



## **CUSTOMER RELATIONSHIP MANGEMENT IN BANKING SECTOR**

**Dr. C. Mugunthan**

Assistant Professor,  
Department of Commerce,  
Periyar University PG Extension Centre,

**G. Kalaiarasi,**

Ph.D Research Scholar,  
Department of Commerce,  
Periyar University PG Extension Centre,  
Dharmapuri – 636 701, INDIA

### **ABSTRACT**

*Organizations are not proficient to longer exist with a value-based disposition towards customers in today's highly competitive business situation, technological advancement and empowered customers. They must focus their marketing concepts for satisfying and maintaining customers which is considered to be the most appropriate approach. The present marketing concepts importance has moved from fulfilling customers to building relationship through a long haul value creation. A distinctive Relationship exists between the customers and the banks in the managing an account field. In view of different reasons like monetary weight, advertising dormancy and so on to see more in customer relationship administration, first necessity is to comprehend three segments which are customer, relationship and their management. These are very important to maintain the cordial relationship between customers and bankers. Uphold a successful relationship with the target customers Customer Relationship Management includes the marketing activities. The paper investigates the successful implementation of CRM and the benefits of Customer Relationship Management.*

## **I INTRODUCTION**

Today, throughout the world customer relationship management is growing in importance due to the challenging business environment faced by organizations. It is notably critical in industries undergoing changes in ancient channel configuration. Customer relationship administration implies that of tending to expanding rivalry, dynamical monetary conditions and special reliance through the use of private customer data; information increased through relationship advancement and past advancing projects. CRM is expanding in significance because of it centers around current customers who are the wellspring of most of business income and furthermore most appropriate decision for rising business in indeterminate circumstances. Two important phenomena are the main point to emerging practices and policies in the present Indian Banking Scenario. These are technology and Relationship Marketing.

Customer relationship management is a business procedure that plans to comprehend, suspect and deal with the requirements of an organization's present and potential customers. Customer relationship management is concerned with the creation, improvement and upgrade of individualized customer relationships with precisely focused on customers and customer groups resulting in maximizing their total customer life-time value.

## **II IMPORTANCE OF CUSTOMER RELATIONSHIP MANAGEMENT**

Customer Relationship administration is the best approach in keeping and making associations with customers. Customer relationship administration is not just unadulterated business yet additionally moreover strong individual holding inside people. Improvement of this sort of holding drives the business higher than at any other time of accomplishment. At the point when this individual and eager linkage is amassed, it is basic for any relationship to recognize the bona fide necessities of client and help them to serve them better. It is a conviction that undeniably the propelled techniques drew in with executing the customer relationship organization, the more strong and gainful is the business. Most of the affiliations have committed world class gadgets for keeping up customer relationship organization structures into their workplace.

1. Recorded view and examination of all the gained or to be procured customers comprises in CRM framework.
2. CRM contains each and every information about the customer and that can be used to make sense of which customer can be profitable and which not.
3. As indicated by the sort of business customers are gathered according to various viewpoints in arrangement of CRM.
4. To manage the current customers a CRM framework is utilized but at the same time it is helpful in securing new customers. The procedure first begins with to differentiate a customer and keeping up all the comparing points of interest into the CRM framework. This is done effectively by a coordinated CRM framework.
5. Customer Relationship Management is exceptionally cost effective. The improvement of agreeably executed CRM structure is that there is less need of paper and manual work which requires lesser staff to direct and lesser resources for oversee. The progressions used as a piece of realizing a CRM structure are moreover amazingly shabby and smooth when appeared differently in relation to the traditional strategy for business.
6. Everything about the CRM framework is kept brought together which is open at whatever point on fingertips. This reduces the methodology time and extends proficiency.
7. Capably dealing with each one of the customers and giving them what they truly require extends the customer devotion. This assembles the likelihood of getting more business which finally overhauls turnover and advantage.
8. If the customer is satisfied they will reliably be loyal to you and will remain in business continually achieving extending customer base and finally enhancing net improvement of business.

### **III BENEFITS OF CRM**

- Customer relationship management adds a personal contact to existing relationships between the business and the customers.
- Expand enhanced communication channels.
- CRM is useful in identifying prospective customers
- Collect customer related information.
- Create detailed profiles of individual customers.
- Increased customer satisfaction.

- Access to customer account history, order information, and customer information at all touch points.
- Identify new selling opportunities.
- Increased market share and profit margin.
- Increased revenues.
- More effective reach and marketing.
- Better customer service and support.
- Enhanced response time to customer requests for information.
- Improved customer loyalty.
- Improved ability to meet customer requirements.
- Quality of communication and networking improved.
- Enhanced effective cross and up selling of products and services.
- Buying and using product and services costs are reduced.
- Sales and marketing processes are simplified.
- Facilitating faster and well-organized responses to customer.

#### **IV BENEFITS OF CRM TO BANKS**

##### **CRM Banking Focuses on the Customer:**

CRM figures out how to place the customer at the point of convergence of the association keeping in mind the end goal to take into account his needs, fulfill him and accordingly amplify the benefits of the association. Managing an account CRM comprehends the requirements of the customer and coordinates it with individuals, innovation, assets and business forms. It focuses on the current information accessible in the association and utilizes it to enhance its association with clients. In this manner it is totally basic that banks execute CRM keeping in mind the end goal to secure this.

##### **Overall Profitability:**

CRM empowers banks to give representative's better preparing that encourages them confront customers effectively. It accomplishes better framework and eventually adds to better general execution. The side-effects of CRM managing an account arrangement are client obtaining, maintenance and productivity. Banks that do not actualize CRM will without a doubt wind up with lesser productivity combined with a sharp decrease in the quantity of customers.

### **Satisfied Customers:**

It is imperative to influence a customer to feel as this will go far in fulfilling and holding them. Financiers require an arrival on speculation and it has been demonstrated that expansion in consumer loyalty more than contributes a decent amount to Return on Investment. The primary estimation of CRM managing an account lies in fulfillment and expanded maintenance of customers.

### **Centralized Information**

CRM saving money arrangements figure out how to unmistakably incorporate individuals, procedures and innovation. CRM managing an account gives banks an all encompassing perspective of all bank exchanges and client data also and stores it in a solitary information stockroom where it can be considered later.

## **V BENEFITS OF CRM TO CUSTOMERS**

Customer connections are winding up much more imperative for banks as economic situations get harder. Rivalry is expanding, edges are disintegrating, customers are winding up additionally requesting and the life-cycles of items and administrations are shortening significantly. Every one of these powers makes it fundamental for banks to increase the association with their customers.

After reviewing the studies some of the benefits are more significant to customers by the implementation of customer relationship management in the banking sector. They are as follows:

- Customers are well educated with the up to date financial information.
- Improved product and services.
- Time saving.
- Focused on customers and needs or requirements of the customers.
- Personalized marketing.
- Increased customer loyalty.
- Improvement in customer satisfaction.

## **VI CHALLENGES FACED BY BANKS IN SUCCESSFUL IMPLEMENTATION OF CRM**

The banking sectors have to face the following challenges while implementing the customer relationship management strategies:

- Receiving management sponsorship.
- Quality of customer information.
- Lack of gifted individuals.
- Determining the right time for customer needs.
- Using customer information more intelligently.
- Incorporating client information and client inclinations to the client information base.
- Using right advancements.
- Real time information cross all client channels.
- Having 360-degree perspective of customers.

Apart from these the bank has to follow the following challenges:

1. Getting a total perspective of customers is troublesome.
2. The need to move far from disconnected, independent, and conflicting channels to give a strong, multichannel advertising.
3. The weight of separated heritage frameworks and different databases that store customer money related information.
4. The cost and many-sided quality of meeting stringent government administrative and customer security and protection prerequisites.
5. The weight on edges and development prospects from expanded rivalry.
6. The expenses related with holding clients and creating client devotion.

## VII CONCLUSION

Customer relationship management is essential to the banking sector to maintain the long relationship with the customers. Numerous banks have utilized CRM strategies to obtain more customers and to enhance relationships with them. A key perspective in banks grasping mechanical stages and conveyance frameworks is the effect this will have on bank-customer connections. Accordingly, keeping in mind the end goal to accomplish saving money perfection, addressing customer needs and offering imaginative items is not adequate in itself. The harmony between moderately high expenses of associations with customers and the need to keep up benefit development should be finely tuned, if advertising is not to return to a value-based. In like manner, expanded customer desires have made an aggressive atmosphere whereby the nature of the connection between the customer and the establishment has taken a

more prominent centrality. The advancement of compelling customer connections is generally pushed as a key component of marketing strategies in the service sector.

### **References:**

1. Akhlagh, E. M., Dagbandan, A., & Yousefnejad, S. (2014), “ The Impact of Electronic Customer Relationship Management on Improving Marketing Performance of Private Banks”, *Interdisciplinary Journal of Contemporary Research In Business*, 6(6), 134-141.
2. Atul Bhatt (1991), “Bank Marketing – Marketing Research and Indian Banks”, *Prajnan*, NIBM, Pune, 20 (1), Jan-march, Volume XX, No.1, 45-54.
2. Bata, N., Tahat, M. D., & Al-Refaie, A. (2014), “ CRM/e-CRM Effects on Banks Performance and Customer Bank Relationship Quality”, *International Journal of Enterprise Information Systems*, 10(2), 62-80.
3. Bergeron B (2001), “Essentials of CRM Customer Relationship Management for Executives”. John Wiley & Sons.
4. Das, S. K. (2012), “Customer relationship management in banking sector: a comparative study of SBI and other nationalized commercial banks in India”, *Arth Prabhand: A Journal of Economics and Management*, 1(6), 62-82.
5. Grover, D. (2008), “Implementing e-CRM in Organizations: Trends, Benefits and Critical Issues. *Management of Change*”, *Journal of IILM Institute for Higher Education*, 11(2), 207-220.
6. Kennedy, A. (2006), “Electronic Customer Relationship Management (eCRM): opportunities and Challenges in a Digital World”, *Irish Marketing Review*, Special Issue, 18(1,2), 58-69.
7. Lambert, D. M. (2009), “Customer relationship management as a business process”, *The Journal of Business & Industrial Marketing*, 25(1), 4-17.
8. Parvatiyar, Atul and Jagdish N. Sheth (2000), “The Domain and Conceptual Foundations of Relationship Marketing,” in *Handbook of Relationship Marketing*, Jagdish N. Sheth and Atul Parvatiyar, Eds., Thousand Oaks, CA: Sage Publications, pp. 3-38.
9. Peppard J (2000), “Customer Relationship Management (CRM) in Financial Services”, *European Management Journal*, Volume 18, pp. 312-327
10. Philip Kotler and Gary Armstrong (2008), “Principles of Marketing (12th ed.)”, Upper Saddle River New Jersey: Pearson Education Inc.

11. Renuga, V, Durga, D (2016), “Customer Relationship Management in Banking Sector”,  
International Journal of Engineering Science and Computing, 6(8), 2769-2770