A COMPARATIVE STUDY OF NATIONALIZED AND PRIVATE BANKS WITH REFERENCE TO CRM

Customer Relationship Management is the establishment, development, maintenance and optimization of long-term mutually valuable relationships between consumers and the organizations. After analyzing the factors considered in research it is observed that following 8 factors are significant as compared to various factors.

1) Interactive Management 2) Bank initiative with customer plays very important role 3) Empowerment to customers 4) Understanding Customer expectation 5) Presence of internet facility without risk 6) Loan and related facilities with clear and standard terms and conditions 7) Variety of Services Online service, payment and other services 8) Well trained and Mature Staff to handle Errors and critical situations etc

Detail Analysis have been done to understand the relation between various questions. The Private Sector Banks have been perceived to be having higher mean values of CRM than the Public Sector Banks. While analyzing the Public Sector Banks, it has been observed that SBI is taking initiatives on the technological front and is perceived to be better when compared to the other Public Sector Banks considered in this study. However, on comparing the average grand mean with the bank means, it has been concluded that all the Private Sector Banks have scored above average when compared to the Public Sector Banks. It shows that Private Sector Banks are using Customer Relationship Management technique aggressively to enhance their base.

Indian Banks have recorded a phenomenal growth in the past decade with the initiation of Economic Reforms. The banks, both Public and Private, have transformed themselves into profit-oriented business organizations besides playing a developmental role in the economy. In an attempt to be more profitable, the banks have become competitive and more customer – oriented. This new orientation has compelled them to take a more pragmatic approach for conducting the business. The CRM is one such tool which helps in meeting the customer’s expectations according to their changing needs. While analyzing the CRM Implementation in both the sectors, it was found that the Private Sector Banks have been able to implement the CRM practices more effectively when compared to their Public Sector counterparts. This indicates that strategically speaking, the Private Sector Banks have been more innovative in understanding their customers and in building good relations with them.

However, a micro analysis reveals that the Public Sector Banks have highest scores in terms of reliability and assurance whereas the Private Sector Banks have lower in terms of tangibility,
reliability and assurance. This indicates that the banks are in a dire need to make proper strategies to improve their working. This will make the banks more efficient in serving the customers and in maintaining the long term relations with them. The analysis of the results received suggests that the banks (whether Public or Private) are equally affected by the kind of CRM initiatives they undertake. The banks are now under tremendous pressure to retain the older customers because of the competition in the Banking Sector. This would not only ensure better customer relations but also loyalty among them, which is very critical and important in today's competitive world. Banks have started acknowledging the importance of the customers in developing their business. They have recognized that it is essential to protect and grow its customer base and ultimately its profitability. The banks can do this by building a strong relationship with the customers. To meet the customer needs and to beat the competition, they must deliver superior quality service. The CRM approach adopted by banks focuses on maximizing the value for the customer and the bank.

There is an immense need of adequate training and motivation to the bankers to create fruitful and everlasting relations with their valuable customers. They should also come out with more efforts to make their customer literate in order to incorporate the best potential available. No doubt CRM is here to take on the business world and essential to compete effectively in today's market place. The more effectively you can use information about your customers to meet their needs, higher the satisfaction the more profitable we will be. Operational CRM needs analytical CRM with predictive data mining models at its core. The route to a successful business requires that you understand your customers and their requirements, and data mining is the essential guide. Extensive usage of Internet is going to be a standard and it's the challenge for the corporate world to fulfill desire of the customers. Customer Relationship Management, as referred, is 10% strategy and 90% action. It is a business strategy that adds value to the customer service in Banks and brings the customers near and dear to the business. A proper strategic alliance between various partners in the process of implementing CRM should be decided well ahead and once the concept is accepted it should be implemented in good faith and spirit so as to derive customer delight.