

Employee Customer Relationship Management in Banking Sector with Special Reference to Coimbatore City

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ABSTRACT

Customer relationship management is the development of maintaining mutual relationship between the consumers and organisations. Effective customer relationship focus on understanding the wants and likes of the customers is achieved by integrating with the organizations strategy, people, technology and business Process.CRM Strategy creates a competitive environment by being best in understanding, communicating ,delivering and developing the existing customer relationship to create new and effective customers.

KEYWORDS: CRM, People, Customers, Bank.

INTRODUCTION:

CRM is a in depth analysis for creation of innovativeness in expanding the customer relationship which provides a flawless harmonisation between customer service,marketing,information technology and other customer related functions. It affiliates people, process and technology in maintaining a good relationship with the customers. The CRM does not have the intention to build a closer relationship with the customers but it aims in achieving the organization to identify the most vital customer for their life time. CRM aims at mutual relationship with the customer which relies in developing for success in business.

Need of CRM in Banking Industry:

- Bank customers have a particular way to increase their financial assets across the range of services available in the banking industry.
- There is a exceptional competition among Private sector Banks and Public sector Banks in order to attract and retain the customers with them. Technologies, Research facilities, Globalisation of services provide a good customer service which leads to a enchanting customer.
- The Customers in the Banking Industry are well aware of the new innovativeness in the modern era. The Bank should have more customers and they should develop a cordial relationship in retaining the customers.

Banking and CRM

Banks are exceedingly ‘Customer Centric’ offering high customised services to the high worthy Customers. The Changes in the customer Behaviour and

acquisition of wealth results in the needs that the customers are expecting more from the banking sector.

Benefits of CRM

The benefits of CRM can be grouped into three namely:

- ✓ Benefits for the Customers
- ✓ Benefits for the Employees
- ✓ Benefit for the Banks

(i) Benefits for the Customers:

- There is a Harmonious relationship and professional approach to contact a customer.
- Banks offers personalised services with up to date customers information.
- The Customers feel authorised in having a greater access for their product and services.(24 Hours Banking).
- Intended product and service offerings can be timed in relating with the customer requirements.(Eg: Educational Loans and Tourism Loans).

(ii) Benefits for the Employees:

- The Employees are emancipated with the information's in delivering high quality in their service to meet the expectations of the customers.
- Employees are having more time in serving the customers.
- Employees have a higher expected ratings for their services offered to the customers in the Bank.

(iii) Benefits for the Banks:

- Managers are equipped with relevant information that can help in managing the customer relationships and to make a better decisions.
- Optimum use of Resources.

REVIEW OF LITERATURE

Khan (2008) in their study also point out that CRM is a very inclusive strategy as well as procedure that focus on establishing and preserving along with enhancing the association with the customers in order to generate the value and profit in support of the firms. It is a widespread process, which is beneficial for increasing the quality through maintenance of long lasting relationship with customers.

Mudie and Cottam (2010), in similar vein also point out that service quality is closely associated with the customer relationship management. They further argue that improving service quality through better service encounter process, service design process, service productivity and culture of the firm, will help in customer retention (P.82-84). Modern day employee-customer relationship is more complex and sometimes employees face hurdles in dealing with customers. (

STATEMENT OF THE PROBLEM:

The potency of competition in banking industry is growing rapidly which makes the banking operations more challenging in todays world. Bankers in general have moved from a long way from the financial intermediaries to a fledged financial institutions. The competing bankers are performing almost undifferentiated services, for

almost equal prices; the customers of one bank are left with multiple options and they are moving over to some other banks in search of better services over from one bank to another. CRM in banking gives a rise to a large number of issues which includes influences contributing towards relationship and influences leading to dissolution of relationship. In the banking business, there is intricacy in measuring the relationship quality as it is influenced by the value proposition of the products offered and the quality of services delivered to the customer.

OBJECTIVE OF THE STUDY:

1. To study the customers cultural perceptions of selected commercial banks in Coimbatore city.
2. To study the relationship and perception level of the customers attitude as with the customer relationship management of the Banks with respect to customer interaction management.
3. To Evaluate the control standards in reducing paper work, level of automation, increase
In the level of Computerization by banks to provide efficient services to the customers.
4. To study the intuitive recognition of the customers as to CRM of the banks with respect
In providing service quality management.
5. To Offer suitable measures for improving CRM practices in commercial banks in Coimbatore city.

SCOPE OF THE STUDY:

The scope of CRM includes customer contentment , service quality, relationship quality, market orientation, commitment and customer retention. The banks, have to restructure their long term goal in delivering quality services to attract and retain customers. The study aims to identify the CRM practices with special reference to banking sector, customers' level of satisfaction and offer suggestions on how banks creates a CRM capability to the loyal customers.

RESEARCH METHODOLOGY

The research work depends on both primary and secondary data. Primary data will be collected by way of a well structured questionnaire by the researcher on banks in the Coimbatore city of Tamilnadu. Secondary data was collected from published records of RBI and other Bank authorities, standard text book and published research papers. The required primary data will be collected from the bank branches in Coimbatore city. A minimum of 8 branches will be approached, apart from collecting information from banks, the general public who holds accounts with the banks in the City. The researcher followed multi-stage sampling in the selection of sample. The sample study was designated through a three-stage sampling procedure. The first stage involved the choice of banks which will be useful to attempt a comparative study between Public and Private Banks, two public sector banks (SBI, IOB, ICICI Bank and TMB). The random selection of bank constituted the second stage of the sampling process. Two branches was chosen for public sector banks and two branches for Private sector banks

were selected for this study. Judgment sampling method was adopted and initially 50 customers from each branch were embattled for data collection needed for the study. The sample for the study consists of 8 banks branches (four from to public sector banks and four from private sector banks) which generated 210 customers for studying customer relationship management in banks of Coimbatore City. The Respondents for the bank wise details are as follows:.

SBI - 56 respondents

IOB - 54 respondents

ICCI-53 respondents

TMB - 52 respondents

Total-215 respondents

AREA OF THE STUDY

The study was conducted in Coimbatore city.

TOOLS FOR ANALYSIS

Simple Percentage analysis

The tool used for the analysis of data is Simple percentage analysis.

$$\text{Simple percentage analysis} = \frac{\text{No. of respondents}}{\text{Total no of respondents}} \times 100$$

Customers' perception of empathy dimension of service quality

The empathy dimensions of service quality and its items in public and private sector banks are compared.

Table :1 : Sector-wise mean ratings of empathy dimensions items of service quality

Empathy Dimension items	Types of Banks	
	Public Sector Bank (n=110)	Private Sector Bank (n=105)
	Mean	Mean
Banks gives individual attention	3.170	3.250
Convenient operating hours	3.520	3.710
Employees understand specific needs of the customers	3.141	3.080
Customer is made to feel important	3.260	3.150
Dimension mean	3.270	3.300

Table 1. shows that the responsiveness dimension mean of public sector banks is 3.270 and that of private sector banks is 3.300.

This table clearly shows that private sector banks are rated marginally higher than public sector banks. In both public and private sector banks, the mean ratings of Individual attention, and understanding the specific needs of the customers and importance given to the customers are lower than their respective dimension mean values.

**Comparison of empathy dimension means in public and private sector banks :
Table:2**

Types of Banks	Mean	S.D	No	T	df	Table value	Sign
Public Sector Banks	3.270	0.67	110	0.313	419	1.966	Vs
Private Sector Banks	3.300	0.80	105				
All Sectors	3.290	0.74	215				

Source : computed

Vs. not significant

The calculated t- test value at 0.313 which is less than the table value of 1.966 at 5% level of significance, shows that there is no significant difference between the service quality of public sector banks than that of private sector banks in terms of compassion dimension. Hence, the hypothesis is accepted. The customer interaction management is an unfocused interaction between the bankers and the customers and it leads in leading a strong relationship.

Table 3: shows that among male respondents 13.3% are satisfied with CRM practices and 0.83% are dissatisfied with CRM practices. Among females 2.50% stated that they are neither satisfied nor dissatisfied with CRM practices and 12.50% have said that they are satisfied with CRM practices.

Gender		Attitude towards CRM practices					Total
		Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Male	Frequency	35	16	2	1	1	55
	%	29.17	13.33	1.67	0.83	0.83	100
Female	Frequency	45	15	3	1	1	65
	%	37.5	12.50	2.50	0.83	0.83	100
Total	Frequency	80	31	5	2	2	120
	%	66.67	25.83	4.17	1.67	1.67	100

HYPOTHESIS FORMULATED FOR THE STUDY

H0: There is no significant relationship between customers' cultural perceptions of banking and attitude of customers towards CRM practices of commercial banks in Coimbatore city.

H0: There is no significant association between confidence level of customers in commercial banks and attitude of its customers towards the CRM practices of their bank.

FINDINGS:

1. In the public and private sector banks, the mean rating of individual attention understands the specific needs of the customers which are lower than their respective dimension mean values.

2. Public Sector banks is highly rated than the positive section banks and the public section banks are well interactive with their customers perception of customer retention management practices in public and private sectors.

SUGGESTIONS:

The customers perception of service quality is low in private sector banks. It is suggested that the private should take necessary steps to improve their service quality, strategies, customer interaction management strategies customer retention management strategies.

CONCLUSIONS:

The study provides guidelines for customer relationship management because the customers are loyal customer for they should be retained for their overall profitability for the bank. Banks need to encircle CRM as a principle and adopt a strategy for managing customer relationships that effectively addresses three key areas, such as customers, processes and technology. The banks should take necessary actions such as appreciation and delegation of work, and should give freedom to handle customer's grievances and management's approval to take decision according to the situations.

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