

Customer Relationship Management of Selected Private Sector Banks of Jodhpur Region

Dr. Aarti Khanchandani

Assistant Professor

Faculty of Commerce and Management studies

Lachoo Memorial College of Science and Technology (Autonomous)

Abstract: All the banking organizations and the financial institutions are facing massive challenges in today's highly competitive service market and they need to build the excellence in their services to foster the easy solutions and quality services for the customers. CRM is mandatory in the competitive era of modern development of modern technology. *Customer relationship management (CRM)* is a comprehensive approach which provides seamless integration of every area of business like service marketing, sales, customer services and field support through the integration of people, innovative service process and modern technology, taking advantage of the revolutionary impact of the internet." The basic objective of the study is to analyze the CRM supported facilities provided by the private sector banks and to recommend strategies for improving the CRM. The study was conducted on the customers using the banking services for the few selected banks of the private sector respectively in the city of Jodhpur.

Keywords: Customer Relationship Management, Banking Industry, Growth, quality services and Customers.

Introduction

CRM is a way of doing business in the modern era of technological connectivity in an organized manner to build a network of working relationships. The CRM has many advantages and it supports the functions of the service organizations the following ways:

- Helping an enterprise to enable its service marketing departments to identify and target their best customers
- Manage service marketing campaigns with clear goals and objectives
- Generate quality leads for the sales team.
- Asserting the organization to improve telesales, accounts and sales management by optimizing information shared by multiple employees
- Streamlining existing innovative service processes.
- Allowing the formation of individualized relationships with costumers
- improving customer satisfaction and maximizing profits
- Identifying the most profitable customers and providing them the highest level of service.
- Providing employees with the information and innovative service process necessary to know their customers understand their needs and effectively build relationships between the banking organizations and the customers and distribution partners.

CRM also refers to the solutions and strategy for managing business relationships with customers. With the advent of web business, the banking services have taken a different shape where the landscape of the business performance has crossed the barriers and reached the global service markets. The interface of customer with the modern technology has given birth to e-commerce which is supported by the banking operations to connect and develop in a sustainable way. **Newell, F. (2000)**

Quality and CRM

- The service quality is important for the customer's satisfaction and the quality management is important to build the continuous improvement in service inputs. Quality is the best assurance given to the customer to increase the repurchase intention and build the sustained growth and earnings for the organizations. In the mid-1980s, the United States established the Malcolm Baldrige National Quality Award in the honor of the late secretary of commerce. The Baldrige award criteria consists of seven measures. **Dale, B.G. (1999)**
- Customer focus and satisfaction
- Quality and operational results
- Management of innovative service process quality
- Human resource development and management

- Strategic quality planning
- Informational and analysis

The Recent Trends of CRM

Trend 1. Reasonable Implementation Time for a solution

The right solution for any problem of the service organizations and the information has to be obtained from sources believed to be reliable. The executive leaders in most successful CRM projects hire an independent vendor selection committee to work with top business and IT management to determine which solution best meets the business needs.

Trend 2. Right Implementation Vendor

The documentation has to be more comprehensive documentation to build

- Functional information
- Technical specifications regarding development
- Data conversion
- Data integration
- Data quality
- Testing training
- Production support.

Trend 3. Creating Core Team of positive people

The experts and penalized people are important to build the core team of the banking organizations. The experts and trained human resource with positive attitude and high emotional intelligence are needed to build the strategic vision of the empowered team of the organization

Trend 4. Need of hybrid and innovative teams

The CRM teams should be designed in such a way there is the diversity in and a hybrid approach to implement from the design phase to the production support phase. The innovative teams work as

- Lead developer
- Lead tester
- Lead integrator
- Efficient vendor.

Trend 5. CRM Readiness to handles problems

The CRM Readiness project seeks to remove all potential problems for a successful CRM vision. All business innovative service processes in successful CRM projects are evaluated before the project begins to identify the ones that require re-engineering, removal or postponement of adherence. The business innovative service process has to be reengineered to understand the customers in a better way

Trend 6. Data Quality and Reliability

The development of quality service is essential to build the values of high performance I the organizations. The CRM solutions require the external integration to build the better innovative service process to give the resalable services to the customer. The reliability and reporting is essential to build the operational efficiency

Trend 7. Reporting

Most CRM projects undertake reporting as the last phase but successful CRM projects keep the purpose of management visibility in the forefront of all planning and designing. The data warehouse is important to build the efficient reports in system of the organization

Present Profile of the Banking Industry

India Vision 2020 sees a nation of 1.3 billion people who are better educated, healthier, and more prosperous. Urban India would encompass 40% of the population as against 28 % now. With more urban conglomerations coming up, only 40% of population would be engaged in agricultural sector as against nearly two thirds of people depending on this sector for livelihood. Share of agriculture in the GDP will come down to 6%. **Arora R. S. (2007)**

Services sector would assume greater prominence in our economy. The shift in demographic profile and

composition of GDP are significant for strategy planners in the banking sector.

The banking sector is opening and the global markets are getting integrated by the effect networks and the online connections. The momentum to the non-banking financial is also high to give the insurance and other financial derivatives in the markets. **H.S. Shrivastva (2008)**

The innovative financial products are coming in the market which designed according to the needs of the customers, the corporate sector is responding to the banking sector for the development and growth of equity and capital with the competitive cost. The banking scenario is changing because of

- The advent of new technologies
- new financial players
- International financial intermediation.
- Utility service providers offering bill payment services or supermarkets or banking industries doing basic lending operations.
- Individual players with differentiated strategies based on their strengths and market niches.

Literature Review

According to Huang, H.C. And Chang, C.W (2008) the joint partnership generated by the customer relationship management relates to the collaboration between organizations and customers for solving problems and also sharing the responsibility when a problem occurs or difficult and unexpected conditions are encountered

Schumpeter, J. (1934) He was the first to study the importance of innovation in increasing the productivity of the organization. He believed

- Innovative factors are scientific and influence the economic growth of countries
- Innovation is important to design the progress and growth of countries.

Lagrosen, S. (2005) -The information and knowledge is important for the growth of organization the information sharing between organizations and customers on market design and processes also enables organizations to adopt technologies that can improve processes and designing innovation.

Lin, X. And Germain, R. (2004) -Information and knowledge are the assets for the organization and the information

- sharing relates to
- market competition
- sale discount
- market demand

These trends enable the organization to develop innovative mechanisms in pricing, sale discount, distribution and better marketing strategies. The CRM systems can give the customers' ideas and information by which the organizations can improve their customer service systems

Bull 2003, Rigby, 2004 -The statistics shows that there are growing expenditures on corporate CRM and big growth rate of CRM software sales. The use of CRM software's in market is increasing impacting the business systems

Corner and Hinton (2002) – In CRM system implementation, the dynamic element is much more complex and it engages other parties, such as extra-company contributors and project managers.

- The CRM software's usage is a complex process
- It influences the higher sensitivity of organizational politics and the work culture
- It also influences the sales and marketing or customer- service systems
- The implementation of the process requires the consideration of new risks

Data Analysis and Interpretation

The data analysis of the customers involves a systematic effort to apply the test and gain the insight for the analysis related to the average satisfaction of the customers. This will also help to build the base for testing the hypothesis of the basic research. Research is an art of scientific investigation.

The research and the analysis of the data helps to build the premises for building the recommendation for the banking industry so that the services providers can provide better services to the customers and the quality of the services can be enhanced. The core recommendation will increase the customer satisfaction and

the customers will want to repurchase the services and this will increase the brand loyalty for the particular banks. The customers are the soul of the banking business and their satisfaction is essential to build the base for the professional ethics of the industry. It is necessary that the service providers of the banking sector should satisfy the customer so that they can carry a positive image of the bank and the credibility is increased.

Research design

A research design is considered as the framework or plan for a study that guides as well as helps the data collection and analysis of data. It works as a framework, foundation and blueprint for conducting the study. The design focuses on: creating the overall plan of research, specifying the information needed, devising measurement and scaling procedures, construction of questionnaire, sampling process and sample size, and finally the data analysis plan

Sampling Plan - The study was conducted on the customers using the banking services for the few selected banks of the private sector banks respectively in the city of Jodhpur. The banks selected for the study are as follows

S. No	Private Sector Banks
1	HSBC
2	ICICI
3	Standard Chartered

Sample size- The study was limited to those participants who willingly elected to complete the instruments in their entirety. A total of 300 customers were taken as sample size.

Data Collection- Data collection is important for building the base for the research. Data is the premise by which the analysis is done and the knowledge is created. The researcher has collected the data from primary and secondary sources.

Linearity and Non-Linearity Test by One Way ANOVAs: First of all it is necessary to use this test here and this test is given preference over Univariate correlation test because, we fear that our dimensions and demographic factor may bear a nonlinear relationship with Total consumer preferences and as we know to use the correlation coefficient correctly, a relationship between two variables must be approximately linear, when this assumption of linearity is violated, Pearson's product-moment coefficient of correlation or Spearman's correlation coefficient will underestimate the strength of the relationship, that will ultimately result in completely wrong analysis. Therefore in our analysis we prefer to use One Way ANOVAs so as to test both Linear as well as Non Linear Relationship. The dependent variable must be scale for accurate analysis. The independent variable cannot be Nominal.

Analysis and Interpretation for the selected banks of the private Sector

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	140	46.7	46.7	46.7
	female	160	53.3	53.3	100.0
Total		300	100.0	100.0	

There are 140 male respondents and 160 female respondents using the banking services of the private banks in Jodhpur

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Total average satisfaction	.050	300	.066	.991	300	.074

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Total average satisfaction	.050	300	.066	.991	300	.074

The value of Kolmogorov Smimov Test is more than .05 which shows that the data is normally distributed

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Total average satisfaction *	Between Groups	(Combined)	3527.225	18	195.957	670.782	.000
Average Product service		Linearity	3517.810	1	3517.810	1.204E4	.000
		Deviation from Linearity	9.415	17	.554	1.896	.018
	Within Groups		82.089	281	.292		
	Total		3609.314	299			

Measures of Association

	R	R Squared	Eta	Eta Squared
Total average satisfaction * Average Product service	.987	.975	.989	.977

Analysis– the value of R square is more than Eta so there is a nonlinear relationship of the factor with the average satisfaction

Total average satisfaction * Average emotional variable

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Total average satisfaction *	Between Groups	(Combined)	3485.764	16	217.860	499.024	.000
Average emotional variable		Linearity	3437.118	1	3437.118	7.873E3	.000
		Deviation from Linearity	48.646	15	3.243	7.428	.000
	Within Groups		123.550	283	.437		
	Total		3609.314	299			

Measures of Association

	R	R Squared	Eta	Eta Squared
Total average satisfaction * Average emotional variable	.976	.952	.983	.966

Analysis – the value of R square is more than Eta so there is a nonlinear relationship of the factor with the average satisfaction

Total average satisfaction * Average customer service accessibility

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Total average satisfaction *	Between Groups	(Combined)	3521.698	12	293.475	961.321	.000
		Linearity	3499.092	1	3499.092	1.146E4	.000
Average customer service accessibility		Deviation from Linearity	22.606	11	2.055	6.732	.000
	Within Groups		87.616	287	.305		
	Total		3609.314	299			

Measures of Association

	R	R Squared	Eta	Eta Squared
Total average satisfaction * Average customer service accessibility	.985	.969	.988	.976

Analysis– the value of R square is more than Eta so there is a nonlinear relationship of the factor with the average satisfaction

Test for Normality

The value of Kolmogorov Simirnov is more than .05 which shows that the data is normally distributed

Linearity and Non-Linearity Test by One Way ANOVA

- **Total average satisfaction * Average product service variable** - Analysis – the value of R square is more than Eta so there is a nonlinear relationship of the average product service with the total average satisfaction
- **Total average satisfaction * Average emotional variable** - Analysis – the value of R square is more than Eta so there is a nonlinear relationship of the average emotional variable with the average satisfaction
- **Total average satisfaction * Average customer service accessibility** -Analysis – the value of R square is more than Eta so there is a nonlinear relationship of the average customer service accessibility with the average satisfaction.

The Proposed Strategy for CRM in Banks

1. The Bank CRM systems should create the services experience

The service experience created by the banks has created emotional bonding with the customer by ginning the creative and innovative service products to the customers. The technology needs to touch the life of people at contact points to build the speed and accuracy. The pace of operations has to be professional to meet the challenges of integration and giving the package deals to the customers

The banks have to build the constant

- innovation process
- continuous improvement in service quality
- define the unique selling proposition
- value creation for the customer
- building the functionality and the appeal value of the service
- building the speed, simplicity and competitiveness

2. The bank CRM systems should be build efficiency for creative customer satisfaction

Efficiency is one of the pearls of wisdom relating to excellent customer service. The areas of concern are that the customers need the high standard service with optimum price and value creation. The services have to be effect and accurate to meet the customer demand. The customer grievances management mechanism has to be made more efficient so that the customer do not have to wait for long to seek out their problems. The commercial banking sector has to

- Leverage technology to the fullest extent

- Provide extended business hours in core banking branches
- Provide seven days banking and single window service
- Provide ATM's at strategic places which are convenient to the customer

Limitations of the Study

The findings will be limited to the customers seeking banking products and services offered by the selected customers of the private and public sector banks of Jodhpur. The findings will be limited to the customers seeking banking products and services offered by the selected banks of the public and private sector banks in Jodhpur and therefore findings may not be generalized for customers seeking similar services from branches of the public and private sector banks of Jodhpur city.

Conclusion

The modern banking industry is performing many functions and its growth is impacted by many factors. The development is impacted by the macroeconomic and microeconomic factors of the economy. The technology and innovation can give the boost to financial service quality. The infrastructure development is also catalyzed by the flow of services related to the transportation and communication systems to get connected in a better way. The research and development has increased the value of the services by giving the better and faster creative solutions to the customers. The trained employees can be the assists to promote the research and development in a better way. The employees have to be motivated, trained and competent to build the base for the development and growth of the service industry bases.

The strategic inputs for creating the quality services can enhance the impacts through the accurate and effective decision making which can give the better solutions if the supply canine and the back office operation are efficient to handle the customer complains. It is important for the banks to build the networks through the collaboration and meaning the beneficial value chains. The development better management abilities can reduce the administrative cost through the efficient planning and building attractive promotions. The value of the service can be enhanced by focusing on the affordable price strategy to target the local markets. The impact can be increased by making the customers happy and bulling the dignified relationships of trusts. The focus on quality can be built by building the good demonstration techniques to increase the efficient personal selling habits through the good presentations. The focus should be on information through the websites. The assimilating and imbibing technology to grow can give the innovative and creative solutions to build an efficient sales support

References

- [1]. Arora R. S. 2007: *Marketing of services, Indian journal of commerce* , Volume no 188
- [2]. Bull C., (2003). "Strategic issues in customer relationship management (CRM) implementation".
- [3]. Corner I., Hinton M., (2002). "Customer relationship management systems: implementation risks and relationship dynamics". *Qualitative Market Research: An International Journal*.
- [4]. Dale, B.G. (1999). *Managing Quality*. Third Edition. Oxford: Blackwell Publishers Ltd.
- [5]. H.S. Shrivastva, *Journal of social service* October 2008: New age youth banking behavior - an explorative study in Indian banking sector
- [6]. Huang, H.C. and Chang, C.W. (2008), embedded ties and the acquisition of competitive advantage, *Journal of Intellectual Capital*, Vol.9 No.1, pp.105-21.
- [7]. Lin, X. And Germain, R. (2004), Antecedents to customer involvement in product development, *European Management Journal*, Vol.22, No.2, pp.244-55.
- [8]. Newell, F. (2000). *Loyalty.com: customer relationship management in the new era of Internet marketing*. McGraw-Hill.
- [9]. Schumpeter, J. (1934), *The Theory of Economic Development*, Harvard business review.