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A STUDY OF CUSTOMER RELATIONSHIP MANAGEMENT IN BANKING SECTOR

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ABSTRACT:

Banking sector is one of the most dynamic and innovative sectors related to economic development in India. Banks aim to increase customer profitability by retaining any customer as the main pillar of the consumer economy, so all indicators of the growth and strength of this sector are fundamental components of expected economic growth modelling. This paper aims to explore the theoretical aspects of customer relationship management relevant to the Indian banking sector. Providing service to customers has been identified as the core responsibility of banks, and therefore banks believe that CRM is a great tool to provide better service. Lack of understanding of customer relationship management (CRM) is a concern for service providers, especially banks. They have their own way of managing their relationship with customers. However, it is also important to note the assumptions made by banks regarding CRM practices.



KEYWORDS : *Banking sector , increase customer , especially banks.*

INTRODUCTION:

Today, the approach generating buzz in the banking sector is customer relationship management. Today the Indian banking industry is the largest in the world. CRM is of strategic importance in the banking sector. Customer relationship management (CRM) are strategies that can help them build long-term continuous relationships with their clients and increase their profits by using appropriate profitability and customer-centric strategies. CRM is of strategic importance in the banking sector. It is an institution; Development The maintenance and optimization of long-term mutually valuable relationships between customers and organizations. CRM identifies current and future markets, selects markets to serve, and identifies the progress of existing and new services. CRM is a holistic strategy that can help customers become customer centric and implement customer-centric strategies, which will help customers, build long-term relationships and thereby increase their profits. CRM is the overall process of customer acquisition, maintenance and growth. The CRM definition is used to define the process of creating and maintaining relationships with a business or client.

IMPORTANCE OF CUSTOMER RELATIONSHIP MANAGEMENT:

The concept of customer relationship management is dynamic and thus the organization of the Indian banking sector needs to be implemented effectively and efficiently. Customer relationship

management is not only pure business but also a strong personal bond between people. Development of these types of restrictions brings a new level of success. Once this personal and emotional link is created, it is very easy for any organization to identify the real needs of the customer and serve them better. Even if more sophisticated strategies are incorporated in the implementation of customer relations, the business is a more powerful and productive business, but it may or may not be relevant depending on the situation. Many organizations have dedicated world-class tools to their workplace CRM system.

Benefits of CRM:

1. A CRM system has a historical view and analysis of all acquired or acquired customers. It helps to find and connect with customers and fulfill customer needs and grow business.
2. A CRM contains the details of each customer, so customer tracking is easy and can be used to determine which customers may be profitable.
3. In a CRM system, customers are grouped according to the type of business done by the customer or according to actual location and allocated to different customer managers known as account managers. This helps to focus on each customer individually.
4. A CRM system is not only used to handle existing customers but is also useful for acquiring new customers. The process starts with identifying the first customer and entering all relevant information into the CRM system, also known as 'business opportunity'. Try to get business from these customers by having sales and sector representatives work with their customers and convert them into a win-win business. This is done very easily and efficiently through an integrated CRM system.
5. This is the strongest aspect of customer relationship management which is very expensive. The advantage of a decisively implemented CRM system is that much less paper and handbooks are needed, which requires less resources to manage and handle fewer employees. The technology used to implement CRM system is cheap and smooth as compared to traditional ways.
6. All the details in the CRM system are centrally located which are available anytime at the fingertip. This reduces processing time and increases productivity.
7. Dealing efficiently with all customers and providing them with what they need increases customer satisfaction. This increases the chances of getting more business which ultimately leads to turnover and profits.
8. If customers are satisfied, they will always remain loyal to you and stay in business, which will increase the number of customers and ultimately increase the business network.

CRM in Banking Sector:

Banks around the world have discovered the benefits of CRM in various ways. Different banks have implemented the philosophy in their own unique way. A few examples of CRM in banking will give a glimpse of the global scenario. Royal Bank of Canada used CRM to develop customer profitability and livable value assessment models. After this, customized marketing campaigns based on customer decisions were incorporated into customer decisions such as setting service levels, segmentation, targeting, product design and pricing. Customer deficiencies are also analyzed and their values are flagged before they are considered bad for a preventive and effective course of action. Wells Fargo Bank facilitates customer service leadership and customer service through CRM. A CRM application enables better integration of customer information and service applications to support customer service and service representatives, so that a one-stop shop is easily available for any banking service or transaction. By using CRM, Wells Fargo takes full advantage of customer information to serve customers with choice, convenience and value for money, so they will give all their business to the bank.

Benefits of CRM in Banking Sector:

A good financial result is definitely an advantage for every company to get high value from every interaction with customers. The competition in the current market is very fierce. Companies need to take care of customers in every area of their specialty using various communication channels. Whether the customer expects to receive helpful service, call a help line, ask a dealer, browse a website or visit a store in

person. It is necessary to give the feeling that he communicates with the same company, the type of communication, time or place he chooses.

1. Satisfied customer doesn't want to leave
2. Development of the product will be according to the customer requirement
3. Capability to sell more products
4. Minimize communication cost
5. Selection of marketing tools properly
6. Fast and Reliable Prediction

Challenges to Bank in Implementation of CRM:

To ensure the successful implementation of the customer relationship management concept in the banking sector and the bank spends time and attention on expanding its accounts with those customers through marketing, reconsideration, discretionary decision making and customized services through various sales channels. Any financial institution adopting a customer relationship model should consider the following six key business requirements.

1. Difficulty getting a holistic view of customers
2. Providing a unified, multichannel offering requires moving away from disparate, separate and disjointed channels.
3. Loads of disconnected legacy systems and disparate databases storing client financial data.
4. Cost and complexity of strict government regulatory and client security and privacy requirements.
5. Pressure on margins and increased capacity through increased competition.
6. Costs associated with developing customer retention and customer objectives

Although CRM can help organizations manage their customers effectively, many banks fail to incorporate the concept into the existing work culture. But the failure rate of CRM is very low in the CRM concept itself. Banks generally fail to pay attention to existing customer data. Many banks have reduced the amount of CRM. If CRM is done right, it will behave like any other application technology, regardless of whether it is a strategic initiative that touches other technologies of any organization.

CONCLUSIONS:

Customer relationship management is a major challenge for the banking sector, as the level of customer satisfaction in public sector is not satisfactory as compared to private banks. Explain the benefits of banking and banking services to the customers and how the banking sector can be retained by its customers. Therefore, a one-day CRM customer database is used to identify customer satisfaction levels, customer loyalty, long-term service, customer retention, profitable customers for their bank, non-profit customers and non-performing assets are identified by the banking sector.

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