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Research Papers

CUSTOMER RELATIONSHIP MANAGEMENT IN BANKING SECTOR WITH SPECIAL REFERENCE TO BANK OF MAHARASHTRA AND PUNJAB NATIONAL BANK

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ABSTRACT
Banks contribute to the economic growth& development of the region, hence, Customer relationship management has become important for growth and profitability of banks in the present market scenario. Technology and relationship management are the two important tools which help to retain the loyal and valuable customers with the bank. The manufacturing companies use various tools to promote their goods like advertising, publicity, mobile, internet, social media etc to attract the customers and influence them to buy the products. In the service sector, the technology and relationship marketing is the only vehicle to support and win the confidence of the customers. Hence, this paper investigates the satisfaction level of the customers in terms of services provided by the banks and the strategies used by the banks to retain the customers. Nearly 100 samples collected from the respondents and a statistical tool has been used to analyze the data. It is observed that client turnover increases day by day due to a variety of reasons. Experts opine that inefficient and improper service is one major reason. The banks should adopt customer relationship building approaches to improve Customer Life Time value.

Keywords: Customer Relationship Management, Customer Life Time value, economic growth

INTRODUCTION
In this competitive world, every attempt has made to satisfy the customers and CRM is one of the powerful tool that can be understood as an innovative transformation of Banking from traditional 'Transactional banking' to 'Relationship Banking' by use of technology. Worldwide banks have explored and realized the benefits of CRM in a variety of ways. Different banks have implemented the philosophy in their own different way. 'Relationship building with customers is now accepted as over-riding goal of marketing and of the business as a whole. The biggest management challenge in the new millennium of liberalization and globalization for a business is to serve and maintain good relations with the customer' With the wide use of electronic communication technologies, customer relationship management has undergone significant changes and become easy to communicate and interact with the customers. Hence, there is tough competition between the banks in terms of retain the customers and providing maximum satisfaction to the customer to make them loyal. It is essential to study the different strategies used by the bank and therefore, the study undertaken by the researcher especially in Bank of Maharashtra and Punjab National Bank.

Concept of CRM – CRM is concerned with managing detailed information about individual customers and all customer 'touch points' to maximize loyalty'. The main purpose of CRM is to build customer equity. Firms use a number of techniques to enhance CRM such as software programme, promotional techniques, pricing strategies and so on.

OBJECTIVES OF THE STUDY
1. To understand the concept of CRM

2. To study the CRM strategies implemented by in Bank of Maharashtra and Punjab National Bank

3. To find out the Benefits of CRM context in Banking Sector

CRM STRATEGIES IMPLEMENTATION
The CRM is the powerful tool to convert the loss making customers into profitable making customers as well as to attract new customers by offering various value added products and services. The following are the specific strategies implemented by the Punjab National Bank and Bank of Maharashtra.

RELATIONSHIP STRATEGIES BY PUNJAB NATIONAL BANK
Online trading - PNB Provides the outline link to the customers to do online trading as per their convenience and invest their valuable income in good financial products.

Routine Online Assistance -Bank provides its customers online assistance by providing i-banking, online complaints, providing then information about various products and services.

Secrecy of customer's account - The Bank takes enough care of customer's personal information. They did not disclose details to a third person or party without prior consent of customers.

Redressal of complaints and grievances- If any customers having any complaint or grievance in relation to services rendered by the bank has a right to approach to authority designated by the bank for handling grievances. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the Bank within 60 days from date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

Services at Rural area - PNB also work for rural area's people, through micro-finance. The employees of PNB approach to people at rural area and identify the financial and economic condition.

MEASURES TAKEN BY THE BANK TO RETAIN THE CUSTOMERS
1. Measure its retention rate.

2. Distinguish the cause of customer attrition and identify those that can be managed better.

3. Estimate how much profit it loses when it loses customers.

4. Figure out how much it would cost to reduce the defection rate.

5. Create superior products, services, and experiences for the target market.

6. Make easy to reach customer to appropriate company personnel and express their needs, perception, and complaints.

RELATIONSHIP STRATEGIES BY BANK OF MAHARASHTRA
Bank of Maharashtra is one of the oldest banks in India. To resolve the queries and complaints of customers, the bank has offered 24/7 customer service across all its branches and covering all its products and services. Customers can share their grievances, queries, complaints, and feedback regarding the bank to Bank of Maharashtra customer care team via phone, email, or SMS.

Bank also provides customer care toll free number. These numbers are IVR-based (Interactive Voice Response). At the time of call, it is advisable for customers to keep all the query- or complaint-related documents handy. In addition, bank also provides MahaSecure customer care helpdesk number to get resolved their complaints or query. The BOM addresses its customers' banking-related issues even through emails.

LITERATURE REVIEW
Dr. Pushpa(2016) – The main purpose of this study was to examine the various facets of customer relationship management practices adopted by SBI in Virudhunagar. This study examined the demographic profile of customer, customer awareness on CRM policies, customer perception on CRM practices and role of E-CRM measures of SBI in customer satisfaction. The 100 samples were collected through proper structured questionnaire. The various statistical tools used to analyze the data. The study revealed that the customer relationship management practices followed in SBI is satisfactory to the customer.

Dr.Shirmila(2012) – This paper was made an attempt to observe factors essential for effective CRM in banking sector. The researcher has focused on variables of a marketing mix i.e. product, price, place and promotion etc. which are essentials to retain in market with loyal and valuable customers. Researcher has gone through literature review related with the same issues and eventually proved that CRM policies of Bank is the tool for quality interaction with the customers and suggested some innovative techniques for effective customers relationship management in Banks.

RESEARCH METHODOLOGY
Data Source and methodology: Primary data used by the researcher through structured questionnaire. Nearly 200 samples collected through Simple Random method 100 each of Punjab national bank and bank of Maharashtra respectively

HYPOTHESIS OF THE STUDY
H_1 - There is significant difference between the CRM services and satisfaction level of customers used by Bank of Maharashtra and Punjab National Bank

H_0 - There is no significant difference between CRM services and satisfaction level of customers used by Bank of Maharashtra and Punjab National Bank

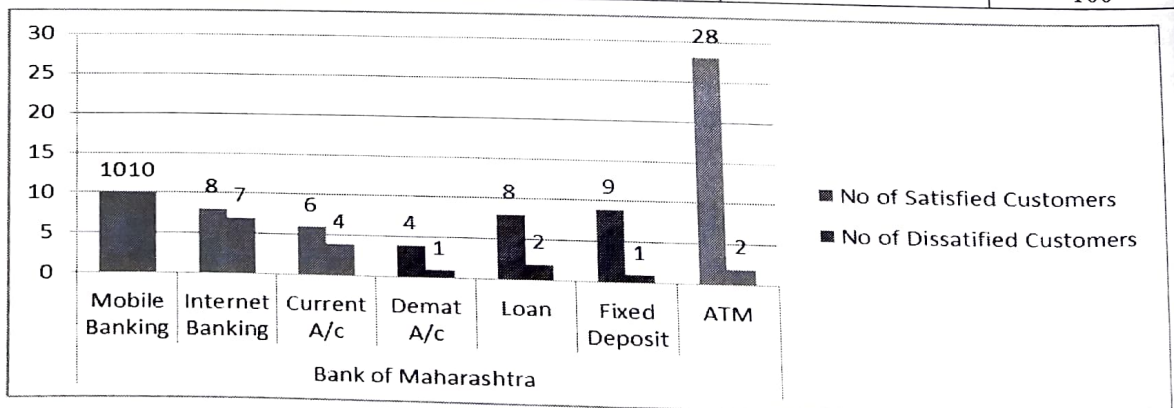| Name of Bank	CRM Services	No of Satisfied Customers	No of Dissatisfied Customers	Total no of customers
Punjab National Bank	Mobile Banking	10	5	15
	Internet Banking	15	5	20
	Current A/c	2	0	2
	Demat A/c	10	5	15
	Loan	11	4	15
	Fixed Deposit	5	5	10
	ATM	17	6	23
Total		70	30	100

Punjab National Bank
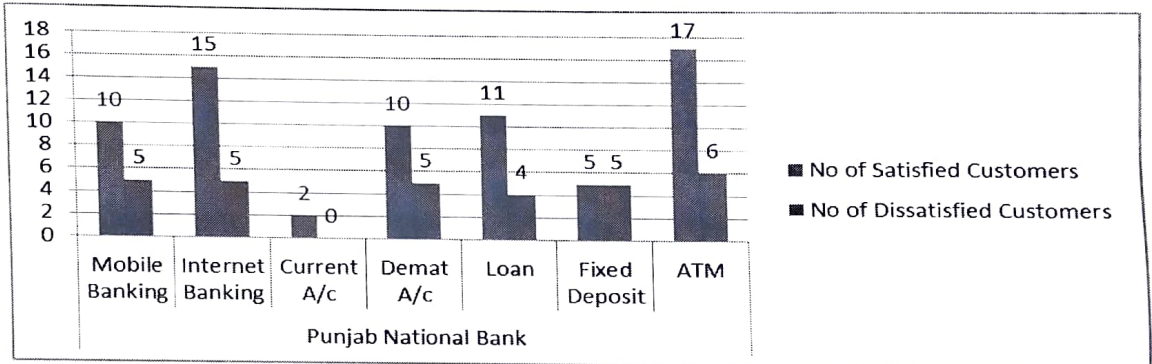
Name of Bank	Services Avail	No of Satisfied Customers	No of Dissatisfied Customers	Total No of Customers
Bank of Maharashtra	Mobile Banking	10	10	20
	Internet Banking	8	7	15
	Current A/c	6	4	10
	Demat A/c	4	1	5
	Loan	8	2	10
	Fixed Deposit	9	1	10
	ATM	28	2	30
Total		73	27	100

Bank of Maharashtra

DATA ANALYSIS AND INTERPRETATION
Hypothesis testing and result
Level of Satisfaction

	Mobile Banking	Internet Banking	Current A/C	Demat A/c	Loan	Fixed Deposit	ATM	Total
PNB	10	15	02	10	11	05	17	70
BOM	10	08	06	04	08	09	28	73
Total	20	23	08	14	19	14	45	143

Observed Value	Expected Value	$(O-E)^{2/E}$
10	9.79	0.004
15	11.25	1.25
02	3.91	0.93
10	6.85	1.44
11	9.30	0.31
05	6.85	0.49
17	22.02	1.14
10	10.20	0.003
08	11.74	1.19
06	4.08	0.90
04	7.14	1.38
08	9.69	0.29
09	7.14	0.48
28	14.29	13.15
Total		22.95

Degree of freedom (R-1) (C-1) (2-1)*(7-1) = 1*6

Degree of freedom = 6 hence, Critical Value is 12.59

$$\chi_c^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

INTERPRETATION

Looking up the above value 22.95 in the x^2 table for 6 degree of freedom, the probability of this result is 12.59. Hence, H_1 is accepted, i.e. there is significant difference between the CRM services and satisfaction level of customers used by Bank of Maharashtra and Punjab National Bank.

LIMITATION OF THE STUDY

The sample size is very limited. Only 200 samples are collected and analyzed the data. The conclusion which are drawn cannot be justify and implement for the universe.

SCOPE FOR FUTURE STUDY

The larger size of samples needs to be collect and also make comparative study of these two banks. Other researchers can use different variables to study the CRM aspect such as demographic, geographic and psychographic factors are also very important to find the perspectives of the customers towards CRM policies.

SUGGESTIONS AND RECOMMENDATIONS

1. Both the banks should adopt attractive and unique CRM policy to survive for long period of time.

2. There should be strong Employee Relationship Management first before Customer Relationship Management.

3. Increase customer experience through the web site.

4. Develop channel integration for effective Customer Relationship Management.

5. Proper training should be given to the bank personnel regarding the behavioral patterns by the Banks before they come and work in the field.

CONCLUSION

There is a beautiful phrase i.e. Atithi Deva Bhava' which means one should treat a visiting seeker as God. Business industry and Service Industry are also not exceptional, for them customer is like the God. Banking sector whose services are boundary less and virtual with 24*7, must fulfill the all requirements of customers to retain the loyal and valuable customers. To gain the confidence of the customers, it is essential to adopt the innovative CRM practices. The use of advanced technologies such as social media, email, internet etc is the sources to identify the touch points of the customers and approached them with innovative schemes. Banks need to differentiate themselves by offering value added service and building a strong and long term relationship with their customers. To gain the trust of existing customers and attract new customers, bank should develop new and unique policies. It is found that bank of Maharashtra having limited CRM policies comparatively Punjab

National Bank but, due to large number of branches all over the India, the satisfaction level of customers are high. The scandal which concerned with Mr. Nirav Modi, is the addition reason of customer turnover of Punjab national bank. Hence, it is essential for both the bank to build strong relationship with customers through effective CRM policy.

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