INTRODUCTION

The purpose of business is to create new customers and retain old customers. Customer orientation is the ultimate key to success of any business. Customer Relationship Management (CRM) is a comprehensive approach for creating, maintaining and expanding customer relationships. CRM does not just belong to sales and marketing rather it is an intelligent blend of marketing and information technology for serving the customer with greater care and value and in deed it’s a new way of doing business covering all aspects. Further, CRM is an integrated approach of dealing with customers with smart use of Information Technology. Computerisation of records, maintenance of customer database, on-line customer service will enhance the customer loyalty apart from exploring new opportunities for cross selling/sell ups. It involves a dramatic change in the marketing strategies from products or sales-centric to customer-centric approach, where it focuses on the total customer requirements. When any CRM strategy is implemented, it computes and analyses data about the target customers and their buying habits in multiple ways.

Relationship marketing is discovering the new and potential ways and strategies for enhancing customer’s value to business. Earlier, companies focused on mass marketing. But now they are selecting their customers more carefully and building long lasting and direct relationships with targeted customers. Today, marketing managers realised the fact that instead of adding some more new customers, it is always profitable and easier to concentrate on the known market with old customers with new options and opportunities for business. The goal of every
company is shifting from making a profit on each sale to making long term profits by managing the life time value of a customer. As a result, today, marketers spend less time on increasing the share of market and more time in enhancing the share of customer. They offer new or improved products to current customers and train employees to cross-sell and up sell in order to market more products and services to existing customers.

STATEMENT OF THE PROBLEM

The process of globalisation and liberalisation has exerted its huge influence on the Indian banking sector. In bank, a service sector, customer service should not only be considered as a function, but a way of life also. Success of the bank depends on how much it fulfills customer needs. Therefore, the bank should be customer oriented to meet challenges of today’s competitive environment. Customers needs and expectations change from time to time, since it is highly dynamic with respect to societal influence. Today’s customers are aware of their needs. Entry of new branches of foreign banks in India and their better services to customers have increased customers expectations of same quality of services from Indian banks too. So, it is the time for Indian banks to innovate new products and services and also to refine the existing services.

A way to remain competitive in the more and more complex banking environment is the use of CRM concept, as it is a business strategy geared towards acquiring, retaining and growing more profitable customers. Today, Indian banks are trying to develop service quality with customers that include like flexible banking hours, elegant furniture, computerised banking operations kind responsive and well behaved personnel etc.,

A sincere attempt has been made by the researcher to analyse the efforts taken by the banker to create customers satisfaction and loyalty. Thus, the complete evaluation of customer relationship management in banking sector is been
undertaken. Particularly, this study is focused at Virudhunagar district as this is an important industrial as well as commercial sector in southern belt of Tamil Nadu, India.

SCOPE OF THE STUDY

The purpose of any business is to create and retain the customers. Now-a-days, banking sector is very important in the world’s economy. So, the banking units gain increasing importance of Customer Relationship Management (CRM) for many reasons, such as,

(i) For providing customer friendly work culture and computerized banking operations.
(ii) For serving and retaining the existing customers.
(iii) Good service will help the bankers to create long term relationships with customers.

CRM is an integrated information system that brings together information about consumers, marketing effectiveness, sales and market trends. Particularly, this study is focused at banks functioning in Virudhunagar district as this is an important industrial as well as commercial sector in southern belt of Tamil Nadu, India. The primary data has been collected from four banks namely, SBI, IOB, being Public Sector Banks and TMB, ICICI being Private Sector Banks.

OBJECTIVES OF THE STUDY

The specific objectives of the present study are as follows:

1. To portray the origin, need of CRM and CRM in banking sector.
2. To study the growth and development of public and private sector banks and their working performance.
3. To analyse the socio-economic profile of the customers and their level of perception towards Customer Relationship Management.
4. To compare the perception of the customers towards customer relationship management in public and private sector banks.
5. To offer suitable suggestions to improve the customer services of the banks on the basis of findings of the study.

METHODOLOGY

Sources of Data

The study is based on both primary as well as secondary data. The primary data has been collected from 250 public sector bank customers and 250 private sector bank customers in Virudhunagar district, with the help of pre-tested interview schedules. Virudhunagar district covers the area such as Virudhunagar, Rajapalayam, Srivilliputtur, Sivakasi, Kariapatti, Thiruchuli, Arupukottai and Sattur. For the purpose of evaluating the effectiveness of the interview schedule, it has been circulated to bankers and customers in Virudhunagar District.

The secondary data has been collected from records of banks, books, reports, journals, encyclopedia and websites.

Sampling Design

In the present study, the researcher has selected 500 public and private sector bank customers in Virudhunagar District. It is observed that total of 96 bank branches in this district on which, 69 are public sector bank branches and 27 are private sector bank branches. Stratified random sampling technique has been adopted for the selection of 500 respondents. On the basis of number of branches, number of customers, volume of business and frequency of transactions, 137 from SBI, 113 from IOB, 157 from TMB, and 93 from ICICI were randomly selected.

Data Processing and Period of Study

After collecting the Primary data with the help of interview schedule, a thorough verification of data was made for editing followed by data processing and
data analysis were carried out using Statistical Package for Social Sciences (SPSS) software.

In order to measure the attitude score, ‘Likert’s five point’ scaling technique is used.

In order to examine the relation between the level of attitudes and characteristics of the customers, Chi-square test is applied.

The factor analysis has been used to identify the factors which are responsible for the performance of banks with regard to service quality. In fact, the primary data have been collected from the respondents through Interview schedule in 2008, whilst the secondary data cover a period of seven years from 2001 – 2002 to 2007 – 2008.

CHAPTERISATION

The present study entitled “Customer Relationship Management in Banking Sector” has been organised into six chapters.

The first chapter “Introduction and Design of the Study” introduces the subject, and the role of bank in marketing and customer services in public and private sector banks. Further, it covers review of literature, statement of the problem, objectives, methodology adopted, profile of the study area and chapterisation.

The second chapter “Customer Relationship Management in Banking Sector – An Overview” describes the development of banking sector, the kind of relationship marketing strategies adopted by Indian Banks in view of rapidly changing and highly competitive environment.

The third chapter “Growth and Development of Public and Private Sector Banks” discusses the number of branches, growth of deposits, advances and C-D ratios.
The fourth chapter “Socio-economic profile of the customers and their level of Perception towards Customer Relationship Management”, deals with the level of perception and relationship between profile factors of the customers and their level of perception.

The fifth chapter “Perception of customers towards Customer Relationship Management – A Comparative Study” examines the consistency in identified factors of perception of customers towards Customer Relationship Management in public and private sector banks.

The sixth chapter “Summary of Findings, Suggestions and Conclusion” presents the major findings of the study and to offer suggestions based on the findings of the study.

SUMMARY OF FINDINGS

In the Chapter III, “Growth and Development of public and private sector Banks” were discussed. It is inferred from the discussions that all the four selected banks are well established and implemented all sophisticated requirements for customers. Regarding the growth and development of the banks, the branch expansion has been increased steadily over a period under study in almost all the four selected banks. The fluctuation in expanding branches was relatively found high in private sector banks, however a less stability was observed when compared to the public sector banks.

It is also found from the analysis of different kinds of deposits that fixed deposit takes high ratio in all the four selected banks followed by savings and current account.

In Chapter IV, the Socio-economic profile of the customers and their level of perception towards Customer Relationship Management’ were discussed. The analysis revealed that the majority of the sample customers came under the high level perception on customer benefits in public sector banks whereas in private sector banks, majority of the sample customers belong to medium level perception.
Further, it is found that the majority of the customer respondents belong to the age group of 40 to 60 year in both public and private sector banks followed by the age group 18 to 40 years. Similarly, the majority of the respondents are male in both sectors. However, findings revealed that the age, sex and also educational qualification does not influence the level of perception of the customer towards benefits.

In Chapter V, the Perception of customers towards CRM between Public and Private Sector Banks were made. The comparison of the consistency in perceptions between public and private sector banks revealed almost common, however the parameters like the interest on deposit and loans for public sector found to be consistent in perception whereas in private sector, the general utilities provided were found to be consistent in perception.

The t-test was carried out to examine the difference in perception. It is revealed that out of different perceptions considered, customers have differed significantly in the following: namely ‘interest on deposit and loan’, ‘repayment of loan and recovery’ and ‘non-material services offered by the bank’.

The factor analysis has been used to identify the factors which are responsible for the performance of banks with regard to service quality.

Out of seven factors identified, customers of public sector and private sector banks have differed significantly only in three factors viz., interest on deposit and loan, repayment of loans and recovery and non-material services offered by banks.

**SUGGESTIONS**

The following suggestions are offered for improving consumer relationship management, as emanated, from the research findings and also from the interactions that the researcher had with the respondent bankers and customers.
Implementation and Overall Strategy of Quick Transaction of Business

It has been found from the study that both the bankers and customers perceive quick transaction of business as a powerful strategy for successful banking and creating customer satisfaction. Therefore, this strategy should be implemented by all banks.

Developing Comprehensive Customer Information System

The study shows that customer satisfaction, namely, depositors’ satisfaction and borrowers’ satisfaction levels vary according to their demographic characteristics and banking services usage characteristics. Taking advantage of computerisation and technological upgradation banks need to develop customer information system at branches, so as to know the customer better and understand his needs accurately. Data base on various aspects of customers like age, qualification, income level, frequency of transactions, type of account, size of account and purpose of account holding should be created, which will help in providing feed back for anticipating customer needs.

Enforcing Price Variations

It is found from the study that bankers and customers favour varied service charges. So, as in the case of foreign banks, post office, railways, hotels, etc., higher service fees for efficient and personalised service to those who are willing to pay higher service charges should be enforced in public sector banks as a step for improving quality of customer service.

Use of Sophisticated Communication Devices

Sophisticated communication devices like fax, telex, e-mail, etc., should be used in public sector banks which will help in delivery and satisfactory services to customers.
Technological Innovation

Technological innovation should be harnessed for evolving speedy and efficient system with specific focus on cutting delay in collection of cheques and delay in sanctioning of loans, so as to remove a major irritant in the way of improved customer service. In this process, computerisation and training the staff in computer application will help in improving customer satisfaction.

Training to Staff

As regards attitudinal grievances banks should wake up to the behavioural deficiencies of its employees and train them to become competent in imparting good customer service. Training is not considered the top most priority in most public sector banks. So, training programmes should be made more effective.

Making Complaint-Suggestion Box Scheme and Customers Meet More Operate

The study reveals that complaint and suggestion box scheme and customer meet are common areas of customer dissatisfaction, because of the non-operation of the schemes and the scant attention paid to the relevance of these two schemes by the banks. So, it is imperative to make them operational.

Provision of Separate Seating Facility for Women Customers

It is found that women customers of the bank are on the increase, while no separate seating facility is provided by the bank for women customers. Separate seating facility will make women customers feel at ease when they have to wait for a long time at the bank premises to get their work done.

“May I Help You Counter’ should be manned

Urban bank branches have “May I Help You Counter” which is unmanned. It is therefore suggested that this counter be manned during banking hours so that queries can be made by customers.
Mobile Banking

It is found from the study that there is the need for more rural branches. Mobile banking system should be followed for the convenience of rural customers. Rural market is one area where public sector banks can score over private sector banks.

CONCLUSION

The researcher’s aim throughout the study has been to examine the customer relationship management in both private and public sector bank in Virudhunagar district. Customers are the most important asset of any business. The success and failure of any business depends upon how far they satisfy the expectation of their customers. Banks are an important social organisation rendering various financial service to its customers. Realising the importance of customer services in banks, recommendations are made by various committees to improve the services quality of banks. The nationalization of major commercial banks led to ‘Mass banking’ which in turn increase the volume of customers. The increase in volume of customers automatically led to deterioration in quality of customer services. Banking business is now becoming more competitive, and the customer benefits have come under sharp focus at the customer’s end. There are several reasons for this intensified interest. The important one is, customers are getting more and more critical of the service they receive. Many customers are not only demanding but are expecting more and more better service.