Review on State Bank of India (SBI) Customers Relationship Management in Sangli Corporation Area

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Abstract

Customers are the focal point in the development of successful marketing strategy. Marketing strategies both influence and are influenced by consumers' affect and cognition, behavior and environment. In the banking field a unique "*relationship*" exists between the customers and the bank. But because of various reasons and apprehensions like financial burdens, risk of failure, marketing inertia, etc., many banks are still following the traditional ways of marketing and only few banks are making attempts to adapt CRM. It is with this background, the researcher has made a modest attempt towards the idea that CRM can be adapted uniformly in the banking industry for betterment of Banking Services. The lack of understanding on Customer Relationship Management (CRM) is always a concern among the service providers especially banks. Banks have their own way of managing their relationships with the customers. However, the perception of customers on CRM practices among banks should also be taken into consideration. Here in this paper, effort is given to study the comparative perception of SBI customers and other nationalized banks customers' in the issue of CRM practices. It is observed that the approach of CRM by SBI and other nationalized are to some extent same and one but the reach is quiet distinguishable. It is due to the profile, their capability and the strategy of CRM in making it and reaching down to customers. On the contrary, it can also be asserted that the background of both banks also found as a big cause for reaching the top CRM. Hence, CRM is an inevitable tool of marketing that can be considered as Critical Responsibility of Market with regard to Banks in present context.

The banking industry in India has undergone radical changes due to the liberalization and globalization measures undertaken since 1991. Today, Indian banking industry is one of the largest in the world. State Bank of India is the largest public sector bank in India. A highly satisfied and delighted customer is a vital non-financial asset for the banks. Customer Relationship Management (CRM) provides interactive, personalized and relevant communication with customers to develop and maintain ralationships.CRM is a tool to retain and increase the customers. This paper explore the view of Customer Relationship Management with respect to the Customers of State Bank of India in Sangli Corporation area The study is based on the responses of 100 customers of State Bank of India branches in sangli corporation area..

KEYWORDS: Customer relationship, customer satisfaction, customer and banking services.

INTRODUCTION

Customer relationship management is one of the strategies to manage customer as it focuses on understanding customers as individuals instead of as part of a group. Managing customer relationships is important and valuable to the business. The effective relationship between customers and banks depends on the understanding of the different

needs of customers at different stages. The ability of banks to respond towards the customers' needs make the customers feel like a valuable individual rather than just part of a large number of customers. CRM manages the relationships between a firm and its customers. Managing customer relationships requires managing customer knowledge. CRM and knowledge management are directed towards improving and continuously delivering good services to customers. To understand more in customer relationship management, we first need to understand three components which are customer, relationship and their management. More often, managers always make mistakes by seeing customers' satisfaction from their eye not from customers' eye. Banking sector is a customer-oriented service where the customer is the KEY focus. Research is needed in such sector to understand customers' need and attitude so as to build a long relationship with them. Customer Relationship Management includes all the marketing activities, which are designed to establish, develop, maintain, and sustain a successful relationship with the target customers. CRM identifies the present and future markets, selects the markets to serve and identifies the progress of existing and new services. Thus, CRM is a managerial philosophy that seeks to build long term relationships with customers. CRM can be defined as the development and maintenance of mutually beneficial long-term relationships with strategically significant customers. It is the establishment, development, maintenance and optimization of long term mutually valuable relationships between consumers and the organizations. Successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organization's strategy, people, technology and business processes.

Concept of CRM (Customer Relationship Management)

Customer Relationship Management is a strategic orientation that identifies the most important long-term customers and develops and understanding of how these customers can be retained. CRM can be defined as "*the strategies, processes, people and technologies used by companies to successfully attract and retain customers for maximum corporate growth and profit*". Parvatiyar and Sheth) defined CRM as"*a comprehensive strategy and process of acquiring and partnering with selective customers to create superior value for the company and the customer*".

Body and Limayem explored that CRM in terms of partnerships, empowerment with customers and personalization, have a positive and direct impact on customer loyalty. Effective CRM will lead to greater customer loyalty (Evans &Laskin, 1994). Organization can use website characteristics to build tight relationships with their customers who become loyal to them, rather than to select customers on a transaction-by-transaction basis from a large pool of non-loyal customers.

Top management's support is essential for the success of CRM implementation. They also identified that CRM success was more strongly associated with CRM ownership being at the corporate level.

Needs for the study. The forces of deregulation, globalization and advancing technology have greatly increased the competitive pressures in all the industries, especially in the banking industry. Indian banks are functioning increasingly under competitive pressures emanating from within the banking system, from non-banking institutions as well as from domestic and international capital markets. Thus in this era of increased competition, in

order to prosper, it will be imperative for the banks to develop long term relationships with the customers by offering quality services.

Developing long term relations with the customer depends basically on three dimensions – product quality, service quality and relationship quality for any kind of industry. This fact is also applicable for banking industry.

Since the perceived service quality acts as a foundation for developing long-term customer relationships, the present study is mainly undertaken to present the SBI customers perception on CRM and to study the perceived service quality provided by the bank.

Objectives of the study

The main objectives of the study were as follows:

- Study of the present opinions of SBI customers regarding CRM practices of the bank
- Study and analyzing of the service quality of the bank towards the customer
- Study of the CRM practices adopted by the bank to promote the customer relationship.

MATERIALS AND METHODS

In order to achieve the objectives of the study and to analyze the different factors considered, an appropriate methodology has been adopted. The present study is exploratory as well as descriptive. The present study is based on primary data. The primary data has been collected from a sample of 120 customers of SBI branches in sangli corporation area, Sangli district of Maharashtra. The data has been collected with a well structured and pre tested questionnaire which was based on Likert five point scale.

The perception of SBI customers on CRM was judged on the following 12 variables, such as: visual appeal of physical facilities, guidance signs at service counters, timely services by bank employees, problem solving interest of bank employees, security measures taken, service performing information, prompt services by employees, safety of transactions, convenient of operating hours, parking facilities at bank, sending of transaction information through sms, and installation of new ATMs. Apart from the questionnaire being used for data collection, personal discussions were also conducted with the respondent customers to get further information. The data so collected has been analyzed with one way or two way tables. The statistical techniques like percentages, averages and charts were also used.

Profile of the sample

The profile of the respondents of SBI customers, account wise, gender, age, qualification, employment, income and area wise is furnished in the Table 1.

The majority of the respondents are of Savings Account holders account for 47.48%. In terms of gender, it was seen that the majority of the respondents are of male (62.48%), and 41.50% of the respondents are in the age group of 20-40 years. Graduates account for 38.32%, followed by post-graduates who accounted for 29.18%. Government employees highest in the sample size who account for 28.34% and 25.842% of sample respondents have agriculture as their occupation. In terms of Monthly Income Level, it is seen that 27.49% of the respondents are earning monthly income of Rs. 30,000-40,000, followed by 25.84% of the respondents who are earning monthly income of Rs20000-30000. The respondents who belong to Urban Area with 70.81% and 29.19% of the respondents belong to Rural Area (Table 1).

Table 1. Demographic profile of the respondents

Parameters		Number of Respondents	(%)
1. Type of Account Holders	Current Account	34	28.32
	Savings Account	57	47.48
	Fixed Deposit	29	24.15
2. Gender	Male	75	62.48
	Female	45	57.52
3. Age	<20 years	12	14.50
	20-40	46	41.50
	40-60	40	33.50
	>60 years	22	10.50
4. Qualification	S.S.C	15	12.50
	Graduates	46	38.32
	Post Graduates	35	29.18
	Professional Course Holders	24	20.00
5. Type of Employees	Unemployed	11	9.17
	Private employees	23	19.16
	Govt. Employees	34	28.34
	Agriculture	31	25.84
	Business persons	21	17.49
6. Income Level	<Rs-10000	07	5.84
	10000-20000	22	18.33
	20000-30000	31	25.84
	30000-40000	33	27.49
	>Rs-40000	27	22.50
7. Area	Urban	85	70.81
	Rural	35	29.19
Total		120	100%

Perception of SBI customers about Customer Relationship Management
Analysis of the responses. A thorough analysis of the data and information using statistical tools, visual, tables and charts, was made for more clear understanding.
It was seen that the majority of the respondents, i.e., 36.67%, strongly agree with the visual appeal of physical facilities at bank, followed by the respondents agree with the physical facilities at bank account for 25% (Table 2).

Table 2: Visual appeal of physical facilities at bank

Scale	No. of respondents	%
Strongly Agree	44	36.67
Agree	30	25.00
Neutral	20	16.67
Disagree	12	10.00
Strongly Disagree	14	11.66
Total	120	100.00

It was shown that 44.98% of the respondents agree and 34.99% of the respondents strongly agree with the guidance signs at service counters of banks. However, the respondents who disagree with the guidance signs at service counters account for 11.66% (Table 3).

Table 3: Guidance signs at service counters of bank

Scale	No. of respondents	%
Strongly Agree	42	34.99
Agree	54	44.98
Neutral	08	6.66
Disagree	14	11.66
Strongly Disagree	02	1.67
Total	120	100.00

The majority of the respondents, i.e., 45.50 % neither agree nor disagree with the timely service provided by bank employees, followed by 33.50 % of the respondents opined that they agree with the timely services by bank employees (Table 4).

Table 4. Timely Services by Bank Employees

Scale	No. of respondents	%
Strongly Agree	54	13.50
Agree	39	33.50
Neutral	16	45.50
Disagree	09	5.50
Strongly Disagree	02	2.00
Total	120	100.00

It was found that 39.17% of the respondents neither agree nor disagree with the customers' problem solving interest of bank employees' and 31.65% of the respondents disagree with the problem solving interest. However, the respondents who agree with the problem solving interest of bank employees account for 8%.

Table 5. Customers' problem solving interest from bank employees

Scale	No. of respondents	%
Strongly Agree	12	10
Agree	16	13.35
Neutral	47	39.17
Disagree	38	31.65
Strongly Disagree	7	5.83
Total	120	100

It observed that 37.49% of the respondents agree and 28.32% of the respondents neutral with the security measures taken at bank. However, 6.68% of the respondents strongly agree with security measures taken at bank (Table 6).

Table 6. Security measures at   bank

Scale	No. of respondents	%
Strongly Agree	19	15.83
Agree	45	37.49
Neutral	34	28.32
Disagree	14	11.67
Strongly Disagree	8	6.68
Total	120	100.00

It was found that the majority of the respondents, i.e., 43.32% neither agrees nor disagree and 40.82% of the respondents agree with the service performing information at bank. However, the respondents who strongly agree with the service performing information account for 1.67% (Table 7).

Table 7. Service Performing Information

Scale	No. of respondents	%
Strongly Agree	12	11.00
Agree	49	40.82
Neutral	52	43.32
Disagree	5	4.17
Strongly Disagree	2	1.67
Total	120	100.00

It was observed that the majority of the respondents, i.e., 41.67% were neutral about prompt services provided by bank employees. While, 38.33 % of the respondents agree and 7.50 % of the respondents strongly agree with the prompt services provided by bank employees (Table 8).

Table 8. Prompt services by bank employees

Scale	No. of respondents	%
Strongly Agree	12	10
Agree	46	38.33
Neutral	50	41.67
Disagree	09	7.50
Strongly Disagree	03	2.50
Total	120	100.00

The opinion about the convenient of operating hours is presented in the Table 9. It was seen that the majority of the respondents, i.e., 47.50% were agree with the convenient of operating hours of bank. However, 8.33% of the respondents were neutral about convenient of operating hours of the bank (Table 9).

Table 9. Convenient of operating hours of bank

Scale	No. of respondents	%
Strongly Agree	57	47.50
Agree	40	33.34
Neutral	10	8.33
Disagree	12	10.00
Strongly Disagree	01	0.83
Total	200	100.00

The majority of the respondents i.e., 45.82% expressed that they agree with the parking facilities, followed by 15.00% of the respondents are strongly agree with the parking facilities available at bank. However, 9.10% of the respondents are strongly disagree with the parking facilities (Table 10).

Table 10. Parking facilities

Scale	No. of respondents	%
Strongly Agree	18	15.00
Agree	55	45.82
Neutral	07	5.83
Disagree	28	23.35
Strongly Disagree	12	9.10
Total	120	100.00

It was found that the majority of the respondents strongly agree with the sending or transaction information through SMS account for 66.67%, followed by 33.33% of the respondents are agree regarding SMS facility (Table 11).

Table 11. Sending or transaction information through SMS

Scale	No. of respondents	%
Strongly Agree	80	66.67
Agree	40	33.33
Neutral	Nil	Nil
Disagree	Nil	Nil
Strongly Disagree	Nil	Nil
Total	120	100.00

The data about opinion on installation of new ATMs is presented in Table 13. It was very clear that the majority of the respondents, i.e., 44.50% were agree with the installation of new ATMs of concerned bank, followed by 23.50% of the respondents were strongly agree with the installation of new ATMs

Table 12. Installation of new ATMs

Scale	No. of respondents	%
Strongly Agree	47	23.50
Agree	89	44.50
Neutral	37	18.50
Disagree	21	10.50
Strongly Disagree	06	3.00
Total	120	100.00

CONCLUSIONS AND RECOMMENDATIONS

1) SBI Bank have to implement strong CRM Policy so it reduces cost and gets various benefits to bank

2) It was recommend that, SBI Bank have to open new ATM counters at main places in the city to meet the customer's needs.

3) SBI Bank has to appoint special staff to maintain good relation with customers and promptly provide various banking facilities to the customers. This CRM strategy increase customer satisfaction level.

4) SBI Bank has to increase the working hours. This is very beneficial to all types' customers.

5) It is suggested that, proper and specious parking facilities available for customers. In this era CRM is an important tool, which increase customers' database and maintain and retain customers for long term. Also this tool maintains good, healthy and cordial relations with bank customers.

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