



Importance of CRM in Indian Banking System - A Contemporary Insight

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ABSTRACT

Importance of banking sector in economy is just like blood in human body. Without banking sector existence of economy can disappear. Success of banking sector depends upon customers; when a bank can capable for making a good relationship with own customers and retaining then financial power of country improves. For retaining and discovering new customer, CRM a sound business activity. It's helpful for promoting and improving relationship at global level. For retaining customer, every bank use many tool to generating credit in economy. Every customer except to own bank for getting good service perform with better way in short time. Other side bank effort for customer's expectations at sterling point. In this midway many variations born when bank failure to perform own service due to some causes just like lack of untrained staff, lack of automation system, lack of office material, lack of customer welcome system etc. For customer's expectation achieving at sterling point, every bank should effort for alienate variation. Good service performance by banks in short time, it is a good symbol for our Indian economy. When good and prompt service performs by every bank towards customers our Indian economy will grow up with decimal growth rate.

Importance of CRM is highlighted in this paper for the purpose of increasing awareness between banks and customers. CRM is highly affected to Indian banking system but today also many customers are due to lack of knowledge run through away in rural areas but in urban sector banking activity is performing better than rural areas it's variance will be remove shortly and it is fell that a new revolution bring up removing gap in relationship.

Keywords-- CRM, E-CRM, Bank, Importance, Technology

I. INTRODUCTION

CRM is root of any service sector for facing global competition and gaining goodwill. In services sector, importance of CRM cannot forget because strong relationship with customer provides capacity for capturing more market share. Place of banking sector in economy is just like back bone of human body, so

importance of CRM in banking sector in context of economy is more curious nature. Customer's satisfaction is result of service quality provided by bank. Quality of services can measure through perception. In first case, if customer has exceptions for good services from own bank and after getting services if customer feels that perceptions is not equal to exceptions, its mean something gap missed by bank so these types of gap in future can left own effect on relationship. Its gap can be dangerous in future for economy. In second case, if customer feels that exceptions equal to perceptions, its mean customer are perceiving satisfaction after getting services and in third case, if customer feels that, perceptions is more than exceptions; its mean customer is accomplishing delight. In edge of globalisation, customer is not in banking nexus so it is more important that customer perceive delight after services not satisfy.

II. LITERATURE REVIEW

Much literature is available about CRM. Every scholar is define role of CRM in banking sector in own way. In few article, book, magazine and thesis is mention about changing nature of CRM in banking sector. Nature of CRM in banking sector is changing as per global demand of services. After globalisation, banking sector is facing throat cut competition; so for facing global level competition, form of CRM is changing day by day. Dynamic nature of CRM is providing to banks more griping market share. In digital globalisation edge, CRM is now E-CRM and it is much helpful for making good relationship. In previously, banks are not attentiveness for retaining customer because few banks available in banking sector and customer was depend on bank but after globalisation banking sector became competitive. Entry of private sector banks in economy has providing power for retention India's money for remit to abroad countries.

Ying-Yueh (Janice) SU (2009) mentioned that customer relationship management (CRM) has gained much attention from both the academics and the

practitioners. As a result of the considerable advancements improvements in technology, companies can increase their profitability by using analytical techniques to build long-term relationships with customers based on prediction models that draw on a wealth of data about customer behaviour.

Zaidan A. Zaidan Dhman (2011) mentioned that CRM is the enterprise approach to understanding and influencing customer behaviour through meaningful communications in order to improve customer satisfaction, customer acquisition, customer retention and decrees customer loss.

Shahzeb Ali Malik (2010) described that Banks have also realized that CRM is the only solution to help them to maintain a long-term relationship with their customers. On the other hand, maintaining relationships with customers also requires strong co-ordination between different departments at the bank (such as: IT, sales, service and support, and marketing departments).

Jens Berfenfeldt (2010-11) founded in own study that CRM is more beneficial for finding customers information and mentioned that the most important aspect of CRM is that it helps the firms organize the customer contacts in such a way that the customer fell better taken care of and the employees spend less time coordinating and finding relevant customer information.

K. Ganeshmurty (2010) mentioned in own study about various benefits of CRM just like lower cost of recruiting customers, no need to recruit so many customers to preserve a steady volume of business, reduced costs of sales, higher customer profitability, increased customer retention and loyalty and evaluation of customer profitability.

G. Dharakeswari (2014) described that that banking has traditionally operated in a relatively stable environment for decades. However, today the industry is facing a dramatically aggressive competition in a new deregulated environment. The net result of the recent competition and legislation is that traditional banks have lost a substantial proportion of their domestic business to essentially non-bank competition.

Suwarna S Maslekar (2011) described in study that the banking industry being a service sector marketing mix consists of 7 Ps which also involves People, Process and Physical evidence along with Product, Price, Promotion and Place. Successful selling of products is an ongoing process, which is based on relationship of banks with the customers and degree of consistency and quality in terms of both product creation and delivery of product.

T. Partha saradhy (2016) described in study that the real value to a company lies in the value they create for their customers and in the value the customers deliver back to the company. So, it is important to mark that the value does not lie in more information and in more advanced technology. The value lies in the customer knowledge and is how the company uses that knowledge to manage their customer relationship. Knowledge is the sole of CRM.

These studies explore importance of CRM in banking sector and enhance the contribution for increasing knowledge of CRM.

III. RELEVANCE OF STUDY

Today in hyper scenario competitive edge, India banking sector is facing throat cut competition and presenting attractive schemes for customers. In Indian banks sector, public banks now days is following strategy of private sector banks for creating customer loyalty and attentiveness for CRM. This study is beneficial for understanding of concepts and importance of CRM.

In present time, it is too much critical for build a safe and sound banking system for Indian economic growth, for which effective CRM is solution therefore the study is going to be very helpful in finding out the factor which are responsible for success of CRM in banking sector.

IV. OBJECTIVES OF THE STUDY

- To study the importance of CRM in banking sector for delivering quality service by banks.
- To study the role of information and communication technology for development of CRM.
- To study the customer relationship management process in Indian banking sector.

V. DATA COLLECTION

The presents study is completely based on secondary sources of data collection such as news papers, books, journals, magazines, thesis and web resources.

VI. RECENT TRENDS OF CRM

In the past, producers did not take their customers for granted because at that time customers were not demanding nor had many alternative sources of supply or suppliers. Since he was a passive customer, the producer dictated terms and had little customer commitment. But today there is a radical transformation. The changing business environment is characterized by economic liberalization, increasing competition, high consumer choice, enlightened and demanding customer, more emphasis on quality and value of purchase and the form of CRM is also change with development of technology. Now few forms of developed CRM, which are using by banking sector in India as under.

1. Mobile CRM. (M-CRM)
2. Electronic CRM. (E-CRM)
3. Social CRM. (S-CRM)

VII. IMPORTANCE OF CRM

CRM is an effective tool for creating a profitable customer. A satisfied customer is the capital of nation and business. For helping study, we can easily divide importance of CRM in three parts bank, customer and nation, which are describing as under.

FOR BANKS

Making enduring relationship- Every bank is trying for making enduring relationship. For this purpose banks are dedicating for serve customer anywhere. In global banking era, it's most topical subject that generates enduring relationship with facing global competition. In Indian banking context, many elements effects at this topic, but most popular element is CRM. It's one of them and with iron faith to own customer and another side customer have iron faith with own bank.

Global banking developmental engine- In global banking marketing concept, CRM is developmental engine because through using effective and customer centric nimble policy can grow banking environment under global umbrella. Banking is not fetter limitation of country by using CRM global banking market is on the stage of progression.

Gaining maximise profit through satisfaction- CRM focuses on serve customer through better way. Customers want full satisfaction about any banking product with safe way. Through CRM, banks are presenting own service toward customers with secure and customer adoptable mode. Customers fell better and find own self satisfied thus banks can gain maximise profit through satisfaction of customer.

Well Informed Customers- Customers in Banking Industry today are well informed. With the introduction of new technology, the world has become like a small village. Thus, if a Bank wants to have more customers so it should develop a good relationship with its present customers and try to maintain the same in the future also.

Improved Customer Retention- In the intensely competitive banking industry, retention of existing customers is vital role which can be achieved through the process of CRM. Customer retention for intensifying business is the most important factor. CRM is emphasising on retaining customer forever with expectation of profitable customer.

Discover new customers- CRM is helpful for discovering new prospective customers. Banks are diversified own products for attracting new customers. Attraction of these products, new customers are include in line and increasing own profit.

FOR NATION

Growing and create healthy banking environment- CRM helps in our country growing and create healthy banking environment. When customers have iron believe on banking system then they more put money in banks and numbers of increasing financial transaction is helping growing banking sector. Through banking sector, banks have got more financial power for developing nation.

Facing global competition- By Application of effective CRM in banking sector, economy became capable for facing global competition and banking sector provides a

safe place in global level banking market. CRM in banking sector provides at global level safe and secure environment hence effectiveness of CRM can not ignore. CRM is an important and effective tool.

Introducing newly and innovative technologies- Newly and innovative technologies are generating revolution in country and global level. It's improve nation situation for facing quick changes in economy for example- at the time of demonetisation ATM, Internet banking, Mobile banking, E-wallet etc. was played a vital role in nation for facing changes. Now in India, most of people have informed it.

Improving banking standard- Through CRM is getting help for mentioned improving banking standard. CRM helps for improving quality services and banking standard. Banking sector has achieved more power. Banking sector's value is increased by a geometric growth rate when, customer relationship improve with arithmetic growth rate so CRM help to banking sector.

FOR CUSTOMERS

Getting and introducing newly technologies- By using CRM, mostly part of customer in banking sector are getting and introducing new technologies. Customers are getting and introducing newly technologies and avoid traditional technologies. Banks are presenting toward customer new adoptable technologies customer accept it for performing global level financial activities for example- ATM, Internet banking, Mobile banking, E-wallet and E-cards etc.

Getting Well Information- Through CRM, a customer can received well information by directly or indirectly mode. In Directly mode, customers have present query across from bank by face to face and in indirectly mode customers have present own query by electronic mode for example- E.Mail, IVRS, Online complaint redress system, etc.

Getting Simplify marketing- Customers are wanted to simplify marketing products which is more profitable. CRM is present toward customers marketing with simple and secure way. Customer can easily justify that which product is more profitable in compression of another product. Now, bank's marketing strategies have changed and customer can receive information with comparative way and choose better products.

Getting better customer service- Through CRM, a customer can receive better customer oriented services with superior mode. In globalisation, banks are focused own goal for retaining customers and included customers in business, for fulfil this goal banks are providing better services if any banks became failure to provide better services its existence in critical stage. Providing better services towards customers, it's the only way of own protecting and intensifying marketing share.

VIII. CONCLUSION

Technical revolution is highly affected to customer behaviour and with the changes of technology customer behaviour has changed and customers are demanding more satisfaction from producer or service

provider. It is the biggest management challenge in the new era of liberalization and globalization for a business is to serve and maintain good relations with the king-the customer for its solution only medicine required, which name CRM. In Indian banking sector, technology is now a day's booming position. Every bank wants to use developed technology for intensifying business, for fulfilment of this purpose, it is too much necessary of understanding importance of CRM by every banks. With help of developed technology banks can take benefits of CRM easily achieved own goal at low cost.

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