<td>.000</td>
</tr>
<tr>
<td>Customer Delight</td>
<td>3.2827</td>
<td>.93860</td>
<td>.04039</td>
<td>7.000</td>
<td>.000</td>
</tr>
<tr>
<td>Necessity</td>
<td>3.4204</td>
<td>.99682</td>
<td>.04290</td>
<td>9.800</td>
<td>.000</td>
</tr>
</tbody>
</table>

From the above table it is found that the mean values of Positive Banking Climate (Mean Value= 3.92), Confidence Building (Mean Value=3.74), Necessity (Mean Value=3.42) and Customer Delight (Mean Value=3.28) are statistically significant at 5% level. This is due to the respective t-values 28.224, 23.192, 9.800 and 7.000 which are significant at 5% level. The standard deviation of these factors 0.760, 0.743, 0.997 and 0.939 respectively are dependable to emphasize the intense verdict of the respondents towards customer loyalty. Therefore, it is accomplished that the positive banking climate leads to customer loyalty followed by confidence building activities undertaken by the banker. Necessity on the part of the customers to operate the bank accounts also leads to customer loyalty followed by customer delight as the ultimatum leading towards customer loyalty. This also points out that positive banking climate becomes a core factor in building customer loyalty.

8.1. Implications of The Study

Banking industry is undergoing tremendous changes; the focus is towards the customer service. The customer is aware of technology and the various service options. Due to these factors, there is heavy competition between banks. Increased competition in the market in the past few years propelled retail banks to focus greatly on maintaining and increasing their customer base while improving customer service quality. In other words CRM has become a major focus for the banks.

With many financial institutions now offering multi-channel access, customer relationships are becoming more complex to handle. The challenge now is how to deliver an equally high level service across all channels.

The one sample t-test is applied on the factors extracted with test value 3 and the following results are obtained:
1. Operational flexibility plays a key role in the customer acquisition process followed by optimistic relationship of banks towards their customers and the strategies to discharge their services to their customers conveniently.

2. Technology adherence occupies a major role in implementation of CRM in banks followed by efficient contact management and the policies advocated by the banks in establishing contacts with their customers.

3. Propagation is also considered to be very important in implementing CRM followed by campaign management.

4. Prompt customer service plays a key role in maintaining CRM in banks followed by physical layout of the branch.

5. Pleasing ambience and amenities provided in the branch followed by proper grievance handling mechanism adopted by the banks in solving customer related issues also help in maintaining CRM.

6. Enlightening the customers by properly educating them about the nuances of the banking sector is an essential element of CRM.

7. Best practices espoused by the banks in dealing with the customers and meticulous customer handling mechanism play a very significant role in maintaining CRM.

8. Precision exercised by the banks in their operations play a crucial role in maintaining CRM in banks followed by overall fund management techniques followed by the banks to manage the entire financial activities of their customers.

9. Personalized services and personal interaction are also helpful in maintaining CRM in banks.

10. Perfection of the banks in performing their functions plays a decisive role in customer satisfaction followed by proactive banking attitude of the bank.

11. Customer-Centric approach of the employees of the bank and benchmark are also considered very important for customer satisfaction.

12. Positive banking climate leads to customer loyalty followed by confidence building activities undertaken by the banker.

13. Necessity on the part of the customers to operate the bank accounts also leads to customer loyalty.

14. Customer delight is the ultimatum in establishing customer loyalty.

9.1. Conclusion

CRM has become an increasingly critical means of developing and maintaining customer loyalty while also helping the business, migrate to low value customer towards greater profitability. Bankers can now manage every single contact with the customer to build lasting relationships and glean information and insights about customer’s needs and their buying behaviour to design and develop services, which help create value for the customers as well as the bank. Although customized as well as off the shelf technological solutions are available in the market place, bankers need to do a lot more than just adopt these solutions to implement CRM practices. Those banks developing close customer relationships will grow much more aggressively than their competitors. Successful implementation of CRM requires a strategic approach, which encompasses developing customer-centric processes, selecting and implementing technology solutions, employee empowerment, customer information and knowledge generation capabilities to differentiate them, and the ability to learn from best practices. CRM is not only the technology interest; it is a business strategy to select and manage the most valuable customer relationships.

CRM enables improved business performance at all stages of the customer relationship. Although the CRM environment is challenging to implement, manage, and upgrade, the business benefits are clear. Network and application suites must compliment each other in every area of this environment. In today’s competitive scenario characterized by changing customer values, banks are finding it extremely difficult to retain customers to realize long term benefits. With all the information at his command, the customer has become very powerful. The customer demands wide range of value added products. Customer wants value, value for money, time, and effort. Change has become very
common and it is the only constant thing. To meet the challenges arising out of stiff competition and technological revolution it becomes necessary to create a special bondage with the customers. This becomes possible mainly through relationship marketing. Though loyalty and relationships are not interchangeable, relationship marketing keeps the link between bank and customers intact and this would at least give a chance to the banks to convert a customer to a loyal one. Hence, the study has given a clear message that the real challenge before the banks is to convert emotions into transactions, and a transaction-based relationship into an emotionally connected and loyal one over a period of time.

10.1. Scope For Further Research

The present study has made an attempt to execute a ranking analysis over the factorial designs of Customer Relationship Management practices followed by the banks in general. With the experience, it is stated that a separate research may be undertaken in the following areas viz.,

1. A study about the Customer Relationship Management practices followed by different types of banks.
2. A study on Customer Relationship Management practices followed by various industries in the financial sector.
3. A study on Customer Relationship Management practices followed by various industries in the service sector.

Reference:


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