



Measuring Performance on Customer Relationship Management Practices in Public Sector Banks in Surat City

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1. Introduction

1.1 What Is Customer Relationship Management ?

Customer relationship management (CRM) is the combination of practices, strategies and technologies that companies use to manage and analyse customer interactions and data throughout the customer lifecycle, with the goal of improving customer service relationships and assisting in customer retention and driving sales growth. CRM systems compile customer data across different channels, or points of contact between the customer and the company, which could include the company's website, telephone, live chat, direct mail, marketing materials and social media.



CRM systems can also give customer-facing staff detailed information on customers' personal information, purchase history, buying preferences and concerns.

1.2 Benefits of CRM For Businee Banking

Just as in other industries like retail or business, in banking, CRM stands for Customer Relationship Management. A Customer Relationship Management solution in banking helps banks manage customers and better understand their needs in order to provide the right solutions, quickly. There are many specific benefits of CRM in banking.

2. Literature Review

Mueller (2010) characterizes customer relationship management aspect of the business as a highly dynamic, and convincingly argues that businesses have to adopt a proactive approach in devising relevant programs and initiatives in order to remain competitive in their industries.

Peppers and Rogers (2011), there is global tendency in customer relationship management that relates to the shift from transactional model towards the relationship model. In other words, Peppers and Rogers (2011) argue that satisfying customer needs as a result of on-time transaction is not sufficient today in order to ensure the long-term growth of the businesses.

Instead, businesses have to strive to maintain long-term relationships with their customers in order to maintain flexibility to adopt their increasing expectations and thus achieving their life-long loyalty. Peppers and Rogers (2011) further stress that, businesses that refuses to acknowledge this tendency in the global marketplace would be risking their market share and growth prospects in the future.

3. Research Methodology

3.1 Need for research

Customer relationship management is a key element that allows a bank to develop its customer and sales capacity. In present time CRM is most essential activities done by the banks because of to develop strategy, growth, profitability and competitiveness of bank. Better CRM activities help to know to needs of the customer and proper development of product.

As competition increased the focus on CRM also increased because of to maintain the present customers and to attract the new customer with the help of CRM activities.

3.2 Problem of statement

A study on customer relationship management practices in public bank sector in Surat city.

3.3 Research objective

Objectives of this research are as follows.

3.3.1 Primary objective

- To measurement of these three public banks like state bank of india, Punjab national bank and bank of Baroda on the basis of CRM activities.

3.3.2 Secondary objective

- To compare of three public banks like SBI, PNB and BOB.
- To understand and evaluation the effectiveness of CRM in banking system.
- To know which activities are needed to more focus with customer.
- To know which parameters are more important to build good relationship between public bank and customer.

3.4 Data collection method

3.4.1 Primary objective

Data has used through questionnaire cum personal interview of selected public bank like SBI, PNB and BOB.

3.4.2 Secondary objective

Secondary data has collected books, internet, newspapers, journals and magazines.

3.5 Tools and techniques

Research has used appropriate tools and techniques for the research study. Purpose to do data analysis through tabulation, column charts, graphs etc.

3.6 Limitation

In this research some limitation as given below: -

- To project only limited to the study of CRM of three banks.
- CRM strategies of banks are not compared with each other's.

4. Data Analysis

Based on survey average satisfaction rate are found out for the statements for each bank. In table given below contained statements with average rates of satisfaction, by focusing on this comparative analysis each bank can increase their satisfaction rates by giving extra efforts in comparison to other banks.

Average of satisfaction out of “Highly dissatisfied” to Highly satisfied” of all statement. (1 to 5)

| Which bank/banks are you responding for? | | Public |
|--|--|--------|
| KEY CUSTOMER CENTRIC ASPECT | | |
| 1. | Bank provides customized services and products. | 3.495 |
| 2. | Bank tries to build emotional bonds with customers by wishing them on important occasions and festivals. | 3.435 |
| 3. | Bank tries to deliver a consistent experience for bank services. | 3.043 |
| KNOWLEDGEABILITY ASPECT | | |
| 4 | Employees are knowledgeable enough to inform clients about products and/or services. | 2.995 |
| 5 | Employees try to consult clients till they are satisfied. | 2.897 |
| 6 | Employees know the procedures of delivering services. | 2.922 |
| 7 | Bank has technical expertise and resources. | 3.673 |
| TECHNOLOGICAL ASPECT | | |
| 8 | Bank gives me SMS/Call alerts for new offers or any due. | 2.948 |
| 9 | Bank has convenient ATM and CDM centers. | 3.025 |
| 10 | Bank sends account statements online. | 2.995 |
| 11 | Bank has convenient online and toll-free telephonic customer care services. | 2.844 |
| 12 | Bank mobile application is easy to use. | 2.744 |
| 13 | Internet banking facilities are good. | 2.844 |
| INFORMATIVE ASPECT | | |
| 14. | Educates customers about the complex procedures or services. | 2.913 |
| 15. | Bank helps to fill up forms and documents. | 2.961 |
| 16 | Bank timely informs about banking policies, procedures, change in interest rates etc. | 3.017 |
| 17 | Bank maintains, updates and monitors account information. | 0.013 |
| 18 | Bank also likes to get feedback to design or improve products or services. | 2.719 |
| ATTITUDINAL ASPECT | | |
| 19 | Bank’s senior management is positive to know customer problems. | 2.892 |
| 20 | Bank treats customer differently/provides customized services. | 2.957 |
| 21 | Bank systems are flexible enough to adapt to customers’ changing needs and wants. | 3.039 |
| 22 | Bank employees have positive attitudes. | 3.061 |
| 23 | Bank employees appear really happy and with smiling gestures. | 3.039 |
| CULTURAL ASPECT | | |
| 24 | Bank’s has the values of honesty, transparency and fairness. | 3.091 |
| 25 | Bank maintains high ethical standards and operates within the boundaries of the law. | 3.039 |
| 26 | Bank has good reputation and brand image. | 3.104 |
| 27 | Bank gives unrealistic promises. | 2.368 |
| OPERATING & PROCEDURAL ASPECT | | |
| 28 | Bank provides services at home. | 2.212 |
| 29 | Bank ensures sense of security for banking transactions. | 3.043 |
| 30 | Banking procedures are simple. | 3.030 |
| 31 | Bank services are available 24*7 hours. | 3.078 |
| 32 | Bank issues/updates cheque/pass books whenever requested. | 3.126 |
| 33 | Bank has privacy policy to ensure confidentiality. | 3 |
| PRICING ASPECT | | |
| 34 | Bank charges are reasonable. | 2.892 |

| | | |
|--|--|-------|
| 35 | Banks charges are transparent and impartial. | 2.792 |
| PRODUCT AND DISTRIBUTION ASPECT | | |
| 36 | Bank has enough resources to deliver services. | 3.069 |
| 37 | Bank has intensive distribution channels. | 2.896 |
| 38 | Bank has sufficient physical Infrastructure | 3.099 |
| 39 | Bank has varieties of services and offerings. | 2.944 |
| 40 | Bank has proper queue management system. | 2.853 |

5. Conclusion

The CRM one such tool which helps in meeting the customer's expectations according to their changing needs. While analyzing the CRM implementation in both the sectors, it was found that the public sector banks have been able to implement the CRM practices more effectively when compared to their public sector counterparts. This indicates that strategically speaking, the private banks have been more innovative in understanding their customers and in building good relations with them. This fact has been further corroborated by the findings of the service quality which have scored highest values when compared to the public sector banks, it also points toward the same fact that these banks have been able to enhance the service quality levels for their customers making them more customer oriented.

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