

Examine the Customer Relationship Management [CRM] in the Selected Public Sector Banks

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Abstract

In today's cutthroat business climate, customer service must be personable if it is to succeed. To successfully attract and keep customers in the long term, service industries need to have a wide range of cutting-edge offerings. Banks in the public sector exist to serve the populace as a whole, regardless of factors such as demographics, sexual orientation, political affiliation, educational attainment, or employment status. Everyone, even the elderly, pays the same interest rate. As a result, maintaining cordial and cooperative ties with all clientele is essential. Although public sector banks in rural regions stick to tried-and-true methods of customer relationship management, those in urban centers use a wide range of novel approaches. The rise of discerning consumers has been facilitated by liberalization, privatization, and globalization, giving rise to customer-focused marketing. Both acquiring new consumers and keeping the ones you already have may be difficult for marketers. Experts in marketing are always thinking of new ways to identify customers' evolving wants and requirements and meet them. Marketers and academics are increasingly interested in customer relationship management as a means to actively involve consumers in products and services. Client relationship management in the banking industry requires constant focus in order to reduce customer churn, foster the acquisition of new clients, and increase transaction volumes.

Keywords Public Bank, CRM in Bank, Customer's Preference, Banking Sector

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Introduction

After the implementation of Economic Reforms, Indian Banks have seen unprecedented expansion over the last decade. Banks have increased competition and shifted their focus to the client in an effort to boost profits. This shift in perspective has required them to adopt a more realistic method of running the company. Using this situation as a background, researchers examined how well CRM is being put into practice (CRM). Understanding the benefits of customer relationship management (CRM) and how it may aid in client acquisition, retention, and lifetime value. Now more than ever, it's critical that IT and marketing work closely together to ensure the long-term retention of key clients. The importance of CRM in the banking industry cannot be overstated, nor can the necessity for employing analytical methodologies in CRM solutions to boost client value be overstated.

Customer relationship management, or CRM for short, is a strategy for fostering and sustaining relationships with customers in order to increase sales and profit. The banking industry places a premium on customer acquisition and retention, making CRM one of its top priorities. Benefits of embracing digital marketing include expanded consumer reach at reduced advertising costs, faster problem resolution, higher customer satisfaction ratings, and a more

open forum for customers to voice their opinions and help keep the bank's standards high. The banking industry may benefit greatly from well-implemented CRM methods in terms of attracting new clients, achieving goals, delivering exceptional customer support, and keeping current ones. One of CRM's primary goals is lowering future customer turnover and defection rates.

Literature Review

Indrajit Kumar et.al (2021) Success or failure for a business often hinges on how well it interacts with its clientele, making customer relationship management (CRM) a vital function. The research team in Bihar, India, set out to examine the potential value of CRM in both public and private sector financial institutions. There were 250 bank managers in Bihar chosen at random to participate in the research. To evaluate CRM in the banking industry, the researchers created a questionnaire. SPSS was used for the data analysis. Inferential statistics were used to examine the data, namely the t-test and the analysis of variance (ANOVA). The t-test reveals that public and private banks vary significantly on the dimensions of phone/email engagement with customers, customer service, and innovation and quality. Using an ANOVA test, we observed that there were eight variables that substantially varied across the four groups.

Dr. M. L. Vasita (2020) Connected business growth relies heavily on strong customer relationships. Customer Relationship Management (CRM) systems are accessible in businesses since customers are crucial to the success of a company and their profits may be controlled with the use of CRM software. Financial institutions in India can't thrive and create revenues without the support of its dual and small clients and investors. As a result, the banking business is growing in popularity as a means to provide a wide variety of investor-friendly financial services. In this research, we look at how satisfied consumers are with the customer relationship management services provided by a variety of different banks, both public and private. Two hundred people who banked in the private sector were included in the sample, and another two hundred people who banked with the government were included. The city of Jodhpur in Rajasthan's desert serves as a prototype location for this research. Customers of private sector banks were found to be less happy with the average relational variable and the average emotional variable than customers of public sector banks in this research of selected private and public sector banks operating in the city of Jodhpur.

V.Karthikeyani (2020) Today's financial institutions face a number of difficulties due to factors like as worldwide rivalry for deposits, loans, and underwriting fees; rising client expectations; declining profit margins; and the need to adopt new technology. A growing number of financial institutions are realizing the advantages of customer relationship management (CRM) and its ability to increase client acquisition, customer retention, and customer lifetime value. In order to keep their clients as long as possible, banks have learned that customer relationship management is essential. On the other hand, the bank's IT, Sales, Service, Support, and Marketing divisions need to work closely together to keep its clients happy. Relationship marketing, from which CRM evolved, is widely regarded as one of the most important subfields in contemporary marketing and has been the subject of extensive study for years. When competition between banks increased, the concept of customer

relationship management emerged. Focusing on client behavior, such as previous actions and future intentions, has been a primary goal of customer relationship management (CRM), which has improved banks' ability to meet customers' immediate requirements. By tailoring their services to individual customers' preferences, banks were better able to satisfy their demands. The banking industry relies heavily on consumer data, and the astute use of this data would foster mutually beneficial connections with clients.

Indrajit Kumar et.al (2019) In order to optimize the value of a client throughout the course of their lifetime, customer relationship management (CRM) is crucial. Public and private banks in Bihar are realizing the benefits of customer relationship management. This study aims to establish that CRM may help Bihar's public and private sector banks better serve their clients. 250 bank managers were included in the study (110 from private sector banks in Bihar and 140 from public) (India). The bank executives' ages ranged from 26 to 52. In order to quantify CRM's impact, the researcher created a questionnaire in 2018 focused on customer relationship management. The information was gathered with the use of a five-point Likert scale survey. SPSS was used for the data analysis. The data indicates a positive connection (.78) between how managers at both public and private banks see CRM. Also, the Eigen values from the main component factor analysis with varimax rotation suggested that six factors could be extracted for the public sector bank and seven factors could be extracted for the private sector bank. In the end, a "Screen Test" was developed, and three criteria were preserved for both public and private sector institutions. For the PUBs, the first component explained 19.78% of the variation, the second factor 13.61%, and the third factor 9.30%. Factors one and two explained 18.88% of the variation, whereas factor three explained 12.46%, and factor four explained 8.76% of the variance, for private sector banks. The findings were presented in the context of related research.

P. Sanyasi Rao et.al (2016) The purpose of this article is to identify areas for further investigation into how satisfied customers are with the level of service they get and how well their banks manage their relationships with their customers in the Srikakulam region. This article thus looks at how CRM definitions have changed through time, from their inception in the 1990s of the last century to the current day. The authors discuss the shift in CRM strategy in light of this new information. The article also presents an example of the three main types of CRM (customer relationship management) techniques described in it—analytical CRM, operational CRM, and collaborative CRM. The authors also discuss the benefits and drawbacks of customer relationship management. The essay concludes with a discussion of customer relationship management (CRM) techniques and customers' perspectives on the elements that go into producing high-quality service. The authors conclude with a summary of the theory's most important takeaways, which should be included into a survey.

Methods

One hundred participants were interviewed for the research to provide the main data utilized in the analysis. The interview schedule was carefully crafted to elicit comprehensive responses from 100 participants. Coimbatore city is the focus of the research. The sample size was 100, and it was determined at random. Descriptive analysis, Chi-square analysis, average rank

analysis, and average score analysis are some examples of methods that may be used for data analysis.

Methodology research is the study of how to approach a subject in a methodical way. The reliability of each study depends on how methodically it was planned, executed, analyzed, and interpreted.

Research Design: Since this is a descriptive study, a descriptive research strategy was used.

Sampling Method: One hundred bank clients from the urban center of Kadapa were chosen using probability convenience sampling procedures.

Data Analysis

Table 1: Overall Attitude towards CRM Practices towards CRM Practices of selected public sector banks

	Overall Attitude towards CRM Practices towards CRM Practices of selected public sector banks					Total
	Strongly satisfied	Satisfied	Neutral	Dissatisfied	Strongly Dissatisfied	
Count	21	7	7	3	4	42
Male						
Expected Count	16.0	13.9	5.9	4.2	2.1	42.0
Gender						
Count	17	26	7	7	1	58
Female						
Expected Count	22.0	19.1	8.1	5.8	2.9	58.0
Count	38	33	14	10	5	100
Total						
Expected Count	38.0	33.0	14.0	10.0	5.0	100.0

Table 2: Male and Female attitude towards CRM

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly satisfied	38	38.0	38.0	38.0
Satisfied	33	33.0	33.0	71.0
Neutral	14	14.0	14.0	85.0
Valid				
Dissatisfied	10	10.0	10.0	95.0
Strongly Dissatisfied	5	5.0	5.0	100.0
Total	100	100.0	100.0	

According to the data provided above, there are 42 men and 58 females. In a survey of all respondents, 38% expressed extreme satisfaction with current CRM procedures, whereas 5% expressed extreme dissatisfaction. So, it seems that most people who have used the CRM services of a few chosen public sector banks are pleased with the results.

The following hypothesis was formed and tested to see whether there is a statistically significant relationship between customers' gender and the CRM practices of chosen public sector banks.

Table 3: Chi - Square Test

	Value	df	Asymp. Sig. (2- sided)	Monte Carlo Sig. (2-sided)		
				Sig.	99% Confidence Interval	
					Lower Bound	Upper Bound
Pearson Chi-Square	72.504a	2	.000	.000b	.000	.000
Likelihood Ratio	92.257	2	.000	.000b	.000	.000
Fisher's Exact Test	86.771			.000b	.000	.000
N of Valid Cases	100					

As can be seen in the table above, the 5% level of significance requires a Chi-square value of less than 0.05 to reject the null hypothesis. As a result, there is a statistically significant correlation between consumers' perceptions of CRM procedures at selected public sector banks and their gender.

Analysis and Interpretation of Data

This is a representation of the analysis and interpretation of data obtained via a well-structured interview schedule:

Table 4: Age group of Respondents

Sl. No.	Age Group	Number of Respondents	Percentage
1.	Less than 25 years	32	32
2.	25 - 35 years	33	33
3.	35 - 45 years	17	17
4.	45 - 55 years	11	11
5.	55 years and above	7	7
	Total	100	100

Source: Primary Data

According to Table 4, 33% of all responses fall within the 25–35-year-old bracket, 32% fall under the less-than-25-year-old bracket, 17% fall within the 35–45-year-old bracket, 11% fall

within the 45–55-year-old bracket, and 7% are 7 and older. The results show that between 25 and 35-year-olds make up the largest demographic of responders (33%).

Table 5: Gender of Respondents

Sl. No.	Gender	Number of Respondents	Percentage
1.	Male	74	74
2.	Female	26	26
	Total	100	100

According to the data in Table 6, 52 percent of the sample is married and 48 percent is single. The results indicate that 52% of respondents are married.

Table 6: Marital Status of Respondents

Sl. No.	Marital Status	Number of Respondents	Percentage
1.	Married	52	52
2.	Unmarried	48	48
	Total	100	100

Source: Primary Data

Table 7: Educational Level of Respondents

Sl. No.	Level of Education	Number of Respondents	Percentage
1.	No Formal Education	2	2
2.	School Education	8	8
3.	College Level	41	41
4.	Professional Qualifications	49	49
	Total	100	100

Source: Primary Data

Table 7 shows that of the overall sample size, 49% of respondents have advanced degrees, 41% have completed their undergraduate education, 8% have completed their secondary education,

and 2% have no formal education at all. It may be deduced that almost half of those polled have some kind of graduate degree or above.

Table 8: Occupational Status of Respondents

Sl. No.	Occupational Status	Number of Respondents	Percentage
1.	Agriculture	4	4
2.	Business	7	7
3.	Employed	39	39
4.	Professional	39	39
5.	Others	11	11

Conclusion

A company's success depends on how well it serves its customers, who are the industry's foundation. The service sector, particularly public-sector banks, may greatly benefit from this. The public sector banks' antiquated methods of operation and outmoded services must be discontinued quickly in light of the fact that the private sector banks introduce substantial modifications in delivering services to clients. Because to IT advancements, India's service industry is expanding rapidly, and its contribution to GDP growth is remarkable. Banking services play an important role in the economic and social growth of individual customers, making them an integral part of the service industry as a whole. The public sector banks would undoubtedly benefit from this since it will allow for improved communication and cooperation. Yet, public sector banks are bound by the Reserve Bank's restrictions on deposits, interest rates, and other such matters.

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