A Study on Customer Relationship Management Practices at Select Banks

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The objective of this paper a framework on the customer relationship management practices, banks. CRM is a process or methodology used to learn more about customer’s needs and behavior in order to develop stronger relationships with them. The aim of the study (SBI, ICICI, Central Bank of India, HDFC bank) strategic implementation of CRM in selected banks to detect and analyze the benefits, problems success and failure as well as identify implementations on banking competition factors and develop better understanding of the impact of CRM best practices as well as provide a greater understanding of the formation. The banking landscape has changed significantly. The descriptive research methodology is adopted in this study. The current study is based on both primary and secondary data.

Keywords: CRM, Banking, Customer’s loyalty

1. Introduction

CRM stands for Customer Relationship Management. It is a process or methodology used to learn more about customers’ needs and behaviors in order to develop stronger relationships with them. There are many technological components to CRM, but thinking about CRM in primarily technological terms is a mistake. The more useful way to think about CRM is as a process that will help bring together lots of pieces of information about customers, sales, marketing effectiveness, responsiveness and market trends. CRM helps businesses use technology and human resources to gain insight into the behavior of customers and the value of those customers.
Customer Relationship Marketing or Management (CRM) is an inevitable practice in the banking sector in foreign countries. In India many banks are emphasizing on the issue. But for proper knowledge the adoption process hampers to a great extent. In such comportment, our course teacher has approved the following issue. The issue of the research is “Customer Relationship in Banking Sector” specifically this paper has to work on specific organizations, and mainly selected banks are SBI, ICICI, Central Bank of India, HDFC bank from banking sector These banks are taken to find out how strategically retaining and valuating their customer by which methods and strategies of CRM.

2. Advantages of CRM

Using CRM, a business can

- Provide better customer service
- Increase customer revenues
- Discover new customers
- Cross sell/Up sell products more effectively
- Help sales staff close deals faster
- Make call centers more efficient
- Simplify marketing and sales process

3. Objectives of the Study

- To know the CRM practices in select banks at Hyderabad.
- To study the benefits CRM in select banks at Hyderabad.
- To know the CRM customer relationship in terms of customer retention, customer value, customer loyalty and customer channels.
- To understand the level of awareness of CRM strategy to customers

4. Methodology

Data Source: Primary and secondary data.

Primary data collected with the help of structured questionnaire Secondary data can be obtained from various sources such as financial statement, sales reports, earlier research reports, referred text books and company websites.

Sample Method: Convenience sampling method
**Sample Size:** 50 banks and thousand customers

**Research Techniques:** Survey method (face to face interaction)

### 5. Findings of the Study

After the completion of the study in State Bank of India, ICICI Bank, Central Bank of India, HDFC Bank at Hyderabad city, the collected data is compiled and interpretation is made to carry out the result and discussion.

1. 91% customer utilizing any services of bank out of 1000 Respondents.
2. Customers used product as ATM card with 50% SBI Bank, 40% ICICI Bank, 45% CBI Bank and 40% HDFC Bank out of 250 customers each bank.
3. Customers prefer Government bank with 95% SBI Bank, 70% ICICI Bank, 90% CBI Bank and 60% HDFC Bank out of 250 customers each bank.
4. Customers need to borrow money for things other than cars, home appliances and home purchase etc., then customers take loan amount as <5 Lac with 55% SBI Bank, 50% ICICI Bank, 50% CBI Bank and 65% HDFC Bank out of 250 customers each bank.
5. Customers prefer to invest our saving as Fixed Deposit with 50% SBI Bank, 40% ICICI Bank, 45% CBI Bank and 35% HDFC Bank out of 250 customers each bank.
6. Customers using value added product as Debit cards with 60% SBI Bank, 50% ICICI Bank, 55% CBI Bank and 45% HDFC Bank out of 250 customers each bank.
7. Customer’s visit their bank branch once a 1 month with 50% SBI Bank, 40% ICICI Bank, 55% CBI Bank and 40% HDFC Bank out of 250 customers each bank.
8. Customers believe that private banks provide superior services than government banks with 95% SBI Bank, 70% ICICI Bank, 90% CBI Bank and 60% HDFC Bank out of 250 customers each bank.
9. Customers satisfied with bank services with 90% SBI Bank, 70% ICICI Bank, 80% CBI Bank and 75% HDFC Bank out of 250 customers each bank.
10. The unsatisfied customers recommendation customers services with 80% SBI Bank, 60% ICICI Bank, 70% CBI Bank and 55% HDFC Bank out of 250 customers each bank.
11. Banks are keep a track of the key (frequent and profitable) customers with 80% SBI Bank, 90% ICICI Bank, 70% CBI Bank and 95% HDFC Bank out of 250 customers each bank.
6. Suggestions

- By encouraging people to use our service from the branch is very important but habit needs to be changed and the branch is the first place from where it should starts. By putting up corporate drop boxes at the branch, lot of convenience can be provided to the customers as well as for the employees working in the organization.
- Generally due to heavy traffic at the branch customers have to wait, executives should take advantage of this time to explain and enroll customers for the latest services and products. Banners do catch the eyes of existing customers for sure; banners must be put up at the ATM s as people do tend to read things at the ATMs.
- The bank must consider positioning and mapping themselves on the minds of people that they are customer oriented and always explore ways to make banking easier for them. Television ads will definitely make a difference in the attitude of the people; however financial part needs to be considered. Newspaper ads will allow us to reach out and educate maximum customers about our bank and thus create a scene of awareness among the masses.
- We can give out information regarding our bank at various popular e-mail sites or even auction sites.
- After any transaction from the ATM customers generally do take the slips to check balance. The back side of the slip can be used to provide information to the customers about the advantages of banking with them with respect to other banks-just a medium for promotion.
- The study covers only four banks (State bank of India, ICICI Bank, Central Bank of India, HDFC Bank) in Hyderabad.
- The present study does not examine the effectiveness of CRM strategies. A further study can be carried out to measure the results of CRM efforts.

7. Conclusion

The Indian banking system has several outstanding achievements to his credit, of which the most striking is its accessibility. Indian banks are now scattered in remote corners of Hyderabad. India's banking system in terms of number of branches is the largest in the world. Today the banking sector is marked by high customer expectations and technological innovations. Day-to-day operations of banks in technology are playing an important role. It
used advanced technology and the best that banks have a strategic advantage. Banks and absorbing technology to upgrade their services it is necessary to face the competition. Prompt and efficient customer service, thus, has become very important. Customer relationship banking approach to development by identifying a "share of customer" protecting embrace and expand customer relationships, survival and the success of the new paradigm.