LITERATURE STUDY AND ANALYSIS
2. Literature Study and Analysis

2.1 Literature Review

CRM is an interdisciplinary subject; this cannot be studied in isolation. Before making any single move towards improvement propositions, it is worthwhile to first understand and analyze the current and future trends. The literature on Customer Relationship Management in the context of the Banking Industry of developed countries points towards the wide use of all financial services under one roof leading to relationship banking and CRM concept. In a specific study on CRM found that a customer becomes more profitable in the long run. Though the initial acquisition cost exceeds gross margin but the subsequent retention costs are much lower which help in increasing the profits. The Research findings of Technical Assistance Research Project state that 95% of customers do not complain and give opportunity to competitors. On the other hand, a dissatisfied customer tells around 14 people about service failure, whereas the same customer tells only around six others when he receives excellent service. This chapter highlights major review developments related to CRM relevant for the study

Customer Relation Management


Study has specifically concentrated on Customer Satisfaction Measurement in Private Banks. Study has come across some good, focused campaigns geared toward targeted results. Here are five specific CRM findings which are key area of focus of each bank

1. Percentage of highly profitable customers retained. What some banks have done is identify the tier of customers that represent the most profitability and then foster a very transparent effort to keep them in place and happy. They are identified as a top-tier customer to every employee that inquires on one of their accounts. They have a relationship manager that manages the relationship. And, the bank has a report that shows not only how many of them have left, but how many of them have increased the size of the relationship.

2. Percentage of customers that have moved from one product to two or more. The overall products/services per household is a great statistic to track. Some banks have put a bit of a different spin on it and said they will track how successful they have been in taking one-product customers (not a relationship yet) to a second or third (have a relationship). This not only tracks the number of products sold to a new customer in the first meeting, it tracks how well sales and
service efforts have been in getting something else from the customer who might have been with you for years.

3. **The percentage of business customers who have moved their personal relationships**

Some banks have two categories – “Business-only right now” and “Have both” – and actively track and publish the success in increasing that number. As with the other campaigns/targets, this progress is tracked and published.

4. **Core account open/closed ratio.** This is one statistic which is closely tracked in this research. Results shows on average, close four accounts for every five we open. This not only makes no sense if a sales/service culture is working effectively, it is also plain inefficient. Many have isolated core relationships (checking, savings) and targeted a reduced closure rate.

5. **Percentage of customers who use multiple channels.** A growing body of evidence shows that customers who use multiple channels (physical, phone, Internet, mobile) stay with you. For years, banks tried to get people to use self-service channels because it was less expensive. Now, some banks are measuring this for another reason – customers who are as happy with the experience provided by a second channel as they are with that of their primary channel stick around. One key to this strategy is that they have front-line employees who can talk about and sell the idea of non-branch channels authoritatively.

A rigorous, extensive, scientific, control group-based research project examining financial institution sales, service and CRM strategies summary findings are:

<table>
<thead>
<tr>
<th>Percentage of financial institutions with a service differentiation strategy</th>
<th>99.999%</th>
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<tbody>
<tr>
<td>Percentage of FIs with a service culture that is a competitive advantage</td>
<td>99.998%</td>
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<tr>
<td>Percentage of FIs that are migrating from an order-taking culture to a sales culture</td>
<td>99.997%</td>
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<tr>
<td>Percentage of FIs that have made an investment in sales/CRM systems to support this strategy</td>
<td>99.996%</td>
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<tr>
<td>Percentage of FIs that are focused on relationships, not accounts or transactions</td>
<td>99.995%</td>
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<tr>
<td>Percentage of FIs that will win with a compelling customer value proposition, not price, in the long-</td>
<td>99.994%</td>
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<td>Percentage of FIs that think they will get to invest more money in sales/CRM systems in 2009 given the current economic climate</td>
<td>0.001%</td>
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<tr>
<td>Percentage of FIs that say, “Well, we tried to build a service culture but the truth is, our service really isn’t as good everybody else’s.”</td>
<td>0.0001%</td>
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<tr>
<td>Percentage of FIs that say, “Oh, forget service and value. Let’s face it. If we just open our doors we’ll probably get our share of the business just on the luck of the draw.”</td>
<td>0.00001%</td>
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Gummerson (1996) explored the extent of application of relationship marketing in banking sector. According to his findings, the service users hold good image of the company if it provides effective CRM services. He found that poor relationship marketing caused discontinuation of services by many customers. The same concept applies to Indian customers too. Service industry players need to put thrust on this area to maintain profits on a sustainable basis.

Jain and Dhar (2003) studied the determinants of customer relationship management effectiveness in India. They used in-depth interviews focused on behavioural dimensions of relationships. It was found that customer relationship management emerged as a core business process for maintaining and enhancing the competitive edge in modern business affairs. In the area of bank services, the issue of customer relationship management holds much importance. Many a times, it is the CRM that becomes the deciding factor while selection of services. Customer loyalty is directly related to the CRM efforts made by the service sector companies.

Swift (2001) studied and found out CRM as a process aimed at collecting customer data, finding profiles of customers and use the customer knowledge in specific marketing activities.CRM has been seen as an IT-enabled business strategy focusing on developing and retaining customers through increased scores on satisfaction and loyalty.

(Campbell 2003; Rowley 2004; Minna and Aino ,2005)

They studied that an analytical CRM system requires Knowledge Management (KM) applications in CRM systems to improve the strategic efficiency of CRM through acquiring and sharing knowledge about customers. The importance of interface between KM and CRM systems
in banks has been highlighted. They found out the criticality of this interface to understand and operationalise this interface in parallel contexts of systems, people and processes. The same author further suggests that customer data may be used as a platform for CRM systems for communicating, creating loyalty, customer service, trust cultivation and relationship maintenance in banks. The same may also act as a platform for KM processes in banks like knowledge creation, sharing, dissemination and exploitation.

Authors like Xu et al (2002) and Bose have focused on a requirement of capabilities in CRM systems beyond basic levels in banks. Xu et al (2002) linked CRM system allowing the organization to gain an insight into the behaviour of individual customers and this helps to target and customize marketing communication & messages. The tools embedded in the CRM system support the calculation of customer lifetime value for the ‘segment of one’ that is individual customer. Xu et al. (2002) suggested that contact centers have been playing a major role within the CRM picture. They evaluated CRM systems in their capabilities to include online order, e-mail, and knowledge bases and the use of these to generate customer profiles and finally to customize service. However, the above mention authors neither give the key components of the CRM system nor do they mention a blueprint for the development of such a system in banks.

Bose (2002) has outlined a CRM development plan based on the development life–cycle approach involving acquisition, analysis and use of knowledge about customers so as to sell more goods and services and to do it more efficiently. An integration of technologies, working together, such as data warehouse, website, internet/extranet, phone support systems, accounting, sales marketing, and sales has been called for by the author. The analytic functions desired have been proposed to be fulfilled by separate systems such as decision support systems and expert systems.

A similar approach is suggested by Lee and Hong (2002) to create an organization-wide KM infrastructure in banks. In the model, database, data warehouse, digital library, data mining and online analytical process (OLAP) are suggested as being the tools to capture and develop knowledge. The model, however, is general to organizational KM rather than specific to customer knowledge creation. Ahn et al. (2003) proposes that data mining/analysis tools and a knowledge base should be the function of a CRM system, but did not go further to illustrate how such a system can be developed.

Choy et al. (2003) reported use of case-based reasoning to evaluate and select suppliers in order to fulfill the requirements of the key customers so as to retain a good relationship. Bose (2002) based
on Wells et al.'s (1999) argumented to suggest that expanding customer data needs to include non-transactional information, which is equally, if not more, valuable than the transactional data. Such data may include general inquiries, support calls, suggestions, employee/management comments, registration cards and complaints.

Taylor and Hunter (2002) found that the European customer support and service markets like banks is still largely focused on call centers, particularly in the UK. Very few practitioners are making optimum use of their client database, because they are failing to update, quantify and qualify the information collated about the clients.

Harvey (2001) suggested that CRM systems fail to have the transformational impact in banks widely promised by the software industry and expected by the business community. Gartner's report by saying that 65 per cent of CRM implementations results in failure. Most CRM systems are used to improve customer-facing operations. he argued in line with Harvey that 80 per cent of CRM implementations fail, and academics express scepticism about the viability of interpreting customer data in such a way that it generates useful insights into customer and user behaviour.

Sweet (2001, 2002, 2003, 2004) reported four survey results related to CRM applications in banks. The surveys were conducted by PMP Research from 2001 to 2004. A range of CRM-related issues are investigated including the success level of CRM, reasons for implementing CRM applications, degree of customizing CRM solutions, current spending and future investment in CRM, degree of using analytical tools, and the perception of gaining competitive advantage from CRM.


Leffingwell and Karakostas, 2000; Sommerville and Sawyer, 1997 studied and found that CRM is more than another IS project, CRM is a complex process which is driven by the requirements (needs) of the organization and the customer. It is imperative that the development and implementation of CRM picks up on the requirements of both organisation and customer, and that these are wedded into the software developed so that the business processes required happen and realise value for the organisation and satisfaction for the customer.

The front-end information systems are the direct descendants of existing CRM, and include sales force automation, market automation and customer service automation (Chang, 2001; Firth, 2002). Sales force automation gives an organization’s sales people, the traditional customer face of the organization, the information systems based tools and techniques to better interact or
perform their tasks. Customer service automation tools include call centres and sophisticated communication technology infrastructure, Web sites and e-commerce interfaces. These technologies will have an increasing significance to the organization with the deployment of CRM.

(Korner and Zimmermann, 2000) observed that significant number of CRM projects have centred on the finance and investment industry where advisors and analysts have a need to understand their clients very intimately and provide advice that is critical to their client's investment portfolios.

(Schroeck, 2001): The most effective way to create an integrated CRM environment is by implementing a customer data warehouse.

Critical for successful CRM in banks is that data mining ‘needs to have relevance to the underlying business processes’ (Berson et. al., 1999). This suggests that data about a client’s interaction with an organisation does not only come from the sales and marketing area. Clients interact with various people and departments at various different levels. Client data does not simply appear. It has to be generated and collected from somewhere, the sales and marketing is only one source of data.

Day, 2000 observed that Client data in banks in a CRM system is used by all who come in contact with a customer, and mainly by the sales and marketing areas underlining ‘an important facet of a market-related capability is sharing knowledge with all employees who come in contact with customer’ CRM is basically the endpoint of understanding requirements and interaction with customers to provide the customer with a high level of service they need, want and demand.

Weill and Broadbent, 1998 It is important to realize the size of the investment in information technology and systems relating to CRM. With the unstoppable move towards e-commerce making long term infrastructure investment decisions critical and with the average US based CRM project investment approximately $US3.1 million, and according to Forrester Research (cited in Rigby, 2002) the cost can be between $US60 million and $US130 million, makes CRM systems a considerable infrastructure investment. A significant factor that is impacting on technology is the increasing number of technology tools and their sophistication, ‘although service encounters have traditionally been conceptualized as “high-touch, low-tech”, the infusion of technology is dramatically changing their nature.
Technology is used to automate processes (Strauss and Frost, 2000), which are a delicate part of CRM, and need to be mentioned albeit briefly. CRM brings a new economy to the organisation and includes not only structural but also process related challenges and potentials (Kroner and Zimmermann, 2000). A process is a way an organisation does something, and if a process is errant and automated as part of CRM, all that is achieved is an errant processes automated (Close, 2001; Goldenberg, 2002), making technology and application selection almost secondary compared to the change to processes a large CRM project will bring to an organisation (Chang, 2002). Many executives are impressed by software solutions and ‘often do not see the need for changes to internal structures and systems before investing in CRM’ (Rigby et. al., 2002) failing to see the true requirements of an IS project, causing a loss of synergy between the many internal processes.

(Chang, 2002) found that CRM packages are starting to extend tendrils to other parts of the banks outside the traditional front office functions’ making CRM a maze of cross discipline perspectives, with organizations, and researchers equally, needing to understand the fact that ‘CRM is a complex, multifaceted discipline that involves rethinking and re-examining everything from technology and processes to the skills and abilities of employees’ ‘Companies will gain the strategic and economic benefits associated with CRM by integrating their organisation capabilities – structure, processes, skills and metrics – into the added intelligence of CRM technologies to either confirm or change decision-making criteria’ (Swift, 2001) meaning only through the integration of backend, front-end and data-handling technologies efficiently and effectively, then this is CRM.

‘Successful CRM in banks depends more on strategy than on the amount you spend on technology’ (Rigby et. al., 2002), meaning simply throwing software or technology at an organisation for CRM implementation will cause more problems than solutions.

Berry (1995), Sheth and Parvatiyar (1995)) Found out that CRM is being used to reflect a number of differing themes or perspectives and becomes a "catch-all" phrase. Ongoing relationships between banks and their customers are receiving renewed interest in marketing. Indeed; the building of strong customer relationships has been suggested as a means for gaining competitive.

Different studies specific to relationship in service sector are

1. The partnering involved in relational exchanges between company and their external’ suppliers (Frazier et al. 1988)
2. Literature Study and Analysis

2. Relational exchange involving service providers, as between advertising or marketing research agencies and their respective clients (Frazier et al. 1988)
4. Alliance between a firm and nonprofit organizations, as in public-purpose partnership (Steckel and Simons 1992).
5. Partnerships for joint research and development, as between firms and local, state, or national governments (Comer et al.(1980), (Berry 1983))
6. Long term exchanges between firms and ultimate customers as particularly recommended in the service marketing area (Berry 1983)
8. Exchange involving functional departments within the firm (Ruckert and Walker (1987)

**Berry (1983)**

He defined customer relationship management as attracting, maintaining and enhancing customer relationships in multi service organizations. Berry and Persuraman (1991) proposed that customer relationship management concerns attracting, developing and retaining customer relationships. Berry stressed that the attraction of new customers should be viewed only as intermediate step in the marketing process. Solidifying the relationship, transforming indifferent customers into loyal ones and serving customers as clients should also be considered as marketing. He outlined five strategy elements for practicing customer relationship management in banks: His findings are:

1. Developing a core service around which to build a customer relationship.
2. Customizing the relationship to the individual customer.
3. Augmenting the core service with extra benefits.
4. Pricing services to encourage customer loyalty.
5. Marketing to employees so that they, in turn, will perform well for customers.

(Morgan and Hunt, 1994; Morris, Brunyee, and Page, 1998). Studied that CRM benefits the customer also because of the seller's earnest attempts to satisfy the needs of the buyer by becoming a dependable and high-quality supplier. He recognized that CRM can contribute to a value-creation strategy because of the advantages associated with being a trusted participant in the network or set of strategic alliances that are maintained in a CRM relationship.
A Kothandaraman and Wilson, 2000; Ulaga and Chacour, 2000) found out that, the use of CRM strategies and tactics serve as one of the major driving forces behind many companies' efforts to create superior value for their customers and generate a long-term revenue stream for themselves. Since the creation of a superior value for customers is needed to generate and maintain a sustainable competitive advantage,, At the same time that CRM has increased their ability to organize, store, process, and analyze data from their own internal business activities as well as from external sources. Improved computer technologies, combined with more powerful software, provided by banks who specialize in CRM applications, have resulted in an ability to use data in ways never before possible in developing competitive strategies. This data-processing capacity has fueled the CRM movement.

Berger and Nasr (1998), Mulhern (1999), and Jain and Singh (2002) found out that managers expect customer relationship relationships to be enduring, he anticipated that the seller will capture as much of the buyer's business as possible for as long a time as possible. As a result, the concept of Consumer Lifetime Value (CLV) has been developed as a way of determining the monetary value of the buyer's purchases to the seller over time. This research on CLV suggests that many companies are using these concepts to determine those customers to select for their CRM programs and how much to spend on these programs for each customer. CLV models can be used to project a revenue stream for each customer and then contribute to a number of marketing decisions, including customer acquisition programs in banks.

Dwyer, Schurr, and Oh's (1994) found out that there are advantages in using CLV concepts to design and manage marketing programs, but what if the relationship between the buyer and seller crumbles? Of particular importance he founded, that a company's relationships with its customers may diminish over time and even dissolve. final stage in their assessment of the CRM process is dissolution. Under such a scenario, the bank would be expected to replace former customers with new ones, and thus the customer acquisition process becomes critical to the long-term success of the seller.

D. Hester (1964)
Studies the reasons influencing the operating performance of Indian banking system despite the fact that financial technology develop by a high performance banking system effects the rate of saving in an economy, he had given special attention to cover all the parameters affecting that performance within comparison between Indian banks.
Hussain (1988) Highlighted the various financial organization functions problems can be faced when a new technology or system is organized. He highlighted the importance of CRM in various sectors and with this computerization have been critically discussed.

Benton E. (1990) Studied the mechanism of organism of CRM in banking, what and Bank frauds are taking place which affects customer loyalty and how we can control that. He Stresses that there is no doubt that CRM has positively affected the productivity, Profitability & efficiency of banks but then also there is need to detect the bank frauds

Amita Nayyar (1992) Studied profitability and profit planning in commercial banks, he also studied ways to improve the profitability, funds management. Optimum utilization of staff improvement in productivity and expenditure control

Jatinder Kaur Sidhu (1994) Studied the importance of balanced regional growth for economic development. She studied the growth & disparities in banking development in India.

Johri & Jauhari (1994) analyzed the importance and various issues related to computerization of banking in India. He further analyzed why computerization is necessary to satisfy the day-to-day customer and his needs.

Nevin (1995) He studied the Customer relation management and its relation with marketing; with their functional aspects in banks He laid emphasis on a need to build good will in the market to attract more customers. He even reveals to apply various methods of marketing to make customer loyal to bank.

Coopers (1997) Gave a literature that in North America out of eight hundred Banks 40% feel that CRM strategies leads to enhanced target marketing in America, their results have shown improvement in customer management and marketing.

Hiroshi F. (1997) In his study “Electronic commerce for new management and information system infrastructure”, he had given stress on electronic information provided to customer in various banking sectors to make the system more efficient to fulfill the needs of customer using banking services and help in CRM.
R. Adolf et al (1998) He analyzed the Customer relation management with respect to banks and suggested that, bank should decide what they expect to find and then analyze data. He further concluded that bank should integrate all data to establish a closed loop that track all leads and prospects to attract customers.

Bajaj (2000) He analyzed related issues due to adoption of CRM in banking. He explained e-commerce, payment system, smart card, electronic check etc. He explained that IT has made for big CD’s to raise money in capital market than from banks. He conclude that electronic payment system are emerging and getting acceptance in market place as it help to cut cost by producing check ways of delivering products to customers and to see it that whether technology create new opportunities for banks or they become extinct.

Kulkarni (2000) Views that seminal changes, which are taking, place at a very high speed today, are likely to be completely change the pace of banking. He discussed the future trends for banking also. According to him traditional bank branch of 20th century would be almost nonexistence and changing banking is very important in regard to advance countries with emergence of the internet, e-commerce and revolutionary changes in telecom in order to satisfy the customer.

Niranjan (2000) Studied the effect of IT on banking as directions of banking has been changing now. The scope of banking has studied other than loans and deposits. Banks have started e-Commerce, e banking and many banks have entered in insurance sector.

Dr. S.P Rajgopalan (2000) In his article e banking in Indian scenario has defined the need of e-banking in Indian context as it can help banks to reduce the cost of transaction and cost of administration and to survive in competitive environment it is essential for banks to use information technology and to able to provide more better and efficient services.

M. Manickarj & T.A Hemalatha (2001) In this article e-banking success identifies that in new digital market place banks and financial institutes are not lagging behind and start providing services electronically to internet. These services lower transaction cost & empowers customers & enhance the value to banking relationship. They discussed also services through a banking, their benefits to customers, banks & limitations.
Peppard J. (2001) **In his study**, “Customer Relation Management in Financial Services”, he had given special consideration to Financial Services provided by banks to customers. His main consideration was customer relation management in banking sector in Europe.

**Rajinder Kumar (2002)** He studied the impact of IT on the growth of banking system, which affect the customer relation toward banks. He analyzed that how IT is useful for bank and customer growth and how it can help to reduce the workload and paper burden to large extent keeping in view customer satisfaction.

**Pisharodi, Angur and Shainesh (2003)** in a study of success of CRM found that a process oriented strategic approach to connect the operational, informational and the organizational components of CRM are critical for the success of CRM application.

**Reinartz & Kumar (2002)** pointed out that Managers need to be careful in differentiating customer loyalty and customer profitability. Enterprises ought to understand the fact that managing customers for loyalty is different from managing them for profits.

As per the Research Note by Gartner Group (2001), more than 75% of enterprises engaged in CRM initiatives are incapable of putting together a comprehensive view of their customers. Further, it noted that market leadership would be attained by enterprises that achieve maximum value and customer satisfaction within each customer segment being served by them.

**Parvatiyar and Sheth (2001)** observed that CRM is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company with the customers.

**Day (2000)** pointed out that the enterprise has to develop some key marketing competencies for the smooth implementation of CRM. A relationship orientation is the first such thing. Relationship orientation should permeate the mindset, values and norms of the organization. Further, the enterprise needs to continue to increase its knowledge of the customers and ensure that it flows all over the organization. Finally there is a need for alignment and integration of processes.

**Ernst & Young (1999)** observed that enterprises investing on CRM solutions predominantly focus on technology. The challenge lies in combining people, processes and technologies while implementing CRM Solutions.
**Davids (1999)** observed that choice of relevant technology and implementation are keys to successful customer relationship plans. The failure rate of CRM projects has been estimated to be high.

**Groff et al (1998)** observed that CRM facilitates better handling of the obstacles of interweaving customer relationship strategy at all levels. It demands a holistic approach and process orientation.

**Reichheld & Sasser (1990)** found that advancements in information technology, data warehousing and data mining capabilities enable enterprises to manage individualized relationships with key customers. The benefits come by way of lower costs of customer retention, improved profitability and lower defection rates.

**Rowley (2002-04)**

His research highlights the importance of interface between KM (Knowledge Measurement) and CRM (Customer Relationship Management). Rowley who points out the criticality of this interface in parallel contexts of systems, people and processes. The same author further suggests that customer data may be used as a platform for CRM systems for communicating, creating loyalty, customer service, trust cultivation and relationship maintenance. The same may also act as a platform for KM processes like knowledge creation, sharing, dissemination and exploitation.

An integration of technologies, working together, such as data warehouse, website internet/extranet, phone support systems, accounting, sales marketing and sales has been called for by the author. The analytic functions desired have been proposed to be fulfilled by separate systems such as decision support systems and expert systems.

This approach is vague on how customer knowledge might be created, because it is not clear as to what technology in practice actually turns customer data into knowledge. Such data may include general inquiries, support calls, suggestions, employee/management comments, registration cards and complaints.

The implementation of CRM systems has been widely reported by both CRM software vendors and academic researchers. The popular CRM systems appear to be:

1) Call centre,
2) Contact management,
3) Data warehousing,
4) Portals,
Finding of this review Analytical CRM systems are yet to make a mark in most Indian banking companies. There is strong recognition of its benefits for the long term organizational survival at both top and middle levels of management amongst Indian banking companies. However neither the time frame nor a road map is clear to them. The paper has demonstrated the critical capabilities which the bank seek to have in their future CRM systems. The road map towards acquisition of analytical CRM capabilities provides a conceptual framework for its implementation. Issues like business process changes, organizational cultural transformations, top management involvement and clear implementation benefits’ measures have to be worked out in the long run to make a strong for analytical CRM to be implemented in the Indian banking sector.

Margaret McLaughlin and Sheizaf Rafaeli, (2004)

The aim of this study is to explain the impact of Web site characteristics on the relation between customer relationship management (CRM) and customer loyalty. Data collected from 170 organizations showed that Web site characteristics have a significant impact on the link between CRM (in terms of partnerships, empowerment, relations with customers, and personalization), and customer loyalty. In other words, using the Internet to support CRM allows banks to increase their customer loyalty in the IT sector. However, the impact of Web site characteristics on the link between CRM, in terms of understanding customer expectations, customer prospecting, and interactive management, and customer loyalty has not been tested because the direct link between these three components of CRM and customer loyalty has not been significant in this study.

Bateman & Snell (2007) observed that CRM is a business process which results in optimized profitability and revenue generation, while achieving customer satisfaction. Often also known as relationship marketing by marketing academicians, CRM is an information technology assisted process that establishes a collaborative environment for businesses to analyze the buying behaviour and product/service requirements of an individual or group of existing as well as potential customers
2. Literature Study and Analysis

2.2 Gaps in the Existing Literatures

There is limited research for the analytical CRM for Indian banking sector. The perception of this sector about analytical CRM systems needs to be further researched along with benefits which this sector hopes to achieve through analytical CRM. This constitutes a research gap and has been the focus of this paper.

As discussed in the previous sections, the existing studies have multiple points of views but non of them have offered a integral and specific study in CRM.

Thus a need is felt to initiate research in this direction so as to evaluate a model and establish relationship between different parameters that will reflect the effectiveness efficiency of CRM. Building a true objective model is not feasible, it is better to identify the practices at industry level and then move to generalization. The present work is an initial attempt at the industry level.