



PREFERENCE OF CRM SERVICES PROVIDED TO CUSTOMERS IN NATIONALIZED BANKS

D. Jessihal¹ and Dr. K. Murugan Chettiyar²

¹Research Scholar of Commerce ,Manonmaniam Sundaranar University, Abishekapatti ,Tirunelveli.

² Principal, Sardar Raja College, Vadakkankulam , Tirunelveli District, Tamil Nadu.

ABSTRACT

The purpose of the present study was to analyze the preference of Customer Relationship Management (CRM) services provided to customers in nationalized banks in Tirunelveli District. To achieve the purpose of the study, 378 customers of nationalized banks in Tirunelveli District were selected as a sample by adopting the convenience sampling technique. The study adopted the relevant research designs, namely a descriptive and analytical research design. A well structured and pre-tested interview schedule was used to collect the information required for the study and focused on the preference of CRM services of nationalized banks. The Garret ranks are calculated by using the appropriate Garrett Ranking formula to analyze the preference of CRM services provided to customers in nationalized banks. The results of Garrett Ranking Techniques have indicated that in the case of customers regarding the order of preference of CRM services, working hours has been ranked as the first factor. The study suggested based on the result that in order to stay competitive and retain customer, the nationalized banks need to improve their CRM services in the form of working hours, customer services, customers' follow up, customers' meet, customer care, customer loyalty, services through technology and employees' attitudes and services.



KEYWORDS: CRM; Garrett Ranking; Nationalized Banks; Tirunelveli District.

INTRODUCTION :

The Indian banking industry has witnessed rapid development in recent past with the initiation of financial sector reforms. The thrust of financial sector reforms was to improve efficiency, competitiveness, and productivity of the financial system. The entry of new generation private sector banks which provided technology aided services like Internet banking, Mobile banking, Inter-Branch network and so on has electrified the banking environment in India and has added a new dimension to automation in Indian banking. Customer Relationship Management is a vital factor to improve the performance of the banks (Sugnathi, 2003). Customer Relationship Management in banks can be defined as the ability to understand, anticipate and manage the needs of the customers, interaction and relationship resulting in an increased profitability through revenue and margin growth and operational efficiencies. To serve more customers and to retain the existing customers, banks in India have changed from the old concept of accepting deposits and lending money to Any Time, Any Branch and Any Bank through Anywhere Banking (Singh and Jinender Kumar, 2009). The Indian banking industry is one of the largest banking industries in the world. There has been a great surge in inefficient customer services. A highly satisfied and delighted customer is a vital non - financial asset for the banks in the emerging IT era. Courtesy, accuracy, and speed are the important factors in the efficient functioning of a bank. Once good service is extended to a customer, the loyal customer will work as an ambassador of the bank and this facilities growth of business (Bhasker, 2009).

Today, the customer relationship between the banker and customer has come under the sharp focus both the customers' ends. The Banks' CRM system must capture the customers' taste, preference, behavior, living style, age, education, cultural background, physical and psychological characteristics, sensitivity, and so on while differentiating customers by the value criteria into low and high-value customers (Ramachandra, 2002). In India, the banking sector has been operating in a very stable environment for the last thirty-four years. But the success of CRM Strategy depends upon its ability to understand the needs of the customers and to integrate them with the organizations' strategy, people, technology, and business process. Financial services are in a structural change whereby competition and customer demands are increasing (Sanjay Kanti Das, 2012).

STATEMENT OF THE PROBLEM

In a service industry like banking, the quality of customer service holds primal significance in the context of sustained business growth. Lack of customer service in nationalized banks has been the topic of vehement criticism during the post-nationalization phase. The appointment of the R.K. Talwar Committee in 1975 and the Goiporia Committee in 1990, which, although were the steps taken in the right direction, have failed to bring about a perceptible improvement in the service quality. Zooming customer complaints at an alarming pace have made banks wary about containing the mounting tide of customer dissatisfaction (Lawrence Handen, 2000).

Most of the studies have analyzed the perception of bank employees on CRM practices and the impact of CRM practices on customer satisfaction and customer loyalty in nationalized banks. There is no exclusive study on the preference of CRM services provided to customers in nationalized banks. Hence, a research on the preference of CRM services provided to customers in nationalized banks has been taken to fill up the research gap. The research focused on Tirunelveli district and analyzed the preference of CRM services in nationalized banks. Based on the needs and gaps in the domain of the preference of CRM services in nationalized banks, the objectives were framed. The foremost aim of this study is to expand the growing research in the field of the preference of CRM services of banks. Hence the present study is undertaken to study the preference of CRM services of nationalized banks in Tirunelveli district.

OBJECTIVES OF THE STUDY

The main objective of the study is to examine the CRM practices of nationalized banks in Tirunelveli District. To achieve the main objective, the following specific objective was framed:

1. To assess the preference of Customer Relationship Management (CRM) services in Nationalized Banks in Tirunelveli District.

RESEARCH METHODOLOGY

The researcher followed the descriptive and analytical approach in conducting the research. To achieve the purpose of the study, the total of 378 customers representing 7 from each of the 54 nationalized bank branches in Tirunelveli district were selected for the study for collection of data by adopting the convenient sampling method. In the light of the specific objectives set, all information and data were collected from the sample respondents through direct personal interviews employing structured interview schedule. The Garret ranks are calculated by using the appropriate Garrett Ranking formula to analyze the preference of CRM services provided to customers in nationalized banks.

ANALYSIS AND RESEARCH FINDINGS

The Nationalized Banks should provide various services to customers in Tirunelveli District. In particular, these banks are providing CRM services to the customers in order of preferences. The researcher has taken 9 types of services provided by the nationalized banks such as customer service, working hours, customers' follow up, customer meet, customer care, customer loyalty, employees' attitude and services,

services through technology and customer redressal grievances. The customers are asked to rank them. Table I shows the ranks given by the customers in order of preferences to CRM services.

TABLE I
Ranking the Order of Preferences to CRM Services Provided to the Customers in Nationalized Banks

Order of Preference of CRM Services	Rank									Total
	1	2	3	4	5	6	7	8	9	
Customer Service	42	64	90	50	39	22	24	30	17	378
Working Hours	82	75	38	46	38	35	14	22	28	378
Customers’ follow up	52	57	60	38	38	37	40	35	21	378
Customers’ Meet	38	38	42	57	58	42	37	37	29	378
Customer Care	43	25	31	47	53	62	46	35	36	378
Customer Loyalty	36	37	30	44	52	52	47	47	33	378
Employees’ Attitudes and services	28	27	37	24	28	48	59	65	62	378
Services through technology	29	28	32	36	43	32	53	66	59	378
Customer Redressal grievances	28	27	18	36	29	48	58	41	93	378
Total	378	378	378	378	378	378	378	378	378	378

Source: Primary Data

Table I shows that 82 respondents have given the first rank to working hours, 52 respondents have given the first rank to customers' follow up, 43 respondents have given the first rank to customer care, 42 respondents have given the first rank to customer services, 38 respondents have given the first rank to customers' meet, 36 respondent has given the first rank to customer loyalty, 29 respondents have given the first rank to services through technology, 28 respondents have given the first rank to employees attitude and services and customer redressal grievances.

Moreover, the researcher has used Garrett Ranking Test to identify the priority given to the CRM services in Nationalized Banks. In Garrett Ranking Method, the Garret ranks are calculated by using the appropriate Garrett Ranking formula. First, the percent position and Garret value are calculated on the basis of Garret ranks. The formula to calculate percent position is

$$\text{Per cent Position} = 100 (R_{ij} - 0.5) / N_j$$

R_{ij} = Rank given for the ith variable by the jth respondent

N_j = Number of variables ranked by the jth respondents

Then based on the Garrett ranks, the Garret table value is ascertained. Table II shows the percent and garret value.

TABLE II
Percent Position and Garret Value

Sl.No.	100 (R _{ij} - 0.5) / N _j	Calculated Value	Garret Value
1.	100 (1 - 0.5) / 9	5.56	81
2.	100 (2 - 0.5) / 9	16.67	70

3.	$100 (3 - 0.5) / 9$	27.78	62
4.	$100 (4 - 0.5) / 9$	38.89	56
5.	$100 (5 - 0.5) / 9$	50	50
6.	$100 (6 - 0.5) / 9$	61.11	45
7.	$100 (7 - 0.5) / 9$	72.22	39
8.	$100 (8 - 0.5) / 9$	83.33	31
9.	$100 (9 - 0.5) / 9$	94.44	20

Source: Computed Data

Then the Garrett table values in Table II and scores of each rank in the table are multiplied to record scores in Table III. Then by adding each row, the total Garrett score is obtained. Table IV shows the Garrett scores for various ranks and total scores.

TABLE III
Calculation of Garrett Score

Order of Preference of CRM Services	Ranks									Total Score
	1	2	3	4	5	6	7	8	9	
Customer Service	3402	4480	5580	2800	1950	990	936	930	340	21408
Working Hours	6642	5250	2356	2576	1900	1575	546	682	560	22087
Customers follow up	4212	3990	3720	2128	1900	1665	1560	1085	420	20680
Customer's Meet	3078	2660	2604	3192	2900	1890	1443	1147	580	19494
Customer Care	3483	1750	1922	2632	2650	2790	1794	1085	720	18826
Customer Loyalty	2916	2590	1860	2464	2600	2340	1833	1457	660	18720
Employees' Attitudes and services	2268	1890	2294	1344	1400	2160	2301	2015	1240	16912
Services through technology	2349	1960	1984	2016	2150	1440	2067	2046	1180	17192
Customer Redressal grievances	2268	1890	1116	2016	1450	2160	2262	1271	1860	16293
Garret Value	81	70	62	56	50	45	39	31	50	

Source: Primary Data

Finally, based on the total score in Table III, an average score is calculated and based on the average, the Garrett Ranks are given. Table IV shows the ranking of priority given for the order of preference of CRM services provided to the customers in nationalized banks in Tirunelveli District.

TABLE IV

Ranking of Order of Preferences for the CRM Services Provided to the Customers in Nationalized Banks

Sl.No	Order of Preferences of CRM Services	Total Score	Average Score	Garrett Ranks
1.	Customer Services	21408	56.63	II
2.	Working Hours	22087	58.43	I
3.	Customers' follow up	20680	54.71	III
4.	Customers' Meet	19494	51.57	IV
5.	Customer Care	18826	49.80	V
6	Customer Loyalty	18720	49.52	VI
7.	Employees' Attitudes and services	16912	44.74	VIII
8.	Services through technology	17192	45.48	VII
9	Customer Redressal grievances	16293	43.10	IX

Source: Primary Data

It is observed from Table IV that working hours have been ranked first. Next rank is given to customer services. The third rank has been given to customers' follow up. The fourth rank is customers' meet, fifth rank for customer care, sixth rank for customer loyalty, seventh rank for employees' attitude and services, eighth rank for services through technology and ninth rank is given to customer redressal grievances. Thus it is evident from Table IV that working hours of the nationalized bank in Tirunelveli District has been ranked first.

RESULTS

The results of Garret Ranking Techniques have indicated that in the case of customers regarding the order of preference of CRM services,

- Working Hours has been ranked as the first factor
- Customer Services has been ranked as the second factor
- Customers' follow up has been ranked as the third factor
- Customers' Meet has been ranked as the fourth factor
- Customer Care has been ranked as the fifth factor
- Customer Loyalty has been ranked as the sixth factor
- Services through Technology has been ranked as the seventh factor
- Employees' Attitudes and Services has been ranked as the eighth factor

CONCLUSION

CRM is a process that integrates management of customer groups. It acts as a tool to facilitate the business and thereby improving customer relationship with the organization. Nowadays CRM is a powerful concept for the success of the banking sector. It is the most efficient approach in maintaining and creating the relationship with customers. The study has described the preference of CRM services of nationalized banks in Tirunelveli district to gain some necessary insight and the result will help to the bank officials to develop their CRM practices to gain and retain the customers.

REFERENCES

1. Sugnathi, **Customer Relationship Management**, New Age International Publishers, Newdelhi, 2003, p.23.
2. Bhasker, "Customer Service in Banks", **IBA Bulletin**, Volume xxvi, No.8, 2004, pp.9-13.
3. Sanjay Kanti Das, "Customer Relationship Management in Banking Sector: A Comparative Study of SBI and other Nationalized Commercial Banks in India, Arth Prabandh", **A Journal of Economics and Management**, Vol.1, Issue 6, 2012, pp. 68-82.
4. Lawrence Handen, **Putting CRM to work: The Rise of Relationship, (CRM A Strategic Imperative in World of E-Business)**, John Wiley and Sons, Canada, 2000, p.74.
5. Ramachandra, "CRM: Emerging Strategies", **IBA Bulletin**, Vol xx (5), 2002, p.54.
6. Singh and Jinender Kumar, **Customer Relationship Management (CRM)**, Regal Publications, New Delhi, 2009, p.4.

**D. Jessihal**

Research Scholar of Commerce ,Manonmaniam Sundaranar University.
Abishekapatti ,Tirunelveli.