



## **A STUDY ON CRM PRACTICES WITH REFERENCE TO BANKING SECTOR IN COIMBATORE**

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### **Abstract:**

*Customer relationship management (CRM) is an approach to managing a company's interaction with current and potential future customers. The CRM approach tries to analyse data about customers' history with a company, to improve business relationships with customers, specifically focusing on customer retention, and ultimately to drive sales growth. The main objective of the study is to study the customer relationship Management practice that is implemented at customer level and to know the satisfaction level of the customers towards CRM practices. For this purpose a sample of 150 respondents were collected from the respondents and the conclusion is that the study report can be used as a supplementary factor to know about the perception of customers about software and many of the customers are not aware of the software if the company arranges for a work shop on software usage then it can be used by every customer where the client database can be maintained easily.*

**Key Words:** Business, Supplementary & Work Shop

### **Introduction:**

Customer Relationship Management (CRM) is a well-known business concept. Managers today are working hard to build and maintain a relationship with the customer - given the importance of customer lifetime value. While the concepts of CRM and Customer Lifetime value are well established and understood by managers, managing customer relationships has become a challenge for many managers. Several firms have implemented dedicated software tools for customer relationship management, and even more number of banks is planning to do the same.

### **Objectives of the Study:**

- ✓ To study the customer relationship Management practices that is implemented at customer level.
- ✓ To study the awareness of customers towards CRM Practices banking sector.
- ✓ To know the satisfaction level of the customers towards CRM practices.

### **Need of the Study:**

Today, for any organization or firm to survive in this competitive world depends on its ability to be dynamic and be different from the competition to be unique in the industry. Customer satisfaction helps every organization to keep the existing customer and to build new customer. The purpose of this study is to study whether customer relationship management policies followed by the banks cater to the needs of the clients or not. Whether the clients are happy with the services provided by the banks.

### **Scope of the Study:**

The study is about customer awareness and satisfaction about CRM software used by the banks. The study will be useful for the banks to know about the usage of CRM and the awareness and satisfaction level of the customers where the banks can modify according to the result.

### **Limitations of the Study:**

The study based on survey through pre-designed questionnaires suffers from the basic limitations of the possibility of difference between what is recorded and what is the truth, no matter how carefully the questionnaire has been designed and field investigation has been conducted.

- ✓ The sample size was limited.
- ✓ Time has played a biggest constraint that the research could not be carried out comprehensively as the duration of the study was only for a short period of time.
- ✓ The investors may be biased.
- ✓ Study is done only for customers of the banks.
- ✓ As the project is also based on secondary data, possibility of unauthorized information cannot be avoided.
- ✓ Closed responses.

### **Review of Literature:**

Bergenfield (2010) Businesses are in a constant race to increase profits, keep current customers and gain or poach new ones, competing for customers on a globalised market like never before. One of the many sets of tools aimed at aiding the interaction between supplier and customer is customer relationship management (CRM).

Morgan and Hunt (1994) defined Relationship marketing as the marketing activities directed toward establishing, developing, and maintaining successful relational exchanges. The separation of the producers from the users was a natural outcome of the industrial era. On the one hand, mass production enforced producers to sell their product & services through middlemen, and on the other, industrial organizations, due to specialization of corporate functions, created specialist purchasing departments and buyer professionals, thus separating the users from the producers.

### **Research Methodology:**

#### **Type of Research:**

The present study, being conducted followed a descriptive design. It produces a picture of phenomenon in which decision maker is entrusted. Design of descriptive studies includes the nature and source of the data, the nature of expected results and the analytical methods. Descriptive research describes about the population or phenomenon being studied. Descriptive research is pre-planned and structured.

#### **Method of Data Collection:**

- ✓ Primary Data: The method followed in obtaining the primary data was through the structured questionnaire.
- ✓ Secondary Data: It refers to the information or facts already collected. The data was taken from internet and journals.

#### **Sample Design:**

**Universe:** All the customers of Banking sector in Coimbatore.

**Sampling Unit:** Every single respondent who has filled the questionnaire.

**Sample Size:** Sampling size refers to total number of respondents targeted for collecting the data for the research. The sample size for survey conducted is 150 respondents.

#### **Sampling Technique:**

The selection of respondents was done on the basis of Convenience Sampling technique.

**Analysis and Interpretation:**

	Particulars	Frequency	Percent
Gender	Male	96	64.0
	Female	54	36.0
Age	20-25	18	12.0
	26-30	72	48.0
	31-35	43	28.7
	36-40	12	8.0
	Above 41	5	3.3
Educational Qualification	12th	18	12.0
	UG	82	54.7
	PG	30	20.0
	Others	20	13.3
Sales/Customer Appointment	Less than 30	74	49.3
	30 to 60	42	28.0
	60 to 90	14	9.3
	More than 90	20	13.3
Frequency of Travelling	Over 75%	112	74.7
	50%	16	10.7
	25%	12	8.0
	Less than 25%	10	6.7
Field for Customer Call	Over 75%	103	68.7
	50%	18	12.0
	25%	24	16.0
	Less than 25%	5	3.3
Mode of Keeping Touch With Customers	Emails/mailers	91	60.7
	Forums/Blogs	2	1.3
	Telephone	49	32.7
	Post/ snail mail	8	5.3
Preferring of Appointments	Manually	81	54.0
	CRM Software	36	24.0
	MS Excel	33	22.0
Access of Online Business	Sporadically	15	10.0
	Monthly	26	17.3
	Weekly	82	54.7
	Daily	27	18.0
Managing Customer Data	Manually	18	12.0
	CRM Software	19	12.7
	MS Excel	79	52.7

	Mobile phone book memory	34	22.7
Willingness of CRM Software	Of Course	85	56.7
	Already Using Software	36	24.0
	No	24	16.0
	Can't Say	5	3.3
Software Updates for CRM	Yes	142	94.7
	No	8	5.3
Most Preferable Software	Mobile is Convenient	105	70.0
	Internet is more important	45	30.0
Crucial Functions of e-crm	Contact management	19	12.7
	Opportunity/ Sales management	62	41.3
	Marketing Campaign/ Activity management	50	33.3
	Order Management	19	12.7

From the above table it's inferred that out of 150 respondents 64% of the respondents are male and 36% of the respondents are female in our survey. 48% of the respondents are from the age group of 26-30, 28.7% of the respondents are from the age group of 31-35, 12% are from the age group of 20-25, 8% are from the age group of 36-40 and 3.3% are from the age group of above 41. 54.7% of the respondents have completed UG, 20% of the respondents have completed PG, 13.3% have completed other courses and 12% have completed 12<sup>th</sup>. 49.3% of the respondents will have appointments less than 30 in one day, 28% will have 30 to 60, 9.3% will have 60 to 90, and 13.3% will have more than 90 appointment with clients. 74.7% of the respondents travel over 75% frequency to meet the clients, 10.7% travel 50%, 8% travel over 25% and 6.7% travel less than 25%. 68.7% travel over 75% for customer cal, 12% travel over 50%, 16% travel over 25% and 3.3 % travel over less than 25% to meet their customer call. 60.7% of them use emails for interacting with customers, 32.7% use telephone, 5.3% use post mail and 1.3% use forums and blogs. 54% of the customers use manual ways to maintaining the appointments of clients, 24% use CRM software for maintaining the clients, and 22% use Excel sheet.

**Satisfaction Level of Using CRM:**

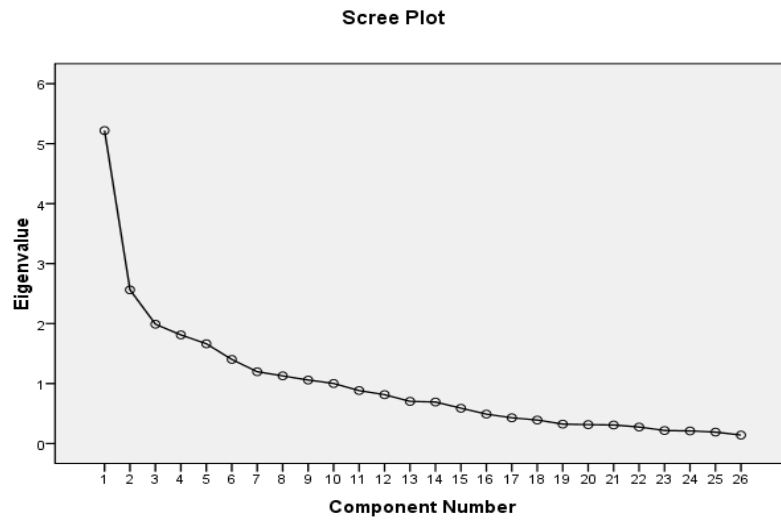
A total of 12 variables were identified for the purpose of satisfaction level of using crm. In order to reduce the number of variables and to identify the key factors contributing towards the expectations of services, factor analysis is performed. KMO and Bartlett's test is conducted to identify the sampling adequacy.

**KMO and Bartlett's Test for Satisfaction Level of Using CRM:**

<b>KMO and Bartlett's Test</b>	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.898

KMO of sampling adequacy value for the service quality measures is 0.898 and it indicates that the sample is adequate to consider the data as normally distributed.

The number of factors as identified by performing the screen plot. The results are shown below,



Screen plot shown the above figure gives a pictorial view of the number of components to be shortlisted and to become factors based on Eigen value. So from the above chart become three factors have been shortlisted.

Rotated component matrix is used to identify the factors after data reduction. The results are shown below,

**Rotated Component Matrix for Satisfaction Level of Using CRM:**

Component Matrix	
	Component
Real Time Updating	.935
Ease of Use	.897
Auto reminders	.973
SMS reminders	.941
Pending Task	.954
Remotely manage/ review sales team	.945
Reports	.925
data access	.940
Time Saving	.666
Enable Decision making	.928
Mobile access	.855
Internet access	.877

From the above table, factors above the values above 1.0 are considered. The table shows that no factor has be prioritized in factor analysis which shows that while taking the level of satisfaction on CRM usage the banks have to develop further for the satisfaction of customers.

**Findings and Suggestions:**

- ✓ The study shows that major of the respondents are from the age group of 26-30. So the banks concentrate on customers with the age factor from 26-30 to promote the CRM software so that the reach can be easily made to make the software user friendly.

- ✓ Many of the customers use email as the mode of communication to communicate with the clients of the banks. It's the duty of the banks that make more option to the customers via mail using CRM software to communicate the clients.
- ✓ Only 12.7% of the customers said that they use CRM software to reach the clients and manage the customer database. It clearly shows that the customers are unaware of the software and its worthiness of the software. It's the duty of the banks to create awareness program among the customers by conducting more workshop programs in the banks.
- ✓ Major of the respondent say that the ERP can be used in mobile as mobile application. If the bank makes it possible then the client data base can be easily be maintained by the customers with cost effective for the banks.

#### **Conclusion:**

The study analyses about the usage of CRM by the customers in the company and the pros and corns involved in using the software by the company. We have used percentage analysis, factor analysis, and rank correlation as a tool to analyse about the study. The conclusion is that the study report can be used as a supplementary factor to know about the perception of customers about software and many of the customers are not aware of the software if the company arranges for a work shop on software usage then it can used by every customers where the client database can be maintained easily.

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