CHAPTER 5
CONCLUSION

Customer relationship management is based on customer because survive was made in the global market and focused on the customer and the customer is becoming a key factor for the small and big companies. The companies know that its cost is more to acquire a new customers than to get an existing customer for a making a purchase. Another aspect of survival of CRM is that knowing the customer better and also his/her preferences will allow the companies to acquire new customers more easily and facilitates targets cross-selling.

CRM is based on the basic marketing belief that an organization that knows its customer like an individual. The organization’s components include the database warehouse that store all the company information of the customer. For the collection of the customer database, they are using the customer service system, call centre, e-commerce, web marketing, operation system than get the complete information of the customer and the sales system. In the portable sales communication, the CRM is appointment making of the service. In the practice, the CRM system is the range from automated customer-contacts system to the company wide pooling for the customer information.

CRM is a system for capital investment that integrates the strategy, marketing and the IT system. It is also is a strategic know how to handle the customer relations from a company point of view. The strategy is based how to develop, establish and increase the relation with the customer for profitability perspective. It is based on the knowledge of the individual customer’s need and potential, the company makes a strategic to find out the different of the customer with other customer to gain the customer for a long period of time. The cut across traditional the organization structure is to force the customer in the integration of the company activities. By the implementation of CRM is not a small task of any organization. There is no doubt that the CRM can be major factor that give the competitive advantage for the maximum market and customer. If any company implement the inappropriate CRM than quality demand by the customer is going to be
declined. Their results the customers leave that company and never return to the organization because of the bad experience with the organization.

CRM integrates sales, marketing, service, enterprise resource planning and the supply chain management through the business process by using technology solution, information resource and automation to maximize the customer contact.

The banking industry in India has undergone radical changes due to the liberalization and globalization measures undertaken since 1991. Today, Indian banking industry is one of the largest in the world. Banks are looking to create pool of satisfied and delighted customer who is vital non-financial asset through efficient services in the emerging IT era. Customer Relationship Management (CRM) provides interactive, personalized and relevant communication with customers to develop and maintain relationships. CRM is a holistic strategy which can help the banks to build a relationship with their customers that can last a lifetime, enables to develop philosophy that is oriented towards the customers.

After opening up the financial sector to the global players, Indian banking sector faces enormous challenges of attracting and retaining customers. The present study revealed that the private banks are ahead in attracting and retaining customers because of good personal relationship with the customers. Reasons for opening accounts with a bank by the customers are factors like convenient location, overall reputation, employee behaviour with the customer, etc. Private Banks are offering more value-added services for special group of customers (class-banking approaches). The demographic profile of the respondents indicates that all the respondents above 20 years and professional have their accounts with private banks. People with middle age group, professionals, businessmen and higher income group people want to operate with a public sector bank because of overall reputation of the bank. The overall scenario for banking behaviour of customers is almost similar for public and private banks. Developing a product for the customers without knowing what customer expects is futile.

CRM in banking sector is till now is in evolutionary stage, it is the time for taking ideas from customers to enrich its service. The use of CRM in banking has gained importance
with the aggressive strategies for customer acquisition and retention being employed by
the bank in today’s competitive milieu. Still it is important for banks to implement lot of
innovative CRM to capture and retain the customers. Banks have slowly but surely
realized the importance of building and maintaining customer relationships. CRM in
banking industry entirely different from other sectors, because banking industry purely
related to financial services, which needs to create the trust among the people.
Establishing customer care support during on and off official hours, making timely
information about interest payments, maturity of time deposit, issuing credit and debit
cum ATM card, creating awareness regarding online and e-banking, adopting mobile
request etc are required to keep regular relationship with customers.

Improvements in gathering and using behavioural and psychographic data will also be
more readily available for organized retailers in the next few years. Through CRM
system organized retailers collected normative data, which provides base foundational
analysis information today, will be used more and more to improve growth &
development and to provide a clear picture of the competitive landscape. This will help
organized retailers understand opportunities that they can exploit because of their ability
to plan with more agility than larger organizations.

The internet will continue to exploit to gather and attract data from customers and
prospects. New Internet based techniques will become increasingly effective over time.
Ad hoc survey engines, online self-help systems and e-commerce data on an ongoing
basis. To help retailers manage support costs, many businesses will utilize and integrate
chat-based or live, proactive problem recognition and the integration of call centre
systems with overall customer information systems to allow a single face to all
customers. These systems and processes will in turn generate data needs to be collected
and integrated with the CRM strategies.

India’s retail market has been evolving with time and today is considered to be at the
point of revolution. Due to the ever changing Indian consumer mind-set, the companies
are facing a huge problem. The strategies which have been successful in other countries
may not be successful in India because of diversity in the taste and preferences of the
Indian customers. Over the next five years we may see the most impressive success stories within the worldwide retail industry. We are undoubtedly going to see a few dramatic failures as well. The opportunity that is represented by the current minimal penetration of so-called “organized retail” has created a whirlwind of enthusiasm.

Our study has focused on Customer satisfaction, Loyalty, Trust, Retention & Customer Buying Behaviour is the measure of how the needs and responses are collaborated and delivered to excel customer expectation. In today’s competitive business marketplace, customer satisfaction is an important performance exponent and basic differentiator of business strategies. Hence, the more is customer satisfaction; more is the business and more is the bonding with customer. Customer satisfaction depends on quality of service, price, promotion, packaging, location etc provided to him by the supplier. If the quality and trend of service go beyond customer’s expectation, the organization is supposed to have a good business with customers.

The organized retail sector consists of both tangible and intangible factors while assessing the service quality and satisfaction in retailing is different from private banking sector. The present study examine the critical factors effecting service quality and should concentrate more on personal interaction and reliability of the product as well as store in order to enhance their service. The service quality factors will significantly effects customer satisfaction. It was proved that except policy of the store, personal touch, reliability, product variety, offers, location, physical aspects and problem solving are significantly effecting customer satisfaction. Customer relationship management strategies help both the sectors to concentrate on specific areas of service where to develop, where to amend and where to cut down and enables them to take effective service strategies.

The finding has depicted that the dependent variable shows a positive relationship with the other variable. CRM is influenced by, service quality, price, promotion, internal satisfaction and customer loyalty value. The customer satisfaction is the main point which is the important thing in every industry. By apply the CRM in the industry, the customer will be satisfied with the service of the company and will be a customer loyal
for the company. And the company cost will reduce because they will not focus on the advertisement but they will focus to give the customer better service and satisfaction. Although there is a moderated relationship between these variable are positive and independent variables (dimensions of CRM) has a position relationship with the dependent variable customer satisfaction.

Most service firms rely on periodic surveys to understand their customers’ expectations and also understand and anticipate their behaviours. It is very important to work with customers to understand their expectations as research has consistently indicated that one of the major reasons for poor service quality is the gap between manager’s perceptions about customer’s expectations and actual customer expectations (Parasuraman, Zeithaml and Berry 1985).

The purpose of collecting customer information and developing knowledge is to be able to differentiate customers and meet their specific requirements. Peppers, Rogers and Dorf (1999) have recommended a four-stage process of Identification, Differentiation, Interaction, and Customization for implementing one to one relationships with customers. Customer knowledge can be used to initiate customization of the service for customers based on their needs. By tailoring the elements of services marketing mix, firms can customize their offerings to all or select customers.

In the near future, the most dramatic changes in technology and operations will be seen by people who are using CRM systems to service and sell to customers and prospects as part of their regular jobs. Today, knowledge workers are using personalized CRM portals for quick access to information resources and customized applications that easily present data. Often driven by the need to improve customer satisfaction and retention, CRM system can aid in understanding a customer or segment to focus on marketing activities. One can observe more of an appreciation that profitability is a key variable in determining promotional activities, price and product quality based on historical as well as future anticipated customer information. Life time value will be better understood to allow for organizations to think about potentially good prospects and the overall return on the relationships that is developed over time. CRM will be blended with operational and
back office systems to provide a seamless, real time data environment. CRM will not only be about servicing the customer in a better way but also servicing the customer in the best interests of the customer as well as the business itself.

Acquiring new customers is the company acquires customers by promoting product and service leadership. To enhance the maximum profitability of existing customers the company should enhances the relationship by encouraging excellence in cross selling and up selling of the product and the relationship will be useful for the company because the customer become loyal to the company and will use the same service or product again. Therefore, by the deepening and broadening of the relationship with the customer and to retain the profitable customers for life time, the customer retention is focuses on service adaptability, delivering the service or product on the right time but not what the market wants but do as the customers want.

The implementation of CRM provides following enormous benefits to the bank:

- Reduction in Operating cost

- Integrated view of the customer provides the bank an opportunity to understand its customers well and accordingly cater to their needs with individualized offering.

- Development of abiding relationship with customers.

- Simplification of marketing and sales processes by understanding customer needs

- More success in attracting new customers and closing deals faster, through quicker and more efficient responses to customer leads and customer information

- Better customer service - through improved responsiveness and understanding that builds customer loyalty and decreases customer "churn"

- A higher percentage of cross-selling due to offering a single point of contact

- Enables banks to understand, anticipate and respond to customers’ needs in a consistent way, right across organization
• Building up better communication within the organization

• Proper token system should be introduced as well as provision for drinking water should be made

• Optimization of the use of resources, such as alternative channels of distribution (internet and home banking),

Bank is advised to adhere to following measures for improving its effectiveness and efficiency-

• Bank should increase the no. of ATMs as the customers are increasing from day to day.

• Bank can also enhance its operating hours i.e., 8 am to 8 pm six a week. Steps

• Provide parking facilities at bank premises.

• Bank employees should show courtesy towards customers in providing timely services at bank.

• Increase customer experience through the web site

• Develop channel integration for effective Customer Relationship Management

• More importance should be given to handling online transaction and using m-commerce and mobile banking services

• Training on CRM should be organized for employees so that they can participate effectively in sales and service culture

• Bank should attempt to implement such CRM processes which support the following basic steps of customer life cycle- Attracting present and new customers, acquiring new customers, serving the customers and retaining the customers
• CRM is to be described and used as an enterprise-wide strategy in the bank. It should be involved all the areas of the bank to work in synchronization towards a common goal of stronger and long-term customer relationships.

• CRM program must be embraced and promoted by top management and supported with a comprehensive annual CRM plan to ensure organization wide success.

While CRM may already seem to be an old and jaded term, there is a bright future ahead that will bring new ways for small and mid-sized organizations to communicate, operate and strategize to manage their personnel, customers and prospects. The future of CRM is bright indeed. CRM will become deeply ingrained as a business strategy for most companies. Technology will evolve by technical and organizational challenges are overcome. Much will change in the years ahead, but one thing is certain: CRM is a journey not a destination, and customers have their hands on the road map and the steering wheel. Thus, the results drawn from this study should be viewed in the light of research methods employed and is valid for this sample. The study provides substantial support as to the applicability of many of the variables and respective conceptualization provided in theory to the study of CRM in organized retail outlets and private banks. With the application of CRM a significant importance is given to the customers’ satisfaction and retention after consumption. Further the conclusion is being structured in answering the research questions as follows:

**Objective 1**

• To study the type of clientele visiting the organized retail outlets and in Banking Sector.

While enduring the research process, it was comprehended that the identification of customers enables the organisations to select those customers that they regard as being strategically significant and who they believe can contribute to the success of the organisation. These customers have unique needs and due to their value to the organisation, will have products developed to meet these needs. It must be possible to identify these customers and so obtain as much detail as possible. This involves
collecting as much data as possible in order to obtain as clear a picture as possible of
the customer and their profile. This may require the development of a database or the
continued maintenance of a database in order to ensure that the data stays as recent as
possible. Having this information enables the organisation to determine those customers
that have been with the organisation for a long period and those that have recently
started using the products and services of the organisation.

Objective 2

• *To study the effects of 7p’s such as Product, Price, Promotion, Place, People,
  Process, Physical Evidence on customer satisfaction in retail and banking sector.*

On the way to the progress of the research it was understood that CRM facilitates the
segmentation and target marketing management of the customization is carried out by
the organisation in order to ensure that customer needs are met. It requires that the
organisation adapts its product, place, promotion, physical evidence, people, price
service quality or communication in such as way have something unique for each
customer. Communication can be customised to address the specific needs and profile
the customer and organisation also makes use of personalisation as part of this process.
Products can be customised as to the specific desires that the customer has of the
organisation. In the case of the financial services, it refers to the product package that is
offered to the customer. The purpose of customisation is to increase customer
satisfaction, and the loyalty that is exhibited by customers. The differentiation of
service implies that different customers receive a different level of service and a
different product from the organisation, depending on the value to the organisation and
their specific needs. This requires the organisation to identify the top (or most
significant) customers and adapt service accordingly. As the organisation is aware of
the value of their customers, service levels can be adjusted accordingly.
Objective 3

- *To study the strategies of CRM employed by the leading retails & in private Banks in India.*

While succeeding towards the answers for this objective an attractive insight that was explored was the CRM strategies. The CRM strategies offer solution to the customers’ expectations which are difficult to manage and are often cause of dissonance which results in loss of existing customer base. CRM helps in understanding of customers’ satisfaction and retention which is essential for a long term and symbiotic value relationships are to be established. Customer loyalty and customer value are the most important factors in retaining the customers. Product quality sustains the customers’ attention and able to retain them. The collective understanding of customers’ behavior needs and wants; the CRM answers to deliver the value in the most cost effective manner.

Objective 4

- *To study the relationship between the customer satisfaction & the customer loyalty in organized retail & in private banks.*

It could be accomplished that customer satisfaction and loyalty generates from the 7 P’S Product, Price, Promotion, Physical Evidence, Place, Process and People which further generates customer retention. Through retention strategy, the customers are sustaining for a long time and get positive feedback to others about their experiences of services.

Objective 5

- *To analyze the changing trend & pattern in India from customer perspective in retail & Bank.*

This step refers to the importance of interacting with the customer in relationship building efforts through a variety of communication tools and technologies. This is
necessary as the relationship can only develop and be sustained if there is communication with the customers regarding their needs, perceptions and desires. This involves developing methods of communication proactively with customers regarding the organisation’s products and attempting to initiate dialogue with customers. Use can be made of technology, but this is not essential (Brunjes & Roderick, 2002). The customers with whom communication takes place are not necessarily all the customers, but only those that the organisation regards as being strategically significant. This interaction with the organisation increases the expectations of the customers regarding the service received as well as the quality of the relationship.

An important aspect of the current economic scenario in India is that the emergence of organized retail sector is rising day by day as compared with the private banking sector. There has been considerable growth in organized retailing business in recent years and it is poised for much faster growth in the future. Major industrial houses have entered this area and have announced very ambitious future expansion plans. Transnational corporations are also seeking to come to India and set up retail chains in collaboration with big Indian companies. However, opinions are divided on the impact of the growth of organized retail in the country. Concerns have been raised that the growth of organized retailing may have an adverse impact on private banking sector. It has also been argued that growth of organized retailing will yield efficiencies in the supply chain, enabling better access to markets to producers and enabling higher prices, on the one hand and, lower prices to consumers, on the other. In the context of divergent views on the impact of organized retail, it is essential that an in-depth analytical study on the possible effects of organized retailing in India is conducted.

Finally, but most importantly, the employment generated by organized retail is building a quality labour class that is gaining vocational training in skilled and unskilled jobs at the graduate and tenth class level. To meet the growing demand of trained professionals in the retail industry, several management and training institutes conforming to the international standards of certification have been launched across the country. Foreseeing the demand for trained staff, leading organized retailers are creating their captive human
resources pool through internal training and programmes and tie-ups with retail management schools.

The growth of organized retail will have a positive multiplier effect on the Indian economy. Retail industry is attracting inward investment both at the domestic and global level in several support industries: IT industries and logistics and warehouse distribution services in order to strengthen the supply chain. The surge of private labels have generated demand and sourcing tie-ups with manufacturers across product categories. In the case of fruit and vegetables, the direct procurement is bringing quantitative benefits from higher price realization and qualitative benefits in improvements of agro-processing services. Finally, organized retail is creating quality labour class that is gaining vocational training in skilled and unskilled jobs at graduate and tenth plus levels.

Manufacturers believe that organized retail would benefit society at large, more so the end consumers -- in terms of better product choices and price because of higher and more stable price realization for their produce. The robust sourcing and distribution network of large retailers would certainly help make the supply chain more efficient. Manufacturers, however, are more guarded in their assessment of the likely impact of organized retail on their own businesses. They anticipate that they will be subject to price and competitive pressures as organized retail grows in importance. They are gearing up to counter these pressures by strengthening their own brands, enhancing their retail presence and collaborating with traditional retailers. They believe, however, that both modern and traditional retailers will co-exist in India for some time to come, as both of them have their own competitive advantages.