PREFACE

Recent developments in critical areas of Information Technology have changed the way banks are managing their customer relationships. Nowadays, people are increasingly seeking solutions for their financial needs, and retail banks are the institutions facing these demands in a competitive environment where each financial services provider has understood the need and the benefit of developing long-lasting relationships with their customers. In this context, many banks decided to shift their managerial focus to customers, whose acquisition, development and, most importantly, retention could improve the long-term profitability. Such focus on customers embedded throughout the entire organization has been consequently developed into the customer intimate strategy. Customer focus and relationship management have become fundamental marketing and business philosophies for banks seeking competitive advantage. Establishing, maintaining and enhancing customer relationships have always been an important aspect of banking business.

Improvements in technology enable businesses to implement CRM systems that can create practical mass customization marketing programs, based on one-to-one marketing techniques. This linkage between marketing and technology is viewed by some academics as providing the opportunity to establish, cultivate and maintain long term, mutually beneficial interactions with large numbers of customers in a cost-effective manner. Retail banking was once considered as taboo by the leading foreign and domestic banks. But cut-throat competition, innovation and advanced technology have altogether changed the face of banking sector. Now all banks have recognized the importance of retail banking.

Retail banking refers to provision of banking services to individuals and small business where the financial institutions are dealing with a large number of low value transactions. This is in contrast to wholesale banking where the customers are large, often multinational companies, governments and
government enterprise, and the financial institution deal in small numbers of high value transactions.

The objective of this research is to identify and assess the best practices in CRM implementation in the Kerala retail banking sector, to understand the extent of implementation of CRM best practices in the Kerala retail banking sector and to assess the association between implementation of CRM best practices and loyalty of customers in the Kerala retail banking sector.

The study covers a period from 2000-01 to 2014-15. Both the primary and secondary data were used for the study. The primary data were collected from employees as well as customers, based on a structured interview schedule. A total of 90 branch managers and 450 customers were selected for a detailed study. The secondary data were collected from books, periodicals, committee reports, official records, government publications and the Internet. The data collected were classified and analyzed by taking the appropriate statistical tools suitably, keeping in view the objectives of the study. The study is organized in six chapters. Chapter one gives an introduction which contains statement of the problem, scope and significance of the study, objectives of the study, hypotheses, variables used for the study, methodology, period of the study, definition of the terms used in the study and limitations of the study. Chapter two deals with literature review on the topic. Chapter three contains an overview of banking industry and CRM best practices used in banking industry. Chapter four identifies the best practices currently implemented by retail banking sector in Kerala. Chapter five deals with the extent of implementation of CRM best Practices in the retail banking sector in Kerala. Chapter six assesses the association between CRM Best Practices and customer loyalty in the sector. Chapter seven contains a summary of the findings, conclusion and suggestions based on the study. The findings of the study would hopefully be useful to administrators of banking sector, planners, and economists and more importantly to scholars and academics.

LINIE DARLI