CHAPTER III

A CONCEPTUAL FRAME WORK OF CUSTOMER RELATIONSHIP MANAGEMENT

3.1. INTRODUCTION

CRM has developed into a major corporate strategy for many organizations. It is concerned with the creation, development and enhancement of individualized customer relationship with carefully targeted customers and customer groups resulting in maximizing their total customer life time value. It is said that CRM is not a product or service; it is an overall business strategy that enables companies to effectively manage relationship with their customers. It provides an integrated view of a company’s customers to everyone in the organization. With the intensified competition, companies realized that they have to treat their customers with respect. Customers have a lot more choices and they do not have to be loyal to any company. Companies are now trying to figure out ways to manage customer relationships effectively, not only to acquire new customers but also to retain their existing customers. Shani and Chalasani (1992) define relationship marketing as an integrated effort to identify, maintain and build up a network with individual customers and to continuously strengthen the network for the mutual benefit of both sides through
interactive, individualized and value added contacts over a long period. Narrow functionally based traditional marketing is being replaced by CRM. A narrow perspective of CRM is database marketing emphasizing the promotional aspects of marketing linked to database efforts (Bickert 1992).

**Berry (1995)** stresses that attracting new customers should be viewed only as an intermediate step in the marketing process. Developing close relationships with these customers and turning them into loyal ones are equal aspects of marketing. Thus he proposed relationship marketing as attracting, maintaining and in multi service organizations-enhancing customer relationships. Berry’s notion of customer relationship management resembles that of **Gronroos (1990), Gummesson and Levitt (1981).** Another important facet of CRM is customer selectivity. As several research studies have shown, not all customers are equally profitable for an individual company (Storbacka 2000).

### 3.2. BRIEF HISTORY OF CRM

According to **Stead (2001)** of Sector Consulting, during late 1960s, in his seminar article on “Marketing, Management Guru” Ted Levitt suggested that the purpose of a business was to “create and keep a customer”. He advocated that the modern firm should view “the entire
business process as consisting of a tightly integrated effort to discover, create, arouse, and satisfy customer needs”. Over two generations later, businesses are beginning to wake up to this reality.

With the advent of e-commerce comes the e-customer. According to Vantive, a customer relationship management solutions provide that was acquired in 2000 by enterprise resource planning (ERP) software company PeopleSoft; the e-customer expects constant access to a company through e-mail, call centers, faxes and websites. Customers demand immediate response with a personalized touch. Meeting their needs puts new demand on the enterprise. Since traditional ERP applications did not include a customer management aspect, CRM was the next logical step. Vantive, for example started as early as 1992 in the development and implementation of these customer management applications. Moreover, Davenport states that as global competition has increased and products have become harder to differentiate, companies have begun moving from a product-centric view of the world to a customer-centric one.

3.3. WHAT IS CRM?

“Everybody that profits from CRM have their own definition of what it is, but they all agreed as to what it is not: CRM isn’t about technology any more than hospitality is about throwing a welcome mat
on your front porch.” (Sims, D.2000) CRM is not simply a buzzword or business jargon, it is a new term given to an old concept that stresses the importance of relationships in transactions between individuals. The foundations of modern business began with the barter system, in which goods were exchanged between people on the basis of mutual value. Therefore mutual value was the basis for every transaction that took place in a marketplace. The repetition of these transactions developed into long-term supply and demand relationships between the individuals concerned.

Customer relationship management, or CRM, is an information technology industry term for methodologies, strategies, software, and other web-based capabilities that help an enterprise organize and manage customer relationship. For instance, if a marketing department runs an outbound campaign, all of the information about the customers and the program should be retained for the sale staff to follow up on the customer service representatives to answer any queries, and technical support to provide any field support. The idea is to have the same information available to all in the company so that every product or service need of the customer is met. CRM implies that everyone in the enterprise is focused on the customer (Khera, M.1998).
Customer relationship management is the establishment, development, maintenance and optimization of long-term mutually valuable relationships between consumers and organizations. Successful CRM focuses on understanding the needs at the heart of the business by integrating them with the organization’s strategy, people, technology and business process (CRM (UK) Ltd, 2000). According to David Sims (2000), Liz Shahnam, a META Group CRM analyst, states that CRM is “a buzzword that’s really not so new. What’s new is the technology that allows us to do what we could do at the turn of the century with the neighborhood grocer. He had few enough customers and enough brainpower to keep track of everyone’s preferences. Technology has allowed us to go back to the future to this model.”

Customer Relationship Management (CRM), also known as relationship marketing and customer management, is concerned with creating, developing and enhancing individualized customer relationship with carefully targeted customer groups, maximizing their total customer life-time value. The traditional approach to marketing, which emphasized managing elements such as product, price, promotion and place, has been increasingly questioned in recent years. CRM recognizes that marketing continues after the sale is over. Whilst recognizing the above key elements till need to be addressed, it emphasizes keeping, as well as winning customers. Its focus is on
customer retention as well as customer acquisition, with time, money and managerial resources at both resources.

According to BT Consulting Julian Garrett (2001), CRM is the creation of mutual exchange of value between organizations and their customers where both parties recognize that value, however, for the organization, that value can be measured in terms of revenue, repeat business, referrals and the longevity of a customer relationship. For the customer, the value lies, not only in the underlying product and in the service they receive, but also in their experience as a customer of a particular organization. In many companies there is still confusion as to what CRM is all about. Some companies think it means a loyalty scheme, others think that a help desk will fulfill CRM requirements. Some limit it to a relational database for key account management, while for others; it is about mass-profiling the customer base without undertaking detailed segmentation.

CRM is both a process and a corporate mission. At its core, CRM is about finding better ways to enhance the customer experience. That means looking to make the customer interface with sales, customer support, technical support, accounting, etc. more friendly, knowledgeable and efficient. Without question, retaining customers is far more profitable than replacing them. CRM is a class of front-line business applications used by
leading organizations to acquire and retain long-term, profitable customers. Employees use CRM applications, most frequently associated with the front office, when they are in direct contact with the customers and prospects. Customer relationship management (CRM) is also often known as one-to-one marketing, because it is based on the idea that every customer is an individual with different needs and different preferences. Therefore companies need to engage in a “learning relationship” with their customers to recognize and respond to these needs.

3.4. PROBLEMS OF CRM

Despite many benefits, the CRM is expected to face the exposure of various problems as discussed in following lines:

1. Building and maintaining a customer database, requires a large investment in computer hardware, database software, analytical programmers.

2. It is difficult to collect the right data, especially to capture all the occasions of company interactions with the individual customer.

3. The difficulty of getting everyone in the company to be customer-oriented and to use the available information. Employees find it far easier to carry on with the traditional transaction marketing than to practice CRM.
4. The other problem is that, not all customers want a relationship with the company and they may resent knowing that the company has collected that much personal information about them.

5. Marketers must be concerned about customer attitudes towards privacy and security.

3.5. THE CRM PROCESS

CRM process consists of all most all four major components they are: creating and management of data mines and warehouses, development of appropriate organizational structures, investment in technology and people development. The top management should itself initiate CRM process and invariably all departmental heads should be involved in the process. Development of inter- fictional process should be ensured, so that, customer problems are resolved by all the departments that have a role in it. Strategic alliances like centers may be developed within the organization that has set up a large customer service center. In order to be effective, data mining has to be more intelligent and offer information on the customer in real time. This data mining should customize to everybody in the organization, which should facilitate each employees functioning and also make him or her to be customer responsive. Companies should use data mining to support their sales and service staff in particular. They should also support their sales and service
staff with advance technology, which in turn helps them to use data for the purpose of developing a customized offer. Companies like General Motors, GE, Airline companies all over the world, and even telecom companies have entered into strategic alliances with call centers that have been setup in India and in other parts of the world. Financial services segments and cellular phone industries commonly use a different structure i.e., direct sales agents or independent marketing groups.

3.6. MEASURING CRM

Measurement of customer relationship is very critical in nature, and it is important as it helps the organization to understand not only what they are doing but also how well they are doing the things with regard to CRM. There are several approaches to measure CRM. One of the techniques of measuring the same is the Balanced Score Card. Evaluating the organization on the basis of such a score card helps the organization to develop a cause and effect business strategy. The other measure is the catalytic measure, which measure the organization’s efforts on identifiable changes. The implementations of such measures facilitate and speed up the modus operandi effectively in the areas of the organization as desired. Astrologically, most of the Indian companies still do not understand and change the way they treat the customers, but in the days to come companies will try to change the state of affairs as far as CRM is concerned.
as it is emerging as a critical responsibility of marketing. Another important approach of CRM is an evolutionary approach that focuses heavily on “customer equity” assets management. This begins with business strategy development based on infrastructure created that supports customer interactions and finally produces CRM results. At the end customer communication channel strategies are created, and strategy execution technology is used to create an on-going dialog with the customers.

Customer relationship is an important bank asset. A firm can use this customer equity to improve its growth and profitability prospects during economic downturns and upturns. Just as a squirrel buries nuts in anticipation of winter, a smart business will build customer equity during good times in order to produce more business during bad times. Companies should know that their most valuable customers (MVCs) are valuable. More resources should be used to market relevant products and services to these MVCs while fewer resources should be expended on unprofitable customers. The goal is to make the right offer to the right customer at the right time. Such customer knowledge can immediately and significantly reduce total cost while, at the same time, increases sales also with individual customers. This strategy enables an organization to anticipate greater returns from its campaigns, a reduction in costs, an increase in conversion rates, and more one-to-one communication
initiatives (which will gradually replace the organization’s previous dependence on mass marketing tactics). The “Picket Fence” strategy can be used to isolate the firm’s MVCs from the broader customer base. For each customer behind the picket fence, there is a particular objective and a strategy for achieving that objective by the management team. In an upturn economy, business strategies should involve growth. This includes acquiring new customers and increasing the number of current customers. In a downturn economy, business strategies should involve harvesting, which implies that an organization gets the most from every existing relationship by selling more to current customers.

3.7. BENEFITS OF CRM

The benefits of CRM can be enlisted as general benefits and specific benefits as listed below:

1. Identifying and targeting the most profitable customers and having a deeper knowledge of customers.

2. Getting more marketing or cross-selling opportunities.

3. Ability to manage marketing campaigns which clear the objectives.

4. CRM solutions increase profitability and boost market share thorough specific benefits, viz., increased revenues and reduced costs, increased return on investment, and increased customer satisfactions.
5. Increased revenues and costs due to, increased market share, decreased marketing and promotion expenses, improved channel efficiency, profitable cross-selling and up-selling opportunities to existing customer, reduced service expenses with on-line self-service, increased repeat business revenues from customized, personalized customer online experience maximized lifetime profit per customer.

On the other hand, there are certain factors found as suitable and relevant for increased return on investment they are: Improved productivity of service personnel, reduced inventory on service parts, reduced physical storage space of service parts. (T. Satya Narayana Chary (2012).

3.8. CRM STRATEGY

In any organization CRM strategy is a wide-ranging and detailed definition of the scope of the CRM programmed towards organizational goals. "The strategy is needed to keep businesses customer centric and to help the company constantly evolve internal processes and technology to acquire and retain customers.” CRM is fundamentally a strategy aligned with the superseding corporate strategy. It tries to attempts to optimize a firm’s profitability, revenue and customer satisfaction by focusing on a customer centric process. The idea of CRM is that it helps businesses use technology and human resources to gain insight into the behaviour of customers and customer relationship management is a broad approach for
creating, maintaining and expanding customer relationship. CRM is the business strategy that aims to understand, anticipate, manage and personalize the needs of an organization's current and potential customers. At the heart of a perfect strategy is the creation of mutual value for all parties involved in the business process. It is about creating a sustainable competitive advantage by being the best at understanding, communicating, and delivering and developing existing customer relationship in addition to creating and keeping new customers. So the concept of product life cycle is giving way to the concept of customer life cycle focusing on the development of products and services that anticipate the future need of the existing customers and creating additional services that extend existing customer relationships beyond transactions on the value of those customers.

3.8.1. IMPLEMENTING CRM STRATEGIES, FIRMS CAN ACHIEVE MANY GOALS SUCH AS.

- Plummeting costs of sales;
- Plummeting costs of acquiring new customers;
- Enhanced customer satisfaction and profitability;
- Decreasing the need to acquire so many new customers;
- Calculate profitability of customers;
- Higher customer retention rates.
3.8.2. WITH AN EFFECTIVE CRM STRATEGY, A BUSINESS CAN INCREASE REVENUES BY

- Providing services and products that are exactly what your customers want;
- Offering better customer service;
- Cross selling products more effectively;
- Helping sales staff close deals faster;
- Retaining existing customers and discovering new ones (Dr. Richa Raghuvanshi (2012)).

3.9. PHASES OF CRM

The three phases of CRM explained in one of the studies of Usmani. W, 2010, according to which CRM maintains the relationship between a business and its customers are to:

- **Acquire** CRM can help a business attain new customers from beginning to end contact management, selling, and fulfillment.
- **Enhance** web-enabled CRM mutual with customer service tools offers customers service from a group of sales and service specialists, which offers customers the expediency of one-stop shopping.
• **Retain** CRM software and databases facilitate a business to recognize and reward its loyal customers and further enlarge its targeted marketing and relationship marketing initiatives.

Once this special and emotional relation is built, it is very easy for any organization to identify the actual needs of customer and help them to provide a enhanced way. It is a belief that more the sophisticated strategies concerned in implementing the customer relationship management, the more strong and profitable is the business.

**3.10. NEW ERA IN CUSTOMER SATISFACTION**

Introduction of Ombudsman scheme is another step in this direction. It is a mechanism for redressal of customer grievances in a quick and less expensive manner. The ombudsman attends to customer’s complaints related to certain key areas which remain unresolved at the bank level and facilitate satisfaction of such complaints. On exercise of powers conferred under Banking Regulation Act, 1949, the Reserve Bank of India announced the ombudsman Scheme, on June 14th 1995 covering all the scheduled commercial banks in India. This scheme was further extended to 134 scheduled primary co-operative banks on June 17th 1995. Regional Rural Banks have been kept out of the purview of the scheme for the time being. So, ombudsmen have been appointed for all states of India.
Indian Banks’ Association has favoured ombudsman for banks for redressal of bank customer grievances so that customer complaints are heard and speedily dispensed by ombudsman who should be a retired high court judge. This saves the customer the delay involved in going for long drawn litigation. The appointment of ombudsman is expected to result in improved customer service and provides quality and speedy redressal of grievances.

3.10.1. BENEFITS OF OMBUDSMAN SCHEME

In the scheme of the banking, Ombudsman is a landmark event in the Indian banking industry. The changed banking scenario calls for fair and effective redressal of complaints when things go wrong or some dissatisfaction arises. The customer satisfaction has become the first and the foremost aspect in bankers’ success:

- It is inexpensive.

- Ombudsman is an independent authority from banks themselves and his decisions are binding on banks.

- Ombudsman is only a one man team because in most of the disputes, neither the complainant nor the banks represented, though they can be represented.

- Ombudsman functions informally. It does not rely upon the cases put up to it by the relevant parties.
The awards of the ombudsman are binding on the banks, but the complainant, if he does not accept the ombudsman’s decisions, retains the right to proceed through the court in the usual way.

3.10.2. COMPLAINTS CONCERNING THE DEFICIENCY IN SERVICES

The banking ombudsman will look into complaints regarding deficiency in service such as:

- Non-payment delay in the payment or collection of cheques, drafts or bills.

- Non-acceptance of small denomination notes and for charging commission.

- Non-issue of drafts.

- Non-adherence to prescribed working hours by branches.

- Failure to honor guarantee or letter of credit commitments by banks.

- Claims in respect of unauthorized or fraudulent withdrawals from deposit account etc.

- Complaints pertaining to operations in any account, such as delays, non-credits of proceeds to parties accounts, non-payment of deposit,
non-observance of RBI directives, applicable to rate of interest on deposits, etc.

- Delays in receipt of export proceeds, handling of export bills, collection of bills, etc. provided the said complaints pertaining to the bank’s operations in India.

- NRI complaints in relation to their remittances from abroad, deposits and other bank related matters.

3.10.3. COMPLAINTS CONCERNING LOANS AND ADVANCES

- Non-observance of RBI directives on interest rates.

- Delays in sanction or non-observance of prescribed time schedule for disposal of loan applications.

- Non-observance of any other directions or instructions of RBI, as may be specified for this purpose.

3.10.4. HANDLING CUSTOMER COMPLAINTS

Customer complaints falling under the purview of ombudsman may be broadly classified into two categories:

- Complaints concerning the deficiency in service, and
• Complaints concerning non-observance of the RBI directives on interest rates, delay in sanction or delayed disposal of loan applications in particular and other directives in general.

3.11. EFFICIENCY: THE CORNER STONE OF CUSTOMER SERVICE

Efficiency is one of the pearls of wisdom relating to excellent customer service. To this opinion of a manager of SBI is quoted below:

Though all the ingredients in behavioural science are important, still on a deeper analysis it boils down to mainly efficiency and the rest is plain common sense. This becomes especially true for our front line staff. A careful thought about what makes us efficient is very simple. If these aspects are taken care of by us, most of our customers as well as profit figures of the bank will be happier and healthier.

1. To start with “be in your desks in time”. If these aspects are unnecessary hurry, which often results in mistakes (sometimes very costly) and heated arguments with customers.

2. “Start work immediately”. Often, though we are at our desks on time still we waste time in unnecessary gossip with our colleagues. The result is a long queue at the counter. Once a long queue is formed, it requires fast services.
3. Greater effort to clear the rush, due to human tendency of feeling the pressure.

4. “Customer’s time is important.” Dispose him off as quickly as possible. Sometimes he may like a cup of tea or glass of water but most of the time he will be interested in getting his work finished quickly and correctly.

5. While working we often hear many customers talking and making wild accusations against all and sundry. Don’t involve yourself in unwanted arguments. The arguments will delay the work and cause additional amount of stress.

6. “Listen to the customer’s requirements” it is a well-known fact that many customers are unsure of what they have to do. Therefore, we are often flooded with requests to see whether the voucher/form filled by them is correct. It takes less time to satisfy the request than replying, “Go to the Enquiry Counter.”

7. “Follow rules to help the customer and not to harass them.” Rules are made for the orderly conduct of the work; they should not be used to avoid and delay the work. Most of the complaints received in the bank are those, which if handled with little more concern and a desire to help the customer, would not have occurred at all.
8. “Try to find a solution to customer’s problems.” The customer generally is not aware of the banking processes. If he has a problem, he should be guided suitably in a manner and language understood by the customer.

If the above simple rules of work were to be followed by us it will increase our efficiency thereby enhancing our image and respect among customers as well as our own colleagues and superiors. Work place will get transformed into a playful and enjoyable place”. Source: Harish Kher: Customer Care October-2004.

3.12. CUSTOMER EXPECTATIONS

Bank is a service industry. A natural question to ask is what does a customer expect from bank? Customer expectations transcend beyond “products”. It is therefore, imperative for banks to adopt specific systems and procedures as well as thought to manage the customer’s expectations. His expectations are broadly as follows:

1. He is received and listened to properly.

2. He is properly guided and doubts cleared.

3. Bank personnel are present at their desks/counters well in time.

4. The premises are clean and well organized.

5. There is warmth and understanding.

6. His letters/queries are promptly attended to and communicated.
3.12.1. CUSTOMER SERVICE IN THE BANK

The bank has over the years institutionalized a certain set of guidelines, systems and procedures to be followed, to show that they care for the customers. The following structured forms are put in place towards this end.

- Customer day- 15th of every month.
- Customer relations programme- monthly/quarterly.
- Customer service committee meeting-monthly/quarterly.
- Branch management committee meeting- at desired frequency.
- Customer service improvement plan.
- Customer’s grievances redressal mechanism at branch/Zonal Office.
- Customer service audit for compliances with Goiporia Committee recommendations.
- Complaint cum suggestion box.
- Upkeep of premises.
- Customer conveniences.
- Convenient layout for smooth work flow.
- Motivate frontline staff for providing excellent customer service.
- Update job cards and arrange of periodical briefing.
* Improve skill/knowledge and reorient attitude of staff through structured on-site training.

3.12.2. COMPLAINT MANAGEMENT

It is well documented that complaints are only a feedback for improvement. A customer cares to complain because he wants to continue with the bank. If not he would rather quietly move over to some other bank. Every complaint is an opportunity to reinforce bank’s commitment to the customer, which results in greater customer royalty. The major areas under complaints are:

1. Delay in collection is the single largest component (22 per cent).

2. This is closely followed by opening/operation/transfer of accounts and delays in remittances.

3. Staff mis-behaviour accounts for 4 per cent of the complaints.

3.12.3. COMPLAINTS CAN BE MANAGED BY

1. Identifying and followed up complaint prone branches.

2. Conducting survey of branches on complaint management and redressal system.

3. Identifying and rewarding complaint free branches.

4. Taking steps to achieve zero complaint status.
3.13. TEN COMMANDATIONS OF CUSTOMER SERVICE

1. A customer is the important person in any business.

2. A customer is not dependent on us; we are dependent on him.

3. A customer is not an interruption in our work; he is the purpose of it.

4. A customer does us a favour when he calls; we are not doing him a favour by serving him.

5. A customer is a part of our business-not an outsider.

6. A customer is a human being with feelings and emotions.

7. A customer is not someone to argue with; nobody ever won an argument with a customer.

8. A customer is one who brings us his needs; our job is to fulfill those.

9. A customer comes back only if an organization is courteous to him and gives him a good treatment.

10. A customer is the life-blood of any business.

3.14. CRM AND BANKING SECTOR

Banks and financial institutions started recognizing that they can no longer look at a customer from a specific product or snapshot perspective but must encompass the entire customer relationship towards a client’s profitability. From a strategic standpoint, CRM mobilizes resources around customer relationships rather than product groups and
fosters activities that maximize the value of lifetime relationship. From an operational standpoint, CRM links business processes across the supply chain from back-office functions through all touch points, enabling continuity and consistency across a customer relationship. From an analytical standpoint, CRM is a host of analytical data tools that enable banks to fully understand customer segments, assess and maximize lifetime value of each customer, model “what-if” scenarios, predict customer behaviours, and design and track effective marketing campaigns. Today, many businesses such as banks, insurance companies, and other service providers realize the importance of customer relationship management and its potential to help them acquire new customers and retain existing ones and maximize their lifetime value. At this point, close relationship with customers will require a strong coordination between banks and its marketing departments to provide a long-term retention of selected customers. CRM is a sound business strategy to identify the bank’s most profitable customers and prospects, and devotes time and attention to expanding account relationship with those customers through individualized marketing, reprising, discretionary decision making, and customized service through the various sales channels that the bank uses. Any financial institution seeking to adopt a customer relationship model should consider six key business requirements, they are:
• Create a customer-focused organization and infrastructure.
• Gaining accurate picture of customer categories.
• Assess the lifetime value of customers.
• Maximize the profitability of each customer relationship.
• Understand how to attract and keep the best customers.
• Maximize rate of return on marketing campaigns.

3.15. **IMPORTANCE OF CRM IN INDIAN BANKS**

For long, Indian banks had presumed that their operations were customer-centric, simply because they had customers. These banks ruled the roost, protected by regulations that did not allow free entry into the sector. And to their credit, when the banking sector was opened up, they survived by adapting quickly to the new rules of the game. Many managed to post profits. For them an unexpected bonanza came from government bonds in which most were hugely invested. Ironically, the Reserve Bank of India's moves to cut aggressively the interest rates after 1999, pushed up the prices of bonds. So banks had a windfall doing almost nothing. The bond profits, like manna from heaven, improved the balance-sheets of all banks irrespective of their core performance. However, the era of lazy banking is soon to end. The mesh of rules that propped up the Indian banking industry is now being dismantled rapidly.
According to a RBI road-map, India will have a competitive banking market after 2009. As one of the most attractive emerging market destinations, India will see foreign banks come in, what with more freedom to come in, grow and acquire. Therefore, it is imperative that Indian banks wake up to this reality and re-focus on their core asset—the customer. A greater focus on customer relationship management is the only way the banking industry can protect its market share and boost growth. CRM would also make Indian bankers realize that the purpose of their business is to "create and keep a customer" and to "view the entire business process as consisting of a tightly integrated effort to discover, create, and satisfy customer needs." What is CRM and what will it deliver to the banks? CRM is, probably, one of the least clearly defined business acronyms, as there is no single definition for it. It is probably easier to say what CRM is not. Unfortunately, CRM has also become a misnomer for a range of solutions from IT vendors; each providing its own spin on the idea. CRM is variously misunderstood as a fancy sales strategy, an expensive software product, or even a new method of data collection. It is none of these. Customer relationship management in the Indian banking system is fundamental to building a customer-centric organization. CRM systems link customer data into a single and logical customer repository. CRM in banking is a key element that allows a bank to develop its customer base and sales capacity. The goal of CRM is to manage all
aspects of customer interactions in a manner that enables banks to maximize profitability from every customer. Increasing competition, deregulation, and the internet have all contributed to the increase in customer power. Customers, faced with an increasing array of banking products and services, are expecting more from banks in terms of customized offerings, attractive returns, ease of access, and transparency in dealings. Retaining customers is a major concern for banking institutions which underscores the importance of CRM. Banks can turn customer relationship into a key competitive advantage through strategic development across a broad spectrum. CRM is a simple philosophy that places the customer at the heart of a business organization’s processes, activities and culture to improve his satisfaction of service and, in turn, maximize the profits for the organization. A successful CRM strategy aims at understanding the needs of the customer and integrating them with the organization’s strategy, people, and technology and business process. Therefore, one of the best ways of launching a CRM initiative is to start with what the organization is doing now and working out what should be done to improve its interface with its customers. Then, and only, should it link to an IT solution. While this may sound quite straightforward, for large organizations it can be a mammoth task unless a gradual step-by-step process is adopted. It does not happen simply by buying the software and installing it. For CRM to be truly effective, it requires a well-thought-
out initiative involving strategy, people, technology, and processes. Above all, it requires the realization that the CRM philosophy of doing business should be adopted incrementally with an iterative approach to learn at every stage of development.

3.16. CRM PRACTICES OF THE SELECT COMMERCIAL BANKS

A brief description of the customer relationship management practices of the select commercial banks is given below.

3.16.1. INDIAN OVERSEAS BANK

Indian Overseas Bank was founded on 10 February 1937, by Shri. M.Ct.M. Chidambaram Chettiar, a pioneer in many fields such as banking, insurance and industry with the twin objectives of specializing in foreign exchange business and overseas banking. IOB had the unique distinction of commencing business on 10th February 1937 in three branches simultaneously at Karaikudi and Chennai in India and Rangoon in Burma followed by a branch in Penang. At the dawn of independence IOB had 38 branches in India and 7 branches abroad. Deposits stood at Rs.6.64 crores and advances at Rs.3.23 crores at that time.

After an extensive scan of the market, IOB decided to develop its own CBS. Right from the inception, the bank had a dedicated IT staff and this made the job a lot simpler. Since expertise in the operating domain
was key to the success of this product, the IOB IT teams knew the scope of their banking processes. Hence, the CBS was engineered to their own requirements. In 2003, IOB installed their own CBS called CROWN, and rolled it out on a test basis. It was very successful. The solution was developed using Sybase in a UNIX environment. CROWN has also been certified with ISO 9001, and complies with all the quality processes specified. In the first phase of its product development, close to 158 people were involved in the development. By 2009, its IT team had grown to more than 240 and its CBS was managing hundreds of thousands of transactions, daily. By 2009, IOB had also extended the reach to all 2,000 branches and is in the process of extending its CBS to rural or micro banks. In mid-2008, the bank deployed its first data center and moved towards multi-protocol label switching cloud based connectivity with a multi-vendor service provider concept. Moving all its applications to a high-end hardware computing backbone posed some glitches initially, but they managed the transition pains pretty well and came out much stronger with high-end computing and connectivity capabilities. During this time, the bank adopted a hosted model, and having created a very robust IT backbone that was totally under its control, the benefits of a hosted environment were instantly visible and traceable. Late last year, the bank further enhanced its internet banking suite of offerings in-house, and has since outsourced its mobile banking solution.
The biggest benefit that IOB realized from its alliance with Sybase was that its market response time is much quicker now, enabling it to keep with its customers' demands, compete more effectively and adhere to the changing regulatory requirements. Furthermore, the return on investment was also realized almost immediately by the bank. IOB now has dependable and sophisticated technology that was built to suit its own system. One of the biggest reasons for choosing Sybase was their ability to demonstrate a very clear vision and roadmap of their various solutions, their on-site maintenances and support capabilities, and their extremely prompt and truly 24/7 support, especially during the phased-out, go-live stages. IOB, from the beginning, has thought along the lines of aligning IT with its business processes; and created a custom-specific and domain-centric IT architecture that has brought in significant cost savings and proved that in-house solutions with the right development approach succeeds and leads to overall higher productivity.

3.16.2. CANARA BANK

Widely known for customer centricity, Canara Bank was founded by Shri Ammembal Subba Rao Pai, a great visionary and philanthropist, in July 1906, at Mangalore. Growth of Canara Bank was phenomenal, especially after nationalization in the year 1969, attaining the status of a national level player in terms of geographical reach and clientele
segments. Eighties was characterized by business diversification for the Bank. In June 2006, the Bank completed a century of operation in the Indian banking industry. The eventful journey of the Bank has been characterized by several memorable milestones. Today, Canara Bank occupies a premier position in the comity of Indian banks.

Over the years, the Bank has been scaling up its market position to emerge as a major ‘financial conglomerate’ with as many as nine subsidiaries/sponsored institutions/joint ventures in India and abroad. As at June 2010, the Bank has further expanded its domestic presence, with 3057 branches spread across all geographical segments. Keeping customer convenience at the forefront, the Bank provides a wide array of alternative delivery channels that include over 2000 ATMs, one of the highest among nationalized banks covering 732 centres, 2681 branches providing internet and mobile banking services and 2091 branches offering ‘anywhere banking’ services. Under advanced payment and settlement system, all branches of the Bank have been enabled to offer RTGS and NEFT facilities.

3.16.3. UNION BANK OF INDIA

Union Bank of India was established on 11th November 1919 with its headquarters in the city of Bombay. The head office building of the Bank in Mumbai was inaugurated by Mahatma Gandhi in the year 1921, and he said on the occasion, “We should have the ability to carry on a big
bank, to manage efficiently crores of rupees in the course of our national activities. Though we have not many banks amongst us, it does not follow that we are not capable of efficiently managing crores and tens of crores of rupees.” His prescient words anticipated the growth of the bank that has taken place in the decades that followed. The Bank now operates through over 2800 branches across the country. The Bank's core values of prudent management without ignoring opportunities is reflected in the fact that the Bank has shown uninterrupted profit during all 90 years of its operations.

Union Bank of India has been playing a very proactive role in the economic growth of India and it extends credit for the requirements of different sectors of economy. Industries, exports, trading, agriculture, infrastructure and the individual segments are sectors in which the bank has deployed credit to spur economic growth and to earn from a well diversified portfolio of assets. The Bank has a large clientele base of over 24 million. On the technology front the Bank has taken early initiatives and 100% of its branches are computerized. The Bank has also introduced Core Banking Solution with connectivity between branches. 100% of the business of the Bank is under Core Banking Solution making it a leader among its peers in infusion of technology.
Many innovative products are developed using the technology platform to offer an array of choices to customers, adding speed and convenience to transactions. Technology also enables the Bank to derive substantial cost reduction while creating the requisite capacity to handle the ever increasing volume of business in a competitive environment that offers immense opportunities. At the end of September 2011 the Bank achieved total business level of Rs.342856 crore. Behind all these achievements is a dedicated team of staff, which is truly cosmopolitan in its composition. Many generations of members of staff have contributed in building up the strong edifice of the Bank. The present team of over 29000 members of staff distinguishes itself with its customer centricity, willingness to learn and adherence to values enabling us to be recognized as a caring organization where people enjoy their work and relationship with customers.

3.16.4. BANK OF INDIA

Bank of India was founded on 7th September, 1906 by a group of eminent businessmen from Mumbai. The Bank was under private ownership and control till July 1969 when it was nationalized along with 13 other banks. Beginning with one office in Mumbai, with a paid-up capital of Rs.50 lakh and 50 employees, the Bank has made a rapid growth over the years and blossomed into a mighty institution with a strong
national presence and sizable international operations. In business volume, the Bank occupies a premier position among the nationalized banks. The Bank has 3752 branches in India spread over all states/union territories including specialized branches. These branches are controlled through 50 Zonal Offices. There are 29 branches/offices and 3 subsidiaries and 1 joint venture abroad. The Bank has been the first among the nationalized banks to establish a fully computerized branch and ATM facility at the Mahalaxmi Branch at Mumbai way back in 1989. The Bank is also a founder member of SWIFT in India. It pioneered the introduction of the Health Code System in 1982, for evaluating/rating its credit portfolio. The Bank’s association with the capital market goes back to 1921 when it entered into an agreement with the Bombay Stock Exchange (BSE) to manage the BSE Clearing House. It is an association that has blossomed into a joint venture with BSE, called the BOI Shareholding Ltd. to extend depository services to the stock broking community. Bank of India was the first Indian Bank to open a branch outside the country, at London, in 1946, and also the first to open a branch in Europe, Paris in 1974. The international business accounts for around 17.82% of Bank’s total business.

3.16.5. STATE BANK OF INDIA

The State Bank of India, the country’s oldest bank and a premier in terms of balance sheet size, number of branches, market capitalization and
profits is today going through a momentous phase of change and transformation. The bank is entering into many new businesses with strategic tie ups namely pension funds, general insurance, custodial services, private equity, mobile banking, point of sale merchant acquisition, advisory services, structured products, etc. The bank is forging ahead with cutting edge technology and innovative new banking models, to expand its rural banking base, looking at the vast untapped potential in the hinterland. Today, the bank is the largest provider of infrastructure debt and the largest arranger of external commercial borrowings in the country. It is the only Indian bank to feature in the Fortune 500 list.

The bank is changing outdated front and back end processes to modern customer friendly processes to help improve the total customer experience. With about 8500 of its own 10000 branches and another 5100 branches of its Associate Banks already networked, today it offers the largest banking network to the Indian customers. The bank is also in the process of providing complete payment solution to its clientele with its over 21000 ATMs, and other electronic channels such as internet banking, debit cards, mobile banking, etc. With four national level Apex Training Colleges and 54 learning centres spread all over the country, the bank is continuously engaged in skill enhancement of its employees. It at present has 82 foreign offices in 32 countries across the globe. It has 7 subsidiaries
in India, namely, SBI Capital Markets, SBICAP Securities, SBI DFHI, SBI Factors, SBI Life and SBI Cards, forming a formidable group in the Indian Banking scenario.

Realizing the importance of retail segment in banking business and henceforth the importance of providing delightment with its service and delivery, the bank carved out a massive CRM programme. To facilitate services to the retail customers, the bank has even segregated branches into various segments depending on the types of customers it caters to such as corporate account group, treasury branch, SSI branch, commercial branch, NRI branch, and network branch. For effective CRM in retail banking segment, the bank has separately created an exclusive Personal Banking Branch (PBB). There are 75 PBBs in India. The concept of PBBs are to offer all retail banking products right from savings bank account, current account to home loan, car loan, personal loan, credit cards, mutual funds and insurance under one roof. The CRM initiatives of SBI could be discussed in the following heads.

Customer Relationship Schemes

- SBI has carved out a separate section to look into retail segment known as Personal Banking Branch (PBB). The PBBs have a uniform set of interiors with certain facilities across the country to make customers
feel the same level of comfort with any of the bank branches in the country.

- The concept of Relationship Managers (RMs) has been introduced in the PBBs. The PBBs have been asked to identify top 200 accounts of their branch based on their value and business with the bank and to assign an exclusive RM to these accounts in a group of seven to ten accounts. RMs are supposed to look after all sorts of requirements of these customers. They would be providing all services at one desk. This arrangement is supposed to help the bank in serving the customers better and also to provide an opportunity to cross-sell and up-sell with the customers.

- Every branch is supposed to form a Customer Relationship Committee meeting every month. This Committee consists of staff, and five customers from various customer groups. These customers are called at the bank and are asked to lodge their complaints and offer their suggestions on various matters pertaining to bank services. A report is prepared and follow up actions are reviewed in the subsequent meeting.

- Every branch is supposed to organize one special customer relationship programme every quarter aiming at any of the customer issues coined in the Customer Service Committee meeting.
• There is also a Customer Service Committee which consists of members of the staff. It meets once a month and discusses the customer issues for betterment of customer service.

• The corporate centre of the bank has a separate Customer Relation Cell. This cell is supposed to design programmes for various customer requirements and do all arrangements which can increase customer satisfaction with the bank.

• The bank’s local head office branches are also required to constitute a bank club/board club. The club members consist of staff and customers. These club members are supposed to work out on a strategy that could improve the bank’s functioning and could provide better service to its customers. Once in half year, the CGM meets the elite and the high net worth individual customers of the bank.

• Pensioners, who constitute a large chunk of SBI customer group, are called for a meeting to bring out their grievances and suggestions to improve banking service, once a quarter.

• To impart a feel-good factor among its customers, SBI also does community service banking for schools and colleges. Various programmes such as sports meet, college functions, and honouring
toppers are organized. Manager at local level can also offer certain scholarships and so on.

- The bank has now even started sending seasonal greetings to its high value customers. This is an attempt to induce personal feeling in their relationship with the bank.

- It has been made mandatory by every branch, which is more than 20 staff strength, to set up a counter of “May I Help You”. It is supposed to help customers in all their requirements such as filling up a fixed deposit form enquiry related to certain banking products, and use of any type of service.

- To attend customer’s query over telephone only, the bank has started a helpline at all zonal offices. Any of the customer service requests is now attended over telephone only. It saves customers’ time, money and harassment.

- The members of the Circle Management Committee, Deputy General Manager and Assistant General Manager meet customers and other users once a month in open forums at various centres to listen to their grievances and suggestions to improve the services of the bank. Advance announcements are made in the press before holding such meets.
• The branch managers and managers of divisions should invariably call on customers at their workplace. In addition, all levels of staff should occasionally call on customers at appropriate levels at their workplaces, depending upon circumstances.

• The CGM, DGM and branch managers meet the customers at the respective headquarters on the 15th of every month for receiving their specific complaints/suggestions and resolving them at the earliest.

• The bank is at present experimenting with this new concept of customer councils. With a view to promoting better interaction between operating staff and the customers, the bank has decided to set up customer councils at branches having a staff strength of 100 or more and at all intensive centres. Three to six customers are co-opted by branch, who in the presence of Customer Service Committee, meet quarterly and identify areas of customer services and suggest steps to improve the same.

• SBI became a member of the Banking Codes and Standards Board of India in September 2006. It has thereby adopted BCSBF code of bank’s commitments to customers as the Fair Practice Code for implementation at all its branches. It has also appointed Code Compliance Officers at all its offices. The bank places importance not only to redress customer grievances but also in identifying
systemic/attitudinal issues, if any, that lead to a high frequency of complaints in particular areas and in rectifying them.

Offer Customization

Cash Management Product: SBI has set up a technology-driven collection system for providing faster credit to high-value customers: SBI FAST, the CMP product offered by CAG. CMP is now a comprehensive cash management solution offering payments in addition to collections. It also empowers the corporates in their liquidity management by offering auto sweep facility, customized MIS and reconciliation support. Introduction of direct debit facility, handling bulk RTGS transaction, bulk drafts printing, and dispersed direct credits are some of its new initiatives.

Identifying Customers: To make distinction to high net worth individual and profitable customers and offer speedy and customized services, the branches are asked to prepare a list of VIP customers. Customers are chosen based on their deposits and other transactions with the bank. Bank has planned to offer passbooks and cheque books in different colours/packaging so that these customers could be easily identified and are served accordingly.

SBI’s Plus Schemes: The bank has introduced new schemes such as Justice Plus intended for the judges and the court employees, Police Plus for the police personnel, Teacher Plus for the teaching community and
Doctor Plus for the medical practitioners. The beneficiaries availing themselves of the loans such as housing loans, car loans, and personal loans would get the benefit of special concessions in terms of rate of interest, margin and processing fee, under the Plus schemes. Moreover, the loan sanction formalities have been made simple and easy so that there will not be any delay in the sanction of loans under this package.

**SBI Credit Khazana:** This is a housing loan scheme for the customers who are regular in servicing the loan. Under the scheme, customers can enjoy lower interest rates and margins for other retail products of the bank such as car loan, education loan, personal loan and tractor loan.

**SBI Cash Plus:** The State Bank Cash Plus is an international ATM-cum-debit card that allows the customers to draw cash from Maestro/Cirrus branded ATMs in India and abroad as well as millions of merchant establishments the world over. This product has been designed to take care of the requirements of premium customers.

**Compliant Handling Machinery**

SBI looks at grievances redressal as very important for customer service and customer delight. For this, the bank has made several arrangements which are as follows:
Compliant-cum-Suggestion Box: A transparent glass window should be fixed at the bottom of the compliant-cum-suggestion box. Branch managers have made responsible for keeping watch on that.

Display of Notice: It should be at the prominent place, indicating the five basic services that the customer should expect from the branch.

Disposal of Complaints: All complaints, whether verbal or written, must be entered in the branch compliant book and acknowledged within 24 hours. The triplicate copy of the compliant format should be sent to the concerned controlling authority together with the branch comments as to the manner of disposal. The compliant should be finally settled within a maximum period of 21 days, under confirmation to the controlling office.

3.16.6. INDIAN BANK

Indian Bank was established on 15th August 1907 as part of the Swadeshi Movement. It serves the nation with a team of over 19300 dedicated staff. The total business of the bank crossed Rs.1,81,530 crores as on 31.03.2011. The operating profit increased to Rs.3291.68 crores as on 31.03.2011. The net profit of the bank was Rs.1714.07 crores as on 31.03.2011. 1923 branches are providing core banking solutions. The Bank has overseas branches in Singapore, Colombo including a foreign currency banking unit at Colombo and Jaffna. The bank has 240 overseas correspondent banks in 70 countries. It has 3 subsidiary companies,
namely, Indbank Merchant Banking Services Limited, IndBank Housing Limited, and IndFund Management Limited. 97 forex authorized branches inclusive of one specialized overseas branch at Chennai exclusively handling forex transactions arising out of export, import, remittances and non-resident Indian business.

In the present scenario of competitive banking, excellence in customer service is the most important tool for a sustained business. Customers are part of the business life of any corporate entity. This is more so for banks because banks are service organizations. As a service organization, customer service and customer satisfaction should be the prime concern of any bank. Providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. Therefore, the Indian Bank has the following CRM principles:

1. Customers to be treated fairly at all times.

2. Complaints raised by customers are dealt with courtesy and on time.

3. Customers are fully informed of avenues to escalate their complaints/grievances within the organization and their rights to alternative remedy, if they are not fully satisfied with the response of the bank to their complaints.
4. Bank will treat all complaints efficiently and fairly as they can damage the bank’s reputation and business if handled otherwise.

5. Bank employees must work in good faith and without prejudice to the interests of the customer.

Besides, the Indian Bank set up the following committees for the effective customer relationship management.

**Customer Service Committee of the Board:** This sub-committee is responsible for formulation of a comprehensive deposit policy incorporating the issues such as the treatment of death of a depositor for operation of his account, the product approval process and the annual survey of depositor satisfaction and the triennial audit of such services. The committee would also examine loan policies and any other service issues having a bearing on the quality of customer service rendered. This committee would also review the functioning of Standing Committee on Customer Service. The Customer Service Committee of the Board would also periodically review customer grievance mechanism in place, the efficacy of the grievance redress, the steps taken by the bank to preclude possibilities of receiving complaints in certain specific areas of functioning such as loan disbursements and educational loans in particular, services rendered to senior citizens/pensioners, etc. The committee would periodically review the compliance of the Bank’s Code of Commitment to
customers. The committee would also review the overall status relating to the customer complaints to Banking Ombudsman/Consumer Forum.

**Standing Committee on Customer Service:** The Standing Committee on Customer Service consisting of Chairman/Executive Director, senior executives besides four eminent non-executives drawn from public, meets once in a quarter to review the following areas: quality of customer service rendered and feedback received from various quarters; implementation of Codes under BCSBI; adherence of regulatory instructions regarding customer service; and position of unresolved complaints/grievances and to submit a report on its performance to the Customer Service Committee of the Board at quarterly intervals.

### 3.16.7. ICICI BANK

ICICI Bank is India's second largest bank with total assets of Rs. 4,062.34 billion at March 31, 2011 and profit after tax Rs. 51.51 billion for the year ended March 31, 2011. The bank has a network of 2,544 branches and 7,037 ATMs in India, and has a presence in 19 countries, including India. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries in the areas of investment banking, life and non-life insurance, venture capital and asset management. The bank currently has subsidiaries in the United Kingdom,
Russia and Canada, branches in United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai. It has International Finance Centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. Its UK subsidiary has established branches in Belgium and Germany. ICICI Bank's equity shares are listed in Bombay Stock Exchange and the National Stock Exchange of India Limited and its American Depositary Receipts are listed on the New York Stock Exchange.

ICICI Bank has to manage more than 13 million customers. The bank has over 550 branches, a network of 2025 ATMs, multiple call centres, internet banking and mobile banking. Its customers often use multiple channels, and they are increasingly turning to electronic banking options. Business from the internet, ATMs and other electronic channels now comprise more than 50 per cent of all transactions. In the process of making its business grow to this level, ICICI Bank has distinguished itself from other banks through its relationship with customers. The Teradata solution focuses on a customer relationship management platform. Information from various legacy and transaction systems is fed into a single enterprise called wide data warehouse. This allows the bank to generate a single view of its customers. The warehouse has the capability to integrate data from multiple sources comprising Oracle and flat files. The Behaviour Explorer enables profiling of customers and querying on
various parameters. These enable the bank staff create suitable campaigns for targeting individual customers on the basis of their requirements. The logistics in the system have also led to other benefits like interactive reports, unearthing cross-selling opportunities as well as finding out about the channel usage undertaken by a segment. The data access was facilitated through the use of Cognos Power Cubes.

ICICI’s CRM data warehouse integrates data from multiple sources and enables users to find out customers’ various transactions pertaining to savings accounts, credit cards, fixed deposits, etc. The warehouse also gives indications regarding the customer’s channel usage. Analysis at ICICI guides product development and marketing campaigns through Behaviour Explorer, whereby customer profiling can be undertaken by using ad hoc queries. The products thus created take into account the customer’s needs and desires, enabling the bank to satisfy customers through better personalization and customization of services. The initial implementation of CRM allowed ICICI Bank to analyze its customer database, which includes information from eight separate operations systems including retail banking, bonds, fixed deposits, retail consumer loans, credit cards, custodial services, online share trading, and ATM. The following are some noteworthy CRM initiatives of the ICICI Bank.
**Mobile ATMs:** Customers of ICICI Bank can access their bank accounts through mobile ATMs. These ATMs are kept in vans and parked at locations that have a high traffic of bank customers such as the commercial areas in a city or upmarket residential areas. ICICI Bank now provides standard ATM facilities through ATM vans. This facility has been tried at Mumbai, Chandigarh and various places in Kerala during specified timings.

**Bulk Deposits:** The ICICI Bank’s Bulk Deposit ATMs enable customers to deposit large amounts at one time. Unlike conventional ATMs, which are able to accept only 30 notes at a time, these ATMs allow the deposit of huge amounts. The Bulk Deposit ATM is available in Mumbai’s Vashi Sector branch office of ICICI. The bulk deposit facility can be availed of by select customers who need to deposit huge amounts of cash. ICICI Bank issues a special card called the “Deposit Only Card” to facilitate this service. This card allows for deposit transactions only. The service is further facilitated by the provision of special bags at ATMs in which a customer can put his money. After the deposit slip is filled, the bag can be inserted in the ATM. The transaction slip is then generated by the ATM as an acknowledgement of the deposit. ICICI Bank also has cash pick-up service for business customers under the business banking segment.
**ATMs for the Visually Challenged:** ICICI Bank has launched ATMs with special voice-guided systems, which guide a visually challenged person to access ATMs without any help. The jack on the terminal enables headphones to be connected to it and voice commands enable the customer to transact business. Customers may choose a suitable language to get voice commands. After the language selection is done, the customer is guided to ensure that the ATM card is inserted in the right slot and thereafter, guidance is provided for entering the PIN by using the keypad. A raised button is provided on number 5 to enable users to identify the numbers easily through touch. The slot for cash collection has such raised ‘pips’ that enable easy identification through touch.

**Other Services through ATMs:** Apart from the usual transactions involving the bank, some other services can also be availed of by ICICI Bank customers. These include prepaid mobile recharge, buying and renewing internet packs, making donations for Tirupati Tirumala Devasthanams, Nathdwara Temple and Shri Mata Vaishnodevi Shrine, mutual fund transactions, and bill payments.

**Mobile Phone as a Virtual Wallet:** The mobile phone has been transformed into a virtual wallet, a new innovation in mobile commerce. On September 19, 2005, Airtel, ICICI Bank and Visa announced the launch of mChq, a revolutionary new service, which is a credit card using the
mobile phone. This is the first mobile-to-mobile payment option which enables Airtel customers and ICICI Bank Visa cardholders to pay for their purchases with their Airtel mobile phones. The service has eliminated the need for carrying physical cash for making a purchase and also the problems associated with the point of sale terminal since the mobile phone services as a secure point of sale and a payment mechanism.

**Social Events:** ICICI Bank organized the largest domestic invitational amateur golf event for HNI customers. This nation-wide golf tournament had over one lakh high-net-worth clients of ICICI Bank’s private banking division participating in the event.

**Mobile Banking:** Mobile banking enables the customer to avail of many facilities by just sending an SMS. These facilities, which are currently offered free of cost, are locating ATM, locating branch, locating drop box, alert facilities like salary credit, account debit/credit, cheque bounce, etc. queries on banking, cards and demat account.

### 3.16.8. CATHOLIC SYRIAN BANK

The genesis of Indian Banking is associated to a large extent with Swadeshi Movement, which inspired many Indians to promote Swadeshi Banks in the beginning of the 20th Century. The enterprising founders of Catholic Syrian Bank Limited also found this period to be a moment of opportunity to promote the establishment of a bank. Thus was born The
Catholic Syrian Bank Limited nine decades ago, on 26th November 1920 to be exact at Thrissur, which in later years acquired the unique distinction of being a centre with the highest concentration of banks in the South. The bank commenced business on January 1st 1921 with an authorized capital of Rs.5 lakhs and a paid up capital of Rs. 45270/- In August 1969, the Bank was included in the Second Schedule to the Reserve Bank of India Act 1934. In 1975, the Bank attained the status of "A" Class Scheduled Bank when its total Deposits crossed Rs.25 crores. At present, the bank has a network of 364 branches which includes NRI/SSI/Industrial Finance and Service branches. It has a distinct place in the mind maps of customers, carefully nurtured down the time line. They have been delivering the best of customer service over the generations and this is ingrained in their value system. It has a dedicated workforce who considers the bank not simply as an employer but as a family concern. Secondly, the customer loyalty and confidence on the bank is derived out of a longstanding relationship. They have been serving three generations of customers from the same family and have over 90 years of chaste tradition of rendering customer service at its best.

Catholic Syrian Bank works with a vision to become global bank by satisfying the customers by all latest information technology and to do only banking nothing else with principles and traditions. Catholic Syrian Bank holds high the values of the organization that guides its relationships with customers, employees, shareholders, etc. The values it inherited are
fairness and trust, integrity, transparency, dignity and respect, equity and justice, performance effectiveness and efficiency. Let’s focus on some of the drawbacks faced by the customers during business with the Catholic Syrian Bank such as loan amount are extended with huge rate of interest, terrible means are adopted to recover loan amount, before securing a loan huge number of documents have to be submitted, the loan files transfer from one bench to another consuming lot of time, very fewer branches are there, not properly update the customers.

3.16.9. LAKSHMI VILAS BANK LIMITED

The Lakshmi Vilas Bank Limited (LVB) was founded in 1926 by seven people of Karur under the leadership of Shri V.S.N. Ramalinga Chettiar, mainly to cater to the financial needs of varied customer segments. The Bank obtained its license from RBI in June 1958 and in August 1958 it became a Scheduled Commercial Bank. During 1961-65 LVB took over nine banks and raised its branch network considerably. To meet the emerging challenges in the competitive business world, the bank started expanding its boundaries beyond Tamil Nadu from 1974 by opening branches in the states of Andhra Pradesh, Karnataka, Kerala, Maharashtra, Madhya Pradesh, Gujarat, West Bengal, Uttar Pradesh, Delhi and Pondicherry. Mechanization was introduced in the head office of the Bank as early as 1977. At present, with a network of 273 branches,
1 satellite branch and 9 extension counters, spread over 15 states and the union territory of Puducherry, the Bank's focus is on customer delight, by maintaining high standards of customer service and amidst all these new challenges, the bank is progressing admirably. The bank has launched internet banking at Chennai, on August 09, 2008. The customers who are willing to avail LVBiNet facility can approach any branch of LVB to get the internet banking facility.

3.17. SUMMARY

The Indian banking industry has come from a long way from being a sleepy business institution to a high proactive and dynamic entity. This transformation has been largely brought by the large dose of liberalization reforms and rapid strides in information technology. 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. Therefore, in this chapter an attempt has been made to review various practices implemented by the select commercial banks for the effective customer relationship management.
REFERENCES


