CHAPTER II
REVIEW OF LITERATURE

INTRODUCTION:

Customer Relationship Management, as a field of marketing and with regard to research literature, is still in its infancy. The relative novelty and its exploding growth have resulted in a flood of literature by way of books, research articles, masters and doctoral dissertations, white papers, working papers, conference papers etc. For this study a few textbooks were referred to get the general feel of the concept. But since the academicians and practitioners are most likely to acquire and disseminate information through the scholarly and research journal articles, a number of articles on the concept of CRM as well as on its sub-concepts have been browsed. Since the nature of CRM is hard to be confined to a particular discipline, the academic literature has been found spread over a number of disciplines. Business, Management, Information Technology, Information Systems are the various other major disciplines that hold its literature, though basically CRM has been considered a marketing concept. A number of white papers of software vendors as well as those from the archives of the CRM sites were also referred to get the knowledge of the software concepts, implementation issues and for expert opinion on them. Most of the articles were downloaded from the online journal databases, i.e., Emerald Insight, ProQuest, Ebsco, Elsevier, Science direct, Jstor and some were directly downloaded from the internet. These soft copies were collected from the computer lab of the Department of Studies in Commerce, KUD; from the libraries of Goa Institute of Management; NITK, Surathkal, Mangalore; Reserve Bank of India, Bandra-Kurla complex & Fort, Mumbai; Goa University etc. Hard copies of the articles were collected from various libraries, i.e., Indian Institute of Management, Bangalore; Jain Institute of Management, Mumbai; Karnataka University, Dharwad; Mangalore University; Goa University; Goa Institute of Management, Goa; RBI main library at Fort, Mumbai, etc. The web has become a host of many CRM sites which disseminate useful information and though many have been visited for this study, Customer Think (originally named as CRM Guru), crmexchange, BankNet forum, CRM2day, Aberdeen group, Tech Republic, RightNow technologies, ZedNet technologies, etc. were
browsed often. The topic seems to have developed a special fascination since just the catchword 'CRM' results in the pop-up of a number of sites offering very useful information. Not to be outdone, the newspapers too contain a lot of information on the topic.

The focus of CRM is to forge a closer, deeper and lasting relationships with customers from what is known about him based on the premise - that existing customers are more profitable than new customers; that it is less expensive to cross-sell an incremental product to existing customers; that customer retention would be maximized by matching products and levels of service more closely to customer expectations; and that attracting new customers is expensive. The central objective of CRM is thus to maximize the lifetime value of a customer to the organization.

This chapter sets out the literature reviewed with regard to three aspects of research problem: 1. Literature reviewed to operationalise the research framework; 2. Literature reviewed on sub-concepts involved in CRM; 3. Literature reviewed to propose a model for CRM implementation in Indian Public Sector Banks.

2.1 LITERATURE REVIEWED TO OPERATIONALISE THE RESEARCH FRAMEWORK:

India is gradually opening itself to global competition and study shows that Indian PSBs are found steadily losing their business to their Indian as well as foreign contenders. Though their performance is improving gradually they are greatly lagging behind in their profitability indicators, a strong hold of foreign banks. With the likelihood of a totally open horizon to global banks, Indian PSBs surely need to consolidate their position before competition from global giants hits them. Further a study of one of the Indian banks by Rahman which explores and tests the relationship between experience and loyalty through a modified 'loyalty acid test' concludes that, on an average a majority of customers are satisfied with the present functioning of the bank but would definitely be delighted if the bank changed its interface with the customers to become more cognitive (intelligent), emotional, physically pleasing and well connected - a clear case for adoption of CRM for, it is customer delight that is aimed under it rather then mere satisfaction.
Literature says that fighting competition is vital for the profitability and the ultimate survival of banks. However, this has to be done in the right perspective for it is said that good businesses lose the power of their reputations as soon as they begin to drift from delighting customers to taking advantage of them, which he refers to as ‘selling the corporate soul’ when they display unrestrained greed, belief in own hype, and forget that it is the customer who makes them successful in business. This calls for the Indian PSBs to be cautious while treading the ground in order to make the customer as their focus in the future.

In their article, Hugar and Vaz have evaluated the customer orientation of Public Sector Banks and have concluded that when compared to the new generation private sector and foreign banks, they are found wanting in their customer centricity. The concept of Customer Relationship Management (CRM) is implemented with a view to improve customer centricity of organizations. Many have highlighted that application of CRM methods have enabled companies to experience success by enabling them to become more customer focused to face the increasing competition. A globally known case for CRM has been that of National Australian Bank which has wrought wonders to its customer relationships through its dynamic efforts at CRM. There are also case studies found on banks like NatWest and the Royal Bank of Canada which throw light on the benefits of a carefully implemented dynamic CRM.

There have been a number of studies to analyse the design and implementation of CRM in banks in real-life settings with a view to investigate the issues in CRM implementation. Blery and Michalakopoulos through their case study have analysed the design and implementation of CRM in a bank and identified the benefits, problems, as well as the success and failure factors in implementation and have developed a better understanding of CRM impact on bank’s competitiveness to provide a greater understanding of what constitutes good CRM practices.

Kim and Pan have analysed it from the point of view of success of information systems. Bentum and Stone have explored the connection between CRM implementation and culture and have found the need to induce an appropriate cultural foundation, and conclude that implementing the CRM package alone will not induce a CRM culture. They conclude that no single CRM culture exists and a
holistic culture for CRM requires a sophisticated approach to integrating distinct subcultures nurturing of which is a continuous leadership task on all organisational levels irrespective of the type of industry. They highlight that a CRM programme approach to implementing CRM is critical for success and for creating a CRM nucleus which will seed the requirements for successful CRM throughout the organization that requires openness and innovation, and that relying on internal knowledge alone is not sufficient to make CRM successful.

Reid and Catterall \(^\text{17}\) make an investigation into the Data quality issues to conclude that a data management strategy or framework needs to be put in place before any CRM implementation begins. So does Robert Rich \(^\text{18}\), senior product manager for ProfileStage and QualityStage for Ascential Software Corporation, a provider of enterprise data integration, highlights the role of data quality in a successful CRM implementation and discusses ten ways of successful data shoring in order to be ‘the hero who made CRM pay off quickly’.

Jim Dickie, a partner with CSO Insights, a research firm that specializes in benchmarking CRM and sales effectiveness initiatives speaks from his recent research findings \(^\text{19}\) of the shift in the success factors in CRM implementation over the years from being technology based in the 1990’s, to satisfaction of the user with the content in their CRM applications and maintaining CRM systems with the right types of information and knowledge as the most important factor in the present day.

Saviano \(^\text{20}\), president of the Longbow Consulting Group, an office products industry specific CRM and Sales Force Automation consulting organization engaged in the creation and implementation of successful CRM programs, says that the development of a strategic marketing/business plan around a CRM program is an essential first step in program development and is even more important than addressing any software considerations. Software is not a panacea that will automate and fix sales and marketing problems. It helps to drive solutions once problems have been identified. Thus, the paper says that the planning process should begin with a dealer carefully identifying the issues a CRM program needs to address. In another place he \(^\text{21}\) says that software cannot be viewed as the out-of-the-box panacea for success and should come after the customer-centric processes and marketing considerations are finalised without which unsound sales and marketing strategies
would be automated and the result would be an unsuccessful program and a lot of money wasted.

Sanchez (2003), says that to be successful CRM should be implemented as a process that includes developing a customer strategic plan, detailing business requirements, mapping organizational process that impact customers, building the business case for CRM and identifying the metrics of its success.

According to the CRM Global Study - CRM Done Right, a report by IBM Business Consulting Services 22, among the common barriers to successful CRM initiatives are: lack of support from management, failure to fully use CRM features in software, and failure to align CRM with staff priorities.

Likewise, CRM literature is full of facts and figures on failed attempts in CRM implementation which even speak of 70% attempted CRM failure 23. Studies on the reasons for failure have thrown light on a number of causes, which when addressed appropriately, are likely to result in its success 24. One of the research findings of Tower Group, - a leading advisory research and consulting firm focused on the global financial services industry, a respected source for trusted information and advice and known to have brought many of the world's largest financial services, technology and professional services firms to a deeper understanding of the business and technology issues impacting their organizations, - places the ongoing inability by a majority of financial institutions to define clear objectives and measure results as the cause that plagues CRM programs 25. One of the highlights of its research findings says that: 'in their eagerness to begin a project, banks often overlooked setting clear definitions for success, and lacked adequate metrics regarding their pre-CRM implementation status. Consequently, banks did not have a stake in the ground to start from and failed to set realistic goals. With an ill-defined starting point and no defined end point, success was understandably elusive'.

Many other articles also point to the same conclusion that to be successful, organizations need to take stock of the present status and build the CRM project on the foundations of such findings. David Ballentyne, considered as a CRM Guru, says that rushing into relationships, without adequate consideration of how value is to be
created and shared, is a "lobster pot" marketing approach – one or more parties can get "caught" and then regret their decisions over time.

Debora Vence draws attention to expert opinion which says that planning for organizational change is one among the five major components of a CRM program. Jim Morgan, a CRM expert opines that because far too many banks have viewed CRM as a technology solution, not as a fundamental change in how they manage and use customer data, they have not focused on developing the required Customer Information Management (CIM) capabilities to leverage CRM technology effectively to drive customer loyalty, customer profitability and new customer acquisition. Further he says that experience has lead him to believe that banks will not meet their Return on Investment (ROI) objectives from CRM unless Customer Information Management is used as the basis for enabling the most fundamental of all CRM principles - "treating different customers differently."

Tweedale points to the fact that to get the benefits from a new CRM system, it is critical to encourage user adoption as soon as possible and engage heavy users early in the implementation process, develop tailored training materials and incentivise the use of the system by educating users of the personal benefits.

A study conducted by CRMGURU (2002) found that the use of the following success predictors significantly increased the chances of a CRM implementation, i.e., using "customer centric strategies" the leading success predictor by a substantial margin; Adequate training and support along with the companywide endorsement of CRM strategies to be the second key component of CRM success. Software selection did not come up as a significant predictor of success and it was found that the brand of software had no relationship to success or failure.

Gillies from his study concludes that CRM to deliver results rather than disappointment, companies should make sure that they have clear customer strategy, make sure the business processes are aligned with that strategy, and then introduce the right technological and other tools to support it. Further he points out the need to test the programme at every stage by asking whether it could be done without any technology at all. He highlights that the crux of any customer relationship strategy is customer segmentation.
John McKenzie, global business development director at Armstrong Laing, specialist in enterprise performance optimization, opines that one of the reasons for high breakdown rates of CRM is the failure to create an enterprise-wide coherent CRM strategy that connects all parts of an organisation and is understood by all employees. A lack of communication between employees in the customer relationship chain leads not only to customer misunderstandings, but also to the use of inappropriate technology and lack of buy-in from users. He says that analysts at AMR Research, who suggest that poorly designed user interfaces and employee resistance as major failure factors, support this view.

Brendler and Loyle highlight eight critical factors that make or break CRM as follows: 1. Create a vision and passionately communicate it. 2. Understand the culture in terms of its readiness and ability to change. 3. Change the business processes first before installing new technology. 4. Communicate the leaders' intentions, and manage expectations. 5. Provide superior executive support. 6. Choose a balanced team to manage the project. 7. Train everyone involved, and 8. Commit to change and resolve to carry it out.

META Group, a leading research and consulting firm in its report (2001) says that non-integrated business processes and associated technologies contribute significantly to the failure of customer relationship management (CRM) implementations and alternately companies that undertake integrated CRM initiatives, coupled with careful architecture and business planning, will bring increased operational efficiencies, improve customer satisfaction and retention, ultimately resulting in increased corporate profitability.

The results of another study have major implications for marketing people, as they suggest the notion that the CRM critical success factors should be implemented holistically rather than piecemeal to achieve the full potential of the CRM. The findings also stress the central role of customer services in the successful implementation of CRM programmes within banks.

A look into the Indian CRM Experience shows that there is very little academic literature on CRM in the Indian context as the concept has been planted recently on the Indian soil. But among the organizations that have taken a shot at it,
the banking sector takes the lead and many Indian New Generation banks like ICICI, HDFC have already implemented it. Their performance and customer orientation speak volumes on the benefits derived. Attempts have been made at researching issues in the implementation of CRM in the Indian Banking industry.

A very enlightening research in this direction has been by Sajal Kabiraj who has made a comparative study of public and private sector bank customers and found out that differences do exist as far as the facilities offered by public and private sector banks, that facilities offered have increased for those banks which have implemented a CRM strategy, that the customers of private sector banks are more satisfied than those of public sector banks and that the degree of satisfaction has increased among the customers of private banks due to increase in facilities offered by such banks after implementation of CRM strategy.

This research has further found that frequency of application of CRM software and strategy is much more in banking industry than other industries, that the level of customer satisfaction of and the facilities offered by the banking industry is slightly higher than in other industries which have implemented CRM through the exploratory findings from banking and other industries. Further from the vendors point of view it has been found that CRM packages have been generally implemented to maximize the value of existing customers, to enhance customer acquisition and knowledge and to increase the knowledge of market opportunity, that frequency of implementation of CRM strategy and software is more in banking industry. The paper further highlights a number of issues to be addressed before implementing CRM. It states that among those that have implemented CRM, over two third of the Indian retail banks have adopted a full CRM package and a third of them have software adoption related to specific functions and that these banks are much more advanced on analytical CRM than on operational CRM though with a weakness that in several of them all the channels are not at the same level of development.

With this profile of CRM in the Indian retail banking industry as highlighted by the above study and a clear indication that CRM pays, it is felt that there is need for CRM implementation to reap superior customer matrices and competitive advantage. None of the Indian PSBs have gone to the extent of adopting a complete CRM solution as most have not even completely connected their branches through
Core Banking solutions and at best have made an attempt at setting up a call centre. On the other hand the new generation banks like ICICI have adopted world class CRM systems for about a decade. Some PSBs have very basic features of CRM technology installed on their website, i.e., the FAQs and toll free numbers. State Bank of India has even made an attempt of adopting call center technology with others showing an indication in the same direction.

There have been a number of models and frameworks proposed for successful CRM implementation and one of them by Ricardo Chalmeta (2006) aims at developing and validating a formal methodology to direct the process of implementing a CRM system that considers and integrates various aspects, such as defining a customer strategy, re-engineering customer-oriented business processes, human resources management, the computer system, management of change and continuous improvement. Among various other things, he highlights that in order to tackle a CRM project successfully it is essential to have an overall integrated methodology that begins by defining the company strategy and which includes aspects like planning, analysis of the strong and weak points of the processes oriented towards the customer, information technologies and financial control. He says, the fact that a company is already functioning and has satisfactory financial results does not mean it is efficient, nor does it mean that it has its objectives and responsibilities properly defined. Thus, it is of fundamental importance that prior to envisaging any CRM project, an organization should understand and spell out its strategy, define where the company is, where it wants to go and where it is actually going, as well as analyse the culture and the level of organisation and its internal control. Further he says that the ultimately company’s people are the key to the whole CRM strategy. They are the part that determines its success or failure and they must not be undervalued. It is therefore fundamental that they know about the project and resolve their fears, worries and doubts before CRM is implemented. They must be made to see the importance of CRM but, above all, they must be trained in this new customer service philosophy. CRM, according to him, is a case of creating a corporate culture with a defined approach focused on the customer. It should enjoy the commitment of management and employees.
There have been a number of attempts at gauging the implementation issues through the study of organizations that have already implemented CRM, which seems logical. But literature cited, especially with emphasis above speaks of the need to evaluate the pre-implementation status of the implementation candidate. As of now there has not been any study to gauge the pre-implementation state of a Customer relationship management candidate with a view to evaluate the gap between the actual and the desirable states of relationships. Literature is especially silent on the CRM implementation issues pertaining to Public Sector Banks. Implementation issues are likely to be unique to them because of their state ownership. Further the roadmap that is proposed for CRM implementation in Indian Retail Banks begins with a need to evaluate ‘Where are we’ and ‘where do we need to go’ followed by defining customer experience.

In such a case it would benefit the PSBs to analyze the level of efficiency of their customer relationship management strategies. An attempt has been made to evaluate this through the study of Corporation bank, one of them, since issues regarding PSBs tend to be similar among peers. This would enable them to take steps to decide on the desired level of relationship and plan an appropriate CRM implementation strategy aided by the right technology to bridge the gap. In this direction, this study takes the first step in evaluating the pre-implementation state of customer relationship management practices of Corporation Bank. This is intended to be achieved by making a study of the perceptions of the existing CRM practices from the point of view of both the employees and the customers of the bank. In the light of the factors that have been discussed and emphasized as essential practices for success in Customer Relationship Management, this study has taken up the task of evaluating whether such success factors have been adopted by Corporation Bank in building relationship with its customers, even in the absence of CRM technology adoption, and if so to what extent. The practices have been gauged as per the four major goals of CRM, by evaluating the strategies adopted by the bank: in widening its relations i.e., in acquiring new customers, in lengthening its relationships, i.e., transforming them into loyal customers, in deepening its relationships, i.e., capturing more of their wallet share and, the competitive strategy. Further, as the literature surveyed above points that the major factor of success is the user’s, i.e., the employee, level of acquaintance and adaptation to the strategies, an attempt has also been made to gauge their level of...
knowledge of the CRM strategies, concepts and software and their orientation towards CRM.

2.2 THE RESEARCH FRAMEWORK:

In this direction the study aims to fulfill the following research framework:

2.1 The Research Framework

The research framework presented in 2.1 shows that this research aims to evaluate the efficiency of the actual CRM practices (left) of Corporation Bank in the light of the desirable efficiency (left) proposed by CRM literature. This is done with a view to provide a feedback for a successful CRM implementation in Corporation Bank, after taking into consideration the CRM orientation of the bankers, the constraints perceived by them in CRM optimization/adoption and their knowledge of CRM (in addition to evaluating the efficiency of existing CRM practices from bankers’ as well as customers’ perspectives).
2.3 LITERATURE REVIEWED ON SUB-STRATEGIES ADDRESSED BY THE RESEARCH FRAMEWORK:

Literature has been reviewed further to ascertain the sub-strategies involved in extending/widening, lengthening, deepening relationships and keeping data consistent throughout the organization and channels to be made available at various touch points. Of the vast array of literature reviewed, the ideas put forth by the following literature and research findings gave the right direction in selecting and finalizing sub-constructs of the research framework:

1. Widening/Extending Relationships: Analysed literature highlighted the following observations:

   - A study states that the objective of acquisition strategies is to obtain more and profitable customers. In general, acquisitions are profitable if the expected value of attaining the customer (over the lifetime) exceeds the cost. Deeper analysis of appropriate probabilistic thresholds for mailing could yield significant advances in this area. Customer acquisition occurs across an array of channels. Analytical CRM models of acquisition are plagued by a number of data-related problems.

2. Lengthening Relationships: The observations from the following literature were taken into consideration:

   - A study concludes that financial firms should transform the content of relevance from product-process dimensions to cost-benefit dimensions. For customers to weigh benefits over costs, financial services should raise the level of service sophistication by keeping the promise of personal privacy, improving the accuracy and relevance of personalization results, and providing a convenient feedback channel that empowers customers by granting them full control over the accuracy of their personal information.

   - Literature points that because some customer relationships are closer, stronger and more meaningful than others, the development of strategies to create higher levels of meaning in relationships warrants the attention of management. To be able to develop such strategies, firms must gain a deeper understanding of their customers and the role that they and their brands currently play and might come to play in their lives. To create real meaning.
for customer, *firm must also have a better understanding of the expectations of customers*. But the key to creating meaning for customers lies not in exceeding such predictable expectations, not in delivering product faster, or by answering phone more quickly or even by increasing on-time performance. *Real meaning lies in anticipation and in addressing issues that customer does not expect you to address.*

- Another study suggests a seven-factor 21-item model describing barriers to the success of customer relationship management in terms of standard operating procedure compliance, accountability and ownership, callback information content, customer contact process, billing issues, dispensing and replacement process, and queuing procedure. These factors explained the majority of customer relationship problems in the company.

- A study by Karakostas, Kardaras et al. support findings from previous studies that financial institutions fail to adopt an appropriate approach to CRM implementation. Therefore, Financial Service Providers's need to: 1. Integrate CRM data and applications with their existing IS infrastructure as well with their business processes for use in customer related decision making and management. 2. Develop a well thought metrics system, broader than just financial indicators, for CRM systems evaluation. 3. Develop a customer-centric culture.

- Gura'u says that designing, implementing and *providing the optimum level of e-services quality represents the only way to increase customer satisfaction, which in turn will enhance customer loyalty and profitability*. The level of e-service quality needs to be established as a trade-off between customer needs, company’s capabilities and the competitive conditions of the market, that *long-term relationships with customers are one of the most important assets of an organisation and that information-enabled systems must be developed to retain “customer ownership”*.

- Berry, Boon et al. propose a very enlightening ‘SERVE’ Model from the research conducted by them.

- The addition the new channels, alongside those already in existence, open up new areas of the organization for customer contact and create significant challenges in relation to staff roles and existing processes for interacting with
customers. Channel integration is a strategic issue potentially requiring structural changes to the organization and changes in the behaviour of customers.

- Ament says that word of Mouth is the oldest form of marketing. Allowing customers to speak to one another is the key to driving business growth because they just don’t want to hear corporate marketing messages. Shoppers want to hear information they perceive to be trusted, credible, and reliable, straight from their peers. Customers who communicate with one another are more likely to purchase more as well as more often. Given the importance of customer retention, companies use a variety of mechanisms for reducing churn. These efforts can be grouped into three main areas: improving service quality, targeting interventions to prevent churn, and loyalty programs.

3. Deepening Relationships: The following literature was specially taken into consideration:

- Kamakura, Mela, et al., customer development pertains to the growth of revenues from existing customers. Activities used to develop customer demand include cross-selling, up-selling, and channel management. Cross-selling refers to encouraging customers to buy across categories and up-selling involves increasing demand in existing categories. Cross-selling yields both immediate profit as well as the potential to deepen existing relationships, thereby increasing the switching costs associated with purchasing from another vendor. Criterion for targeting of up and cross-selling include the likelihood of purchase as well as the response to the targeting (i.e., if a customer is likely to buy anyway, there is little point in targeting them). Cross-selling can be dictated by the consumer life-cycle, with certain needs appearing at certain times.

  Channel management refers to migrating customers across channels in order to lower costs or increase demand (via channel-specific promotions or features). As customers progress through information search, purchase and service, it is desirable to align channels, stages and customers. Another key issue in customer interaction channel is, whether sales in one channel cannibalize another.
Tsai and Chiu uphold that the mass marketing approach cannot satisfy diverse customer needs today. This diversity should be exploited using market segmentation that divides the market into customer clusters with similar needs, characteristics and purchasing behaviors. 47

4. Data Issues: Issues were mainly culled out of the observations and findings from the following literature:

- According to Abbott 48 CRM – or e-CRM – is the way forward for the majority of companies, and it has to start with a good set of data as well as the commitment of the entire company to be customer focused.
- Putten, Kok et al. say that the application of data fusion increases the value of data mining, because there is more integrated data to mine 49.
- Madariaga 50 says that each country has its own strengths and weaknesses in CRM. Both of them should maintain their strengths and improve upon their weaknesses. Findings of this study highlight the CRM deployment threats, knowledge area responsible for CRM deployment, type of data held by CRM systems, Investment justification for CRM
- According to Ng and Hope 51 most information considered important by sales agents is available to them through the system. Some, such as customer statement of position and customer future finance plans and needs, are not available. There are differences in information requirements between branch and call centre staff. Differences may be due to differences in roles, responsibilities, and the media through which they interact with customers. In many instances, differences in roles and responsibilities are part of the bank’s channel utilisation strategy. Experience is another differentiator in sales agents’ information requirements.
- Ngai has reviewed the academic literature on customer relationship management (CRM), and provided a comprehensive bibliography and proposed a method of classifying that literature 52.
- Kamakura, Mela et al. (2005) delve into the issues relating to data collection and its availability.38
- Gura’u 43 states that the flexible and interactive nature of the Internet offers the possibility to collect a vast amount of data about online customers and
their interaction with the company. *Processing this data provides a good basis to precisely segment the market, to effectively predict customers’ behaviour, and to implement one-to-one marketing campaigns.* The organisations’ success in providing an optimum level of e-service quality will be determined by collecting relevant data about the market and the organisation, creatively using appropriate analytical techniques to exploit this data, and finally, incorporating the customer-centric procedures into a flexible organisational process at the corporate level.

2.4 LITERATURE REVIEWED TO PROPOSE A MODEL FOR CRM IMPLEMENTATION IN CORPORATION BANK:

Literature on CRM offers a number of frameworks/methodologies, suggested by eminent writers, for CRM implementation. This section evaluates such literature which helped in proposing a model in Chapter IX section 3.

Sections 2.2 as well as section 3.8 to 3.10 give a clear picture on the state of CRM implementation, the causes of success and failure in CRM implementation. Ricardo Chalmetta lists the main causes for failure of CRM strategy in a very exhaustive yet concise manner to be: thinking that technology is the solution, Lack of Management support, No passion for the customer in the organisation’s culture, Lack of vision and strategy, Not redefining processes, Poor quality data and information, Not managing the change properly, not involving the final users in designing the CRM solutions. Based on these limitations he has presented ‘CRM-Iris’ with a reference model for CRM processes at a tile company. From the point of view of its practical application, he has proposed a nine step programme for developing and implementing a CRM system according to the methodology proposed by him which begins with project management and prerequisites to finally culminate into the ‘monitoring’ phase which would keep the CRM project rolling successfully through its life-time.

Russel S. Winer has developed a framework for CRM implementation from the technological perspective and has proposed a seven basic component model with a view to help managers know about their customers and how such information becomes useful with CRM implementation. This framework mainly concentrates on the CRM technology implementation, i.e., the requirements, gathering, evaluation,

In the ‘Strategic Framework for Customer Relationship Management’ Adrian Payne and Pennie Frow present a cross-functional process-based conceptualization of an implementation framework integrating the learning from field based interactions with a synthesis of literature. Their framework begin with the identification of processes in CRM implementation from evaluation of literature which were short-listed to seven processes after discussion with executives to be further narrowed down to five as: 1. the strategy development process; 2. the value creation process; 3. the multi-channel integration process; 4. the information management process, and 5. the performance assessment process.

Another model outlined by Sue and Morin (2001) is a framework based on initiatives, expected results and contributions. However this has been criticized as to be, ‘not process based with many initiatives not explicitly identified in the framework’, by the authors of the above model.

Ramachandra S. T. (2002) has made a study on CRM – emerging strategies in the Indian Banks, with the objective of evaluating the data bank of customers and its mining with a view to evaluate the effective and timely cross selling and up-selling effort. He has made a study of six banks representing the whole array of the Indian commercial banking scene and has come out with the findings that the PSBs are found very much wanting in preparing a customer profile, evaluating customer satisfaction, their knowledge about customers, employee behaviour at the interaction points, e-banking efforts, efforts at managing customer relationships, motivating the staff in relationship management techniques, knowledge of employees with regard to the bank and products and providing a customer friendly environment. His study shows that their counterparts, the new generation and foreign banks are faring very well with regard to the above. He also presents a strategy framework for bankers for ‘hitting the peak’ in their relationship by managing them rightly.
With the above models in sight and the uniqueness of the CRM implementation need of the Indian PSBs, a methodology has been outlined in chapter 9 section 3.

CONCLUSION: The literature reviewed above very clearly highlights that Indian PSBs need to upgrade their customer orientation as well as their performance to stand to the test of global competition and CRM is one of the best tools for the same. But taking CRM as a mere technological tool has evaded the organizations from reaping the expected results and in fact, a well thought-out CRM implementation, planned strategically and which percolates into all the areas of an organization, can no doubt afford success. Many have spoken of a need to evaluate the ‘as-is’ situation of the candidate for CRM adoption in order to plan for the ‘to-be’ CRM setting, in order to obtain best results. It is also clear from the literature reviewed that no study of CRM practices of PSBs in general, nor of Corporation Bank in particular, has been taken up so far. Further there has not been any study to evaluate the pre-implementation state of the customer relationship management practices and no models proposed based on evaluation of a candidate for CRM implementation especially in the Indian PSB context. In fact the literature review presented above, highlights the need for a study of the nature currently undertaken.

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