ABSTRACT

Customer Relationship Management (CRM) is a new and emerging concept in today’s global scenario. It is seen as an answer and a change to the traditional filing methods to improve business standards. It is basically customer centric with an aim to improve customer loyalty and its impact is felt in all areas of the business. CRM is the process or methodology which is used to learn more about customer’s needs and behaviours in order to develop stronger relationships with the customers. It brings together lots of pieces of information related to customers, marketing, effectiveness, responsiveness, sales and market trends. In short, CRM can be described as the key to success in any business.

CRM best practices manage to place the customer at the focal point of the organisation in order to cater to his needs integrates resources with people and technology in order to satisfy him. CRM banking solution achieves employee’s training to face customers with confidence, improved infrastructure, customer acquisition and retention ultimately contributing towards better performance. Banks leveraging technology can develop innovative customer solutions to attain growth with profitability within the framework of sound risk-management practices. Techno-savvy banks are tapping online services to initiate a new era in relationship management to create relationships to enhance their competitive advantage.

The present study titled “Customer Relationship Management (CRM) Best Practices and Customer Loyalty: A Study of Retail Banking Sector in Kerala” has been undertaken to assess the best practices adopted by public and private sector banks in Kerala. The study also intends to assess the extent of implementation of best practice in this sector. It tries to find whether there is an association between CRM best practices and customer loyalty in this sector.

The study covers a period from 2002-03 to 2014-15. Both the primary and the secondary data were used for the study. The primary data were
collected from employees as well as customers, based on a structured interview schedule. The secondary data were collected from books, periodicals, committee reports, official records, government publications and the Internet. The data collected were classified and analysed suitably, keeping in view the objectives of the study.

The study found that the customers identified nine CRM practices and officers identified six practices as excellent CRM practices in both public and private sector banks in Kerala. The study also found that CRM practices in the retail banking sector in Kerala have an effect on augmenting customer relationship and is found to be good and independent of the region. Customers’ opinion on CRM practices in the retail banking sector in Kerala is good and officers’ view is low. The customers are aware of the CRM practices and they are also satisfied with the practices. Further, according to customers, the implementation of CRM practices is good and officers’ view is average. Customers are also willing to recommend their banks to others and service quality was the first reason for recommendation. This study also found a clear association between CRM best practices and customer loyalty which will act as a motivating factor for banking industry in Kerala to start larger investments in CRM best practices.