



**A STUDY ON CUSTOMER RELATIONSHIP MANAGEMENT ROLE IN SELECTED
BANK EMPLOYEES OF TIRUCHIRAPPALLI DISTRICT (SPECIAL REFERENCE TO SBI
AND ICICI)**

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Abstract: *Today, many businesses such as banks, insurance companies, and other service providers realize the importance of Customer Relationship Management (CRM) and its potential to help them acquire new customers retain existing ones and maximize their lifetime value. At this point, close relationship with customers will require a strong coordination between IT and marketing departments to provide a long-term retention of selected customers. This paper deals with the role of Customer Relationship Management in banking sector and the need for awareness of Customer Relationship Management to increase customers' long term relationship between the bankers and customers. This paper deals with the McKenna view point of CRM concepts i.e., Customer Knowledge, Relationship Strategy, Communication and Individual value proposition of the most important corner stone's of the CRM.*

Keywords: *CRM, Customer Knowledge, Relationship Strategy, Communication and Individual value proposition.*

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INTRODUCTION

Customers in the current era are much more empowered today and selling to them requires a far more strategic approach which CRM hopes to fulfill. Organizations are not only attempting to interpret the needs of the customers based on their buying behavior, but are also predicting their future needs. CRM enables firms to customize offerings for customers and when offerings are customized, the perceived value gets enhanced. The perceived value is equated with perceived quality by customers, leading to enhancement of customer satisfaction. This emphasizes the need for integration along the value chain and aligning and integrating organizational processes back through the supply chain to enable better value delivery to the end customer. CRM can be viewed as an application of one-to-one marketing and relationship marketing, responding to an individual customer on the basis of what the customer says and what else is known about that customer (Peppers, Rogers and Dorf, 1999). It is a management approach that enables organisations to identify, attract, and increase retention of profitable customers by managing relationships with them (Hobby, J., 1999) and further identifying strategically significant customers (Buttle, F., 2001). *“CRM is an IT enabled business strategy, the outcomes of which optimize profitability, revenue and customer satisfaction by organizing around customer segments fostering customer-satisfying behaviour and implementing a customer-centric process”* (Gartner group, 2008). *The IDIC framework (Identify, Differentiate, Interact and Customise) of CRM lays emphasis on explaining the process of converting existing customers into loyal customers. It is useful in understanding the process to be adopted for building relationships with existing customers. In this context, business enterprises have increasingly taken advantage of the power of the internet to build relationships with the customers in the electronic marketplace, to build Structural, Financial, Social and Customisation Bonds with consumers to reduce Consumer Defection, increase Consumer Retention and for taking the consumers ahead on psychological steps across relationship stages between the organisation and consumer.*

SIGNIFICANCE OF CUSTOMER RELATIONSHIP MANAGEMENT

In the recent years, banks have moved towards marketing orientation and the adoption of relationship banking principles. The key motivators for embracing the marketing principles were the competitive pressure that arose from the deregulation of the financial services market particularly in India. It essentially exposed clearing banks and the retail banking

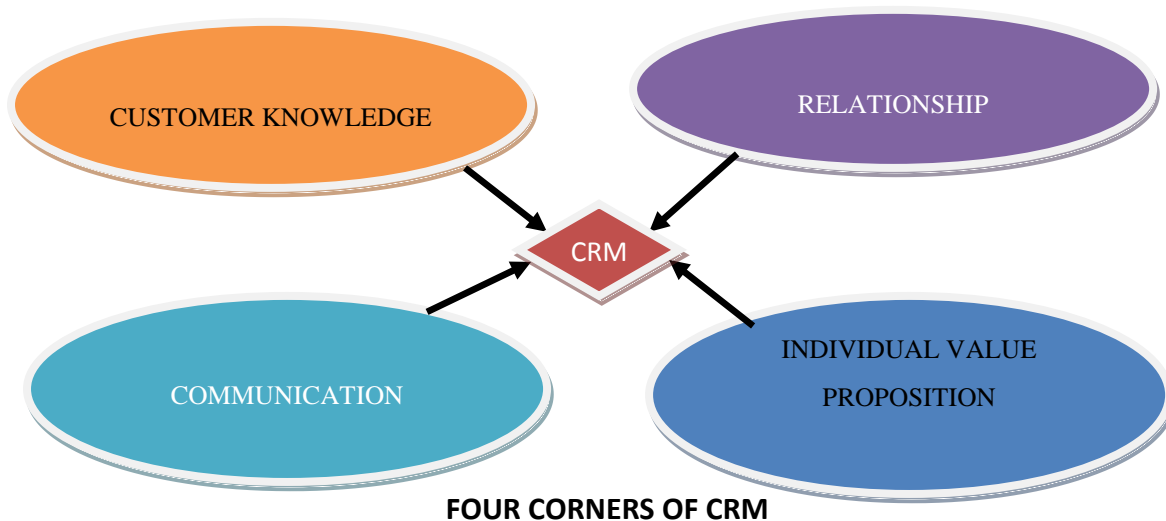


market to increased competition and led to a blurring of boundaries in many traditional product markets (Durkin,2004). In India, the banking sector has been operating in a very stable environment from last thirty -forty years. In current scenario of banking sector, the falling of interest rates and tough competition between these players had made Indian bankers to realise that the purpose of their business is to create and retain a customer and to see that the entire business process is consistent with an integrated effort to discover, retain and satisfy customer needs.

Strategy depends upon its ability to understand the needs of the customer and to integrate them with the organisation's strategy, people, technology and business process. Financial services are in a structural change whereby competition and customer demands are increasing.

STATEMENT OF THE PROBLEM

CRM is not a technology but a business strategy, which must lead or provide guidance. The manner in which this aims to achieve a lasting competitive advantage in our industry is the primary matter of importance. The cornerstones of CRM that must mention first are:



The realization of CRM strategy depends on a number of components or competencies. Perhaps the most obvious competency is related to the ability to create the infrastructure advocated by **McKenna**, which makes it possible for customer and supplier to recognize one another and be able to interact in 'real time'.

OBJECTIVES OF THE STUDY

- To study the influence of demographic factors of selected banks (SBI and ICICI) employees in Tiruchirappalli District.



- To study the Customer Knowledge, Relationship Strategy, Communication and The Individual Value Proposition in (elements of CRM) selected public (SBI) and private (ICICI) sector banks.

METHODOLOGY

CONTENT RELIABILITY

The average of Cronbach's alpha for four variables of this research is more than 0.73, which is more than the mean acceptable alpha (0.73). Hence the questionnaire is reliable.

SIZE OF THE SELECTED SAMPLE

Bank Employees: 10 respondents are selected in each bank (SBI and ICICI). Totally 20 employees are selecting both banks.

ANALYSIS

Table -1 Distribution of Respondents on the basis of Demographic Factors

Demographic Variables	Categories	No. of Respondents	
Gender			
Male		12	60 %
Female		08	40 %
Age (in years)			
Below 30		3	15 %
31-40		9	45 %
41-50		3	15 %
51 & Above		5	25 %
Marital Status			
Married		10	50 %
Unmarried		10	50 %
Educational Qualification			
Technical		4	20 %
Diploma		6	30 %
Graduate		2	10 %
Post Graduate		2	10 %
Professional Degree		3	15 %
Others		3	15 %
Experience			
Below 5 years		3	15 %
5-10 years		5	25 %
10-15 years		4	20 %
15-20 years		2	10 %
20-25 years		4	20 %
25 & above		2	10 %



Table 1 presents the demographic characteristics of the 20 respondents. About 60 per cent of the respondents are males. 45 per cent respondents are having age group of 31-40 years. This table also describe the half of the respondents are married and unmarried. 30% respondents are having diploma qualification. The respondents of the selected bank (i.e., SBI & ICICI) employees are having minimum experience i.e, 5-10 years.

Table 2

Customer Knowledge Related Elements

Dimensions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Personal Data are correctly Collected	2(10%)	4(20%)	5(25%)	7(35%)	2(10%)
Official Data correctly collected	4(20%)	5(25%)	1(5%)	4(20%)	6(30%)
Data about the financial resources are properly collected	3(15%)	1(5%)	4(20%)	6(30%)	6(30%)
Relevant proof of the collected data is good	1(5%)	1(5%)	5(25%)	8(40%)	5(25%)
Timely update the collection of data	1(5%)	4(20%)	1(5%)	6(30%)	8(40%)
Customers data rightly segmented	1(5%)	3(15%)	2(10%)	7(35%)	7(35%)
Banking operating hours is convenient	1(5%)	5(25%)	2(10%)	5(25%)	7(35%)
Best investment plans and schemes are adopted	3(15%)	5(25%)	2(10%)	5(25%)	5(25%)
Innovative financial solutions are provided	1(5%)	6(30%)	1(5%)	6(30%)	6(30%)
Correctly understand the customer needs	4(20%)	7(35%)	3(15%)	5(25%)	1(5%)

The above table indicates that elements of Customer Knowledge of CRM. It has 10 items under this element. 35 per cent respondents are strongly agreed that 'customers' data rightly segmented' and 'Banking operating hours is convenient' but 4 per cent employees are strongly disagreed the statements 'official data correctly collected' and 'correctly understand the customer needs'.



Table-3
Relationship Strategy Related Elements

Dimensions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
May I Help you counter is really helpful	4(20%)	4(20%)	3(15%)	6(30%)	3(15%)
Purified water available in the bank campus	1(5%)	3(15%)	2(10%)	8(40%)	6(30%)
Counter Token system is provided	3(15%)	6(30%)	2(10%)	4(20%)	5(25%)
Automatic Help Desk is available	5(25%)	7(35%)	3(15%)	2(10%)	3(15%)
Security Guard available in the ATM centers	2(10%)	4(20%)	4(20%)	6(30%)	4(20%)
Time of request on Loan	4(20%)	4(20%)	6(30%)	4(20%)	2(10%)
Problem in clearing the Cheque	1(5%)	3(15%)	4(20%)	8(40%)	4(20%)
Provide help tor remove FUD (Fear, Uncertainty, Doubts.)	3(15%)	8(40%)	3(15%)	5(25%)	1(5%)
Explanation about the Banking terms and conditions are good	5(25%)	6(30%)	5(25%)	2(10%)	2(10%)

Table 3 shows that second element of CRM i.e., Relationship Strategy of customers and bankers. This element has 9 sub-elements. 30 per cent respondents are strongly agreed that the statement 'Purified water available in the Bank campus' in selected banks' (SBI and ICICI) campus. But 25 per cent respondents are strongly disagreed the statement 'Automatic help desk is available'.

Table-4
Communication Related Elements

Dimensions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
If the periodical accounting statements are available on time	6(30%)	4(20%)	3(15%)	5(25%)	2(10%)
Best problem solving methods are used	7(35%)	4(20%)	4(20%)	4(20%)	1(5%)
Maintaining good personal contact with the customers	3(15%)	6(30%)	2(10%)	4(20%)	5(25%)
Providing 'Usage Manual' for E-Banking services	1(5%)	2(10%)	3(15%)	10(50%)	4(20%)
Customer's suggestions are accepted	6(30%)	3(15%)	3(15%)	6(30%)	2(10%)
Wish of the customers in festival	5(25%)	4(20%)	1(5%)	7(35%)	3(15%)



seasons					
Easy understand of the new financial plans	2(10%)	2(10%)	2(10%)	8(40%)	6(30%)
ATM machines are available at customer's convenient locations	2(10%)	2(10%)	3(15%)	5(25%)	8(40%)
Best Core Banking solutions are provided	3(15%)	5(25%)	2(10%)	4(20%)	6(30%)
Best communication channels are provided	7(35%)	6(30%)	2(10%)	3(15%)	2(10%)

The table shows that 3rd element of CRM i.e., Communication. This is have 10 sub elements. 'ATM machines are available at customer's convenient locations' this is strongly agreed by 40 per cent respondents of the selected bank employees.

Table-5
The Individual Value Proposition Related Elements

Dimensions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Correctly find the real customers	7(35%)	6(30%)	3(15%)	2(10%)	2(10%)
Better solutions provided for the individual customers' urgent needs	4(20%)	2(10%)	2(10%)	7(35%)	5(25%)
Individualized loans are offered	2(10%)	4(20%)	1(5%)	5(25%)	8(40%)
Personalized accounting details are available	1(5%)	5(25%)	3(15%)	5(25%)	6(30%)
Personal ID and Password provided for E-Banking services	4(20%)	2(10%)	3(15%)	5(25%)	6(30%)
Provide better security for Customers' personal data	3(15%)	4(20%)	2(10%)	6(30%)	5(25%)
Customers personal recommendation is accepted and implemented	5(25%)	5(25%)	2(10%)	5(25%)	3(15%)
Almost importance given for customers satisfaction only	2(10%)	3(15%)	2(10%)	5(25%)	8(40%)
Real follow up given for Individual transactions	3(15%)	4(20%)	1(5%)	7(35%)	5(25%)

The above table indicates that 4th and final element of CRM i.e., Individual Value Proposition of the Customers. This is sub divided into 9 elements. 40 per cent respondents of the selected bank employees are strongly agreed that 'customers' satisfaction is only the most important of the banks. But 35 per cent respondents are strongly disagreed the statement 'correctly finds the real customers'.



Dimensions

Various elements of CRM

Various elements of CRM	No.of respondents (n=20)	Percentage (100%)
Customer Knowledge		
Low	11	55.0
High	9	45.0
<i>Mean: 60.30/ Median: 59.50 / S.D.: 5.859 / Min.: 49 / Max.: 71</i>		
Relationship Strategy		
Low	10	50.0
High	10	50.0
<i>Mean: 72.30/ Median: 72.50 / S.D.: 7.226 / Min.:58 / Max.: 86</i>		
Communication		
Low	12	60.0
High	8	40.0
<i>Mean: 31.80/ Median: 31.00 / S.D.: 3.473 / Min.:26 / Max.: 38</i>		
The Individual Value Proposition		
Low	11	55.0
High	9	45.0
<i>Mean: 29.30/ Median: 28.50 / S.D.: 5.312 / Min.:21 / Max.: 40</i>		
Overall elements of CRM		
Low	9	45.0
High	11	55.0
<i>Mean: 193.70/ Median: 196.00/ S.D.: 10.727/ Min.:167/ Max.: 208</i>		

Cross tabulation between personal profile of the respondents and their name of the bank

Personal profile	SBI		ICICI		Total	
	(n=10)	(100%)	(n=10)	(100%)	(n=200)	(100%)
Gender						
Male	6	60.0%	6	60.0%	12	60.0%
Female	4	40.0%	4	40.0%	8	40.0%
Age						
Below 30yrs	2	20.0%	1	10.0%	3	15.0%
31 to 40yrs	3	30.0%	6	60.0%	9	45.0%
41 to 50yrs	3	30.0%	0	.0%	3	15.0%
51yrs and Above	2	20.0%	3	30.0%	5	25.0%
Marital Status						
Married	4	40.0%	6	60.0%	10	50.0%
Unmarried	6	60.0%	4	40.0%	10	50.0%
Education Qualification						
Technical	3	30.0%	1	10.0%	4	20.0%
Diploma	1	10.0%	5	50.0%	6	30.0%
Graduate	2	20.0%	0	.0%	2	10.0%



Post Graduate	1	10.0%	1	10.0%	2	10.0%
Professional Degree	1	10.0%	2	20.0%	3	15.0%
Others	2	20.0%	1	10.0%	3	15.0%
Experience						
Below 5 Years	3	30.0%	0	.0%	3	15.0%
5 to 10 Years	2	20.0%	3	30.0%	5	25.0%
10 to 15 Years	1	10.0%	3	30.0%	4	20.0%
15 to 20 Years	1	10.0%	1	10.0%	2	10.0%
20 to 30 Years	1	10.0%	3	30.0%	4	20.0%
30 Years and above	2	20.0%	0	.0%	2	10.0%

T-Test

E-Banking in CRM Elements	Mean	S.D	Statistical inference
<i>SBI (n=10)</i>	14.70	2.830	T=.497Df=18 .625>0.05 Not Significant
<i>ICICI (n=10)</i>	14.10	2.558	

T-Test

E-Banking Usages	Mean	S.D	Statistical inference
<i>SBI (n=10)</i>	50.20	7.021	T=.235Df=18 .817>0.05 Not Significant
<i>ICICI (n=10)</i>	49.50	6.276	

T-Test

Name of the bank	Mean	S.D	Statistical inference
Customer Knowledge			
<i>SBI (n=10)</i>	57.70	5.519	T=-2.170Df=18 .044<0.05 Significant
<i>ICICI (n=10)</i>	62.90	5.195	
Relationship Strategy			
<i>SBI (n=10)</i>	70.50	8.263	T=-1.121Df=18 .277>0.05 Not Significant
<i>ICICI (n=10)</i>	74.10	5.896	
Communication			
<i>SBI (n=10)</i>	32.00	3.590	T=.251Df=18 .805>0.05 Not Significant
<i>ICICI (n=10)</i>	31.60	3.534	
The Individual Value Proposition			
<i>SBI (n=10)</i>	30.30	4.715	T=.835Df=18 .415>0.05 Not Significant
<i>ICICI (n=10)</i>	28.30	5.926	
Overall elements of CRM			
<i>SBI (n=10)</i>	190.50	11.702	T=-1.364Df=18 .189>0.05 Not Significant
<i>ICICI (n=10)</i>	196.90	9.122	



MAJOR FINDINGS

- ✓ 60 per cent of the respondents are males.
- ✓ 45 per cent respondents are having age group of 31-40 years.
- ✓ 30% respondents are having diploma qualification.
- ✓ The respondents of the selected bank (i.e., SBI & ICICI) employees are having minimum experience i.e, 5-10 years.
- ✓ 35 per cent respondents are strongly agreed that 'customers' data rightly segmented' and 'Banking operating hours is convenient'.
- ✓ 30 per cent respondents are strongly agreed that the statement 'Purified water available in the Bank campus' in selected banks' (SBI and ICICI) campus.
- ✓ 'ATM machines are available at customer's convenient locations' this is strongly agreed by 40 per cent respondents of the selected bank employees.
- ✓ 40 per cent respondents of the selected bank employees are strongly agreed that 'customers' satisfaction is only the most important of the banks.

CONCLUSION

This study is made under the employees of the SBI and ICICI. How they are aware about the CRM concept. Majority of the employees are well known about the CRM but some improvements need for the both banks. i.e., the employees are need training and courtesy with the customers for maintain the good and long relationship for banks.

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