



Customer Relationship Management Practices In Banking Sector- A Study With Reference To Selected Banks in Mangalore Region

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ABSTRACT: 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.

KEYWORDS: Financial burden; marketing inertia; banking services

I. INTRODUCTION

Most of the Industrial and Service sectors were focused on traditional approaches where they concentrated only in acquiring few customers from its target segments. Today, business is facing an aggressive competition and they have to make an effort to survive in a competitive and uncertain market place. To survive in the market, many sectors adopted different modern approach to the business, which involves relationship marketing, customers' retention and cross selling which leads to customers' extension (Chaturvedi and Chaturvedi, 2005).

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.

II. OBJECTIVES OF THE STUDY

- ✓ To study the importance of CRM in Banks of Mangalore Region
- ✓ To analyze the CRM Strategies adopted by the Banks to attract and retain the customers.
- ✓ To analyze the problems faced in Banks
- ✓ To offer some suggestions based on findings of the study

III. RESEARCH METHODOLOGY

To realize the objectives of the study, an empirical survey is conducted on the selected Banks in the Mangalore Region. Both the primary and secondary sources are used for the collection of data. The study focuses on few selected Banks in the Mangalore city limit. Hence three reputed banks are selected at random.

IV. IMPORTANCE OF CRM IN BANKS OF MANGALORE REGION

- Customers are given an important Place in banks because without them no banks can survive.



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- Maintaining cordial relationships with customers by welcoming and responding to customer issues
- By having existing customers, banks will get an advantage of having more customers through their recommendations
- Customer satisfaction is more important in the banks by giving the better service
- Customer Relationship Management increase the total productivity of the bank

V. CRM STRATEGIES ADOPTED BY THE BANKS TO ATTRACT AND RETAIN THE CUSTOMERS

- First Strategy is making the customers comfortable whenever they approach the bank
- Maintaining personal relationship with every customer.
- Updating new technology as much as possible
- Whenever customers are having any issues they maintain the quality of convincing them
- Providing information regarding new schemes regulated by government.
- Giving suggestions to customers whenever they having confusion in choosing certain schemes

VI. PROBLEMS FACED IN BANKS

- Problems normally arise the way banks are dealing with the customers.
- Whenever there is a minor problems in the banks, they should be more alerts because minor problem may change into a major problems
- Most of customers create problems in terms of rate of interest. They are expecting more rate of interest regarding their deposits
- Problem customers are always reluctant to follow the policies of the banks

VII. SOME SUGGESTIONS BASED ON FINDINGS OF THE STUDY

- Customers interaction programmes are very essential to study the characteristics of the customers
- The executives of these banking industries should conduct a survey to measure the customer preference and level of satisfaction.
- Instead of terminating the problematic and unwanted customers, these industries should come forward to analyze the basic needs and expectation of the problematic customers.
- Executive training programmes must be periodically conducted to give effective responsibility to the executives

VIII. FINDINGS

- Counter Staff are held responsible for maintaining the relationship with the customers because most of the basic information are given by them
- Problem customers are actually become strong customers once they get to know all the details of the bank
- CRM is most applicable to illiterate people because for every details they enquire with bank
- Taking care of the reputation of the customers
- If customers are neglected then they might shift to other bank
- If error has occurred in the bank they try to convince them by saying sorry

IX. CONCLUSION

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. This paper deals with the role of Customer Relationship Management in banking sector and the need for Customer Relationship Management to increase customer value in CRM applications.



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One of the difficult challenges faced by banking sector today is to maintain good relationship with the customer and retention of customer. To maintain and retain the customer, banks must focus on technological advancement, effective grievance handling system and customer friendly services. Understanding the customer requirement and incorporating the ongoing changes that take place in banking sector is must for banking sector to provide genuine customer relationship management.

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