



## CUSTOMER RELATIONSHIP MANAGEMENT IN BANKING SECTOR: A STUDY

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### ABSTRACT :

*The banking sector related to economic development in India is one of the most dynamic and innovative sectors. Banks are aiming to increase customer profits with any customer retention as the main pillar of the consumer economy, so all indicators of growth and strength of this sector are the basic components of expected economic growth modelling. This document is for exploring the theoretical aspects of customer relationship management in relation to the Indian banking sector. Providing service to customers has been recognized as the main responsibility of banks, and therefore banks believe that CRM is a great tool for rendering good service. The lack of understanding on customer relationship management (CRM) is a concern among the service providers, especially the banks. Their own way of managing their relationships with customers is their own way. However, it is also important to note the assumptions among banks on CRM practices.*



**KEYWORDS :** *economic development , consumer economy, customer relationship management.*

### INTRODUCTION:

Today, the approach that creates discussion in the banking sector is Customer Relationship Management. Today, the Indian banking industry is the world's largest. CRM in the banking sector has strategic importance. Customer Relationship Management (CRM) is policies that can help them build long-term persistent relationships with their clients and can increase their profits through the use of appropriate profits and customer-focused policies. CRM in the banking sector has strategic importance. This is an organization; Maintenance and optimization of long-term mutually valuable relationships between development customers and organizations Successful customer relationship management focuses on understanding the needs of the customer and these needs are integrated with the organization's strategy, people, technology and business processes, and placed on the business's heart. CRM recognizes current and future markets, selects markets to serve and identify the advancement of existing and new services. CRM is a holistic strategy that can help customers become customer centric and implement customer-centric policies, which will help customers, build long-term relationships and thus increase their profits. CRM is the overall process of customer acquisition, maintenance and growth. The CRM definition is used to define the process of creating and maintaining a relationship with a business or a client.

Thus, it is compulsory to develop long-term relationships by providing better services to banks for successful competition in this age. Developing long-term relationships with customers relies on three

dimensions of product quality, service quality and quality of relationship for any basic industry. This fact is also applicable to the banking industry.

#### **DEFINITION OF CRM:**

Customer Relationship Management (CRM) is a business co-ordinator's perspective in maintaining relationships between the firm and its customer and maintaining firm customers, which helps in staying firm in the business and giving more customers the promotion and more flexibility in business with the firm. According to Sarvakkumar (2009), CRM is about sustaining a sustainable competitive advantage by servicing existing customers and attracting new customers.

#### **IMPORTANCE OF CUSTOMER RELATIONSHIP MANAGEMENT:**

Consumer relations management concept is dynamic in nature and therefore it is necessary to effectively and effectively implement the organization of Indian banking sector. Customer Relationship Management is not only a pure business but also a strong personal bond between people. Development of these types of restrictions brings success to a new level of success. Once this personal and emotional link is created, it is very easy to identify the actual needs of a customer for any organization and to serve them better. Even though more sophisticated policies have been incorporated in implementing customer relationships, the business is a more powerful and fruitful business, but it may be right from the situation or maybe it is not relevant either. Many organizations have dedicated world-class tools to keep CRM system in their workplace. Batchbooks, Salesforce, Buzstream, Sugar CRM etc. are some of the most efficient tools used in many well-known organizations.

#### **BENEFITS OF CRM:**

1. The CRM system has a historical view and analysis of all the acquired or received customers. It helps in finding and connecting with customers and meeting customer needs and increasing the business.
2. The CRM contains details of every customer's details, so the customer is easy to track and can be used to determine which customer can be beneficial.
3. In the CRM system, customers are grouped according to the type of business done by the customer or by actual location, and are allocated to different customer managers known as Account Manager. This helps each customer independently focus and focus.
4. The CRM system is not only used to handle existing customers but is also useful for getting new customers. The process begins with identifying the first customer and keeping all relevant information in the CRM system, which is also called 'the opportunity for business'. Try to get business from these customers by selling sales and sector representatives by working with their customers and converting them into a win-win business. This is done very easily and efficiently through an integrated CRM system.
5. It is the strongest aspect of customer relationship management that is very expensive. The advantage of decisively implemented CRM systems is that the paper and handbook must be very less, for which fewer employees need fewer resources to manage and handle. The technology used to implement the CRM system is also cheap and smooth compared to conventional routes.
6. All details in the CRM system are centrally located which are available at any time during the finger. This reduces processing time and increases productivity.
7. Efficiently dealing with all customers and providing the things they need, increases customer satisfaction. This increases the chances of getting more business that ultimately leads to turnover and profits.
8. If the customer is satisfied, they will always remain faithful to you and stay in business, which will result in increase in customer base and ultimately increase the business's net.

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**CRM IN BANKING SECTOR:**

Banks around the world have found the benefits of CRM in various ways. Different banks have implemented philosophy in their own separate ways. Some examples of CRM in banking will give a glimpse of the world situation. Royal Bank of Canada used CRM to develop consumer profit and liveable value appraisal models. After this, it was included in customer decisions such as customized marketing campaigns, setting up service levels, dividing, targeting, product design and price - according to customer's decision. The lack of customer's impairment is also analysed and their values are flagged before they are considered bad for preventive and effective way of taking action. Wells Fargo Bank is convenient for leadership and customer care for services focused on customer service through CRM. The CRM application has enabled better integration of customer information and service applications to support customer service and service representatives, so that one-stop shop for any banking service or transaction is easily accessible. Using CRM, Wells Fargo takes full advantage of customer information to provide customer service for choice, convenience and price advantage, so that they will give all their business to the bank.

**BENEFITS OF CRM IN BANKING SECTOR:**

It is definitely an advantage for every company to get a good financial outcome in order to earn high value from each interaction with customers. The competition is very intense in the current market. Companies need to take care of the customer in every area of their specialty using various communication channels. Whether the customer expects to get useful services, asks for a help line, asks the dealer, browse the website or visit the store individually. It is necessary to give such a feeling that he communicates with the same company, which type of communication, time or place he chooses.

1. Satisfied customer doesn't want to leave
2. Development of the product will be according to the customer requirement
3. Capability to sell more products
4. Minimize communication cost
5. Selection of marketing tools properly
6. Fast and Reliable Prediction
7. Improvisation of staff motivation
8. Access of Information Real Time
9. Increases in Effectiveness in teamwork

**CHALLENGES TO BANK IN IMPLEMENTATION OF CRM:**

To ensure the concept of customer relationship management concept for implementation successfully in the banking sector, and the bank uses time to pay time and attention to expand its account with those customers through marketing, reconsideration, discretionary decision making and customized services through various sales channels. Any financial institution that adopts the customer relationship model needs to consider six major business requirements are as follows.

1. The difficulty of getting customers' overall perspective
2. Need to get away from strange, stand-alone and incompatible channels to provide a combined, multichannel offer.
3. Loads of disconnected legacy systems and different databases that store client financial data.
4. The cost and complexity of strict government regulatory and client safety and privacy requirements.
5. Pressure on margins and increased potential through increased competition.
6. Cost related to customer retention and developing customer objectives

Although CRM can help organizations to effectively manage their customers, many banks fail to incorporate concepts into existing work culture. But the high incidence of CRM failure is very low with the CRM concept itself. Generally banks have failed to address customer data already in place. Many banks have reduced the CRM's proportion. If the CRM is done properly, it will behave like any other application

technology without taking into account that it is a strategic enterprise that touches any other technology of any organization.

### CONCLUSIONS:

Consumer relations management is one of the major challenges for the banking sector, because public sector customer satisfaction levels are not satisfactory compared to private banks. Explain the benefits of banking and banking services to customers about how the banking sector can be retained by their customers. Therefore, one day CRM customer database, customer satisfaction level, customer loyalty, long-term service, customer retention, used to identify beneficial customers for their bank, non-profit customers and non-performing assets are identified by the banking sector through the banking sector.

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