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CRM PRACTICES AMONG THE NATIONALIZED BANKS

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ABSTRACT

The purpose of the present study was to analyze the Customer Relationship Management (CRM) among the nationalized banks in Tirunelveli District. *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 objective set, all information and data were collected from the sample respondents through direct personal interviews employing structured interview schedule. The application of graphical analysis, descriptive analysis, and ANOVA was used to compare the* Consumer Relationship Management (CRM) practices of nationalized banks*. The primary data collected were analyzed using the Statistical Package for Social Sciences (SPSS 21).* The study found out that the majority of the customers satisfied with the Consumer Relationship Management (CRM) practices of nationalized banks. It is also found that the State Bank of India gets the first position in Consumer Relationship Management (CRM) practices and Dena Bank, Indian Overseas Bank and Bank of India gets second, third and fourth ranks respectively. A significant difference in the Consumer Reliability Management (CRM) practices has been found among the nationalized banks during the study. Based on the result of the study, it is recommended that the nationalized banks may share their techniques regarding CRM practices among them so that they can serve better than before in CRM practices for their customers. Reliability

KEY WORD: *ANOVA; CRM; Nationalized Banks; Tirunelveli District.*

INTRODUCTION:

Banks play a major role in the socio-economic development of our country. Banks offer many facilities to improve the quality of life of our citizens. In the past, due to lack of information and proper guidance, the public could not get full benefits from banking businesses to improve their living standards. It is now incontestable to change the face of Indian consumers. This reflects the change in the income model of the urban family. The direct decline of such a change is the consumer system, so the Indian banking habits are now flexible towards retail sales. At the same time, India is now sliding down with other economies in the world, compared to the cost of our economy by opening up our economy.[4]

Customer Relationship Management (CRM) is a concept that manages the company's affiliates with sales opportunities to meet the goals of financial institutions such as customer satisfaction, customers, and customers. It uses technology to organize, automate, and synchronize business processes. CRM's aims are to increase profits, income and customer satisfaction. To reach CRM, many companies use tools, technologies, and procedures that support relationships with customers to increase sales. Therefore, CRM is a complex business strategy and strategy. Customer Relationship Management (CRM) is a

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concept that manages the company's relationships with customers and customers.[2]

Over the past several years, Customer Relationship Management (CRM) has become an important business approach. CRM is a strategy that goes beyond the transfer volume. Its objectives should increase profits, revenue and customer satisfaction. It is a fundamental business for every company that requires a complete strategy and procedure to make it successful.[5]

Customer Relationship Management is a comprehensive approach which provides free integration of each area of customer touch by customer-sales, customer service, and field support by integrating people, process, and technology taking advantage of the revolutionary impact of the internet. In recent years, the use of Consumer Relationship Management (CRM) solutions as a Knowledge Management (KM) tool has increased rapidly in telecommunications, finance and banking industries.[3] The CRM's mission will be fulfilled by the trader who clearly understands the distinction between customer satisfaction and the new concept of customer satisfaction. Thus achieving competitive advantages in services require integration of services, marketing with service delivery to meet or exceeds customer expectation.[1]

OBJECTIVES OF THE STUDY

The main objective of the study is to evaluate the Consumer Relationship Management (CRM) among the *nationalized banks in Tirunelveli district. To achieve the main objective of the study, the following specific objective was framed.*

1. *To* compare the Consumer Relationship Management (CRM) practices of 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 objective set, all information and data were collected from the sample respondents through direct personal interviews employing structured interview schedule. The application of graphical analysis, descriptive analysis, and ANOVA was used to compare the Consumer Relationship Management (CRM) practices of nationalized banks*. The primary data collected were analyzed using the Statistical Package for Social Sciences (SPSS 21).*

ANALYSIS AND RESEARCH FINDINGS

Comparative analysis of CRM practices of different nationalized banks such as; Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab & Sind Bank, United Bank of India, Punjab National Bank, Syndicate Bank, State Bank of India, UCO Bank, Union Bank of India and Vijaya Bank have been done in the following section, on the basis of different level of perception on CRM practices using graphs and ANOVA method. This section also highlights the overall customer perception score on CRM practices of nationalized banks.

The percentage of respondents on the basis of their perceived level on CRM practices nationalized banks have been given in figure 1. The total score of each respondent is calculated by adding the score of each item given by that respondent. The study has made five categories of the respondent perception as very dissatisfied, dissatisfied, neutral, satisfied and very satisfied.

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2

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Figure 1
Customer Perception Level on CRM Practices on Nationalized Banks
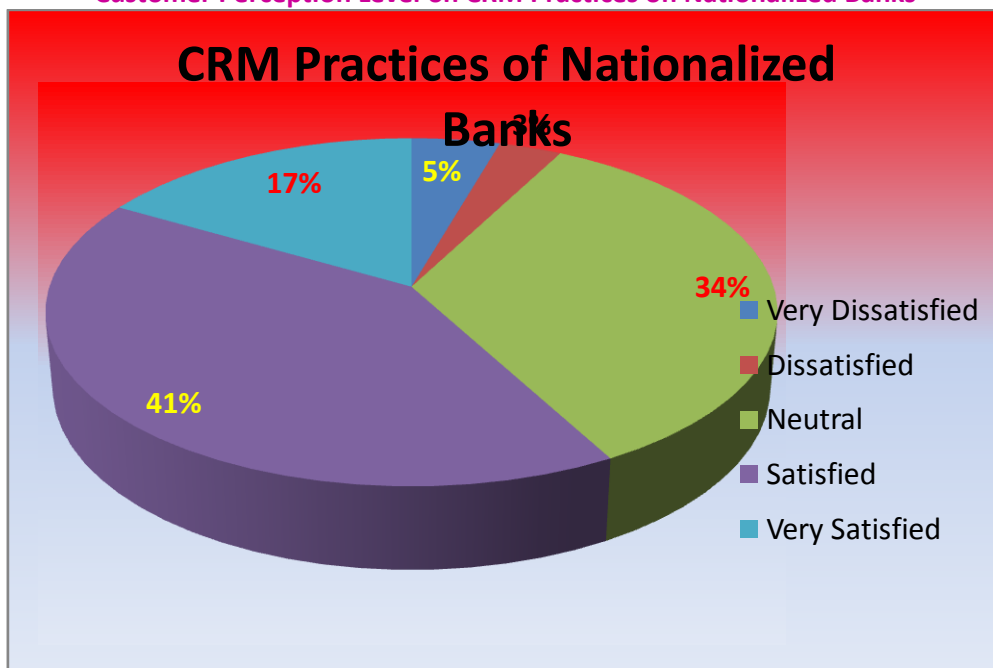
It can be seen from the figure 1 that the majority of the respondents are satisfied with the CRM practices of nationalized banks, i.e. 41 percent, while for the very dissatisfied respondents the lowest percentage i.e. 5 percent has been recorded. The percentage of dissatisfied respondents are also low, i.e. 3 percent. Similarly, only 17 percent is the respondents who are very satisfied. 34 percent of the respondents are neutral, neither satisfied nor dissatisfied. If the study adds up the satisfied and very satisfied respondents in one category i.e. satisfied and very dissatisfied and dissatisfied respondents in another category as dissatisfied then conclusively it can be said that 58 percent of the total respondents are satisfied while only 8 percent of the total respondents are dissatisfied. Thus the majority of the customers are satisfied with the CRM practices of nationalized banks.

The overall customer perception score on the CRM practices of the individual bank is calculated as an overall mean score of all the respondents. Table 1 shows the overall customer perception mean score on the CRM practices of all the sample banks used in the study.

Table 1
Means of CRM Practices of Nationalized Banks

S.No	Bank	Means	Rank	S.No	Bank	Means	Rank
1	Allahabad Bank	16.00	XV	11	Indian Overseas Bank	17.16	III
2	Andhra Bank	16.86	V	12	Oriental Bank of Commerce	16.57	VIII
3	Bank of Baroda	15.67	XIX	13	Punjab & Sind Bank	16.28	XII
4	Bank of India	17.14	IV	14	Punjab National Bank	16.71	VII
5	Bank of Maharashtra	16.42	IX	15	Syndicate Bank	16.75	VI
6	Canara Bank	16.30	XI	16	State Bank of India	17.91	I
7	Central Bank of India	15.76	XVII	17	UCO Bank	15.71	XVIII
8	Corporation Bank	16.21	XIII	18	Union Bank of India	15.93	XVI
9	Dena Bank	17.57	II	19	United Bank of India	16.14	XIV
10	Indian Bank	16.37	X	20	Vijaya Bank	15.57	XX

Source: Primary Data

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It can be interpreted from the bank-wise comparison of overall perception score on the CRM practices given in table 2 that the highest scorer bank is State Bank of India with a mean score of 17.91 followed by Dena Bank (17.57), Indian Overseas Bank (17.16) and Bank of India (17.14). The lowest mean scorer bank is Vijaya Banks having the lowest score of 15.57 in overall customer perception on the CRM practices. It is concluded that the State Bank of India gets the first position in CRM practices and Dena Bank, Indian Overseas Bank and Bank of India gets second, third and fourth ranks respectively. The mean score of CRM practices of all nationalized banks in the study area is explained in figure 2.

Figure 2
Means of CRM Practices of Nationalized Banks

An attempt was made to analyze the difference between the mean score of CRM of nationalized banks. The different management of the bank directly affects service delivery, information system, openness in service, Relationship in service, physical services, personal welfare and many other factors which lead to the CRM practices. Thus, it is assumed that there is a significant difference in the CRM practices between the nationalized banks. The following null hypothesis (H_0) is proposed for the analysis of the CRM practices of the nationalized banks.

H_0   :   There is no significant difference in the CRM practices between the nationalized banks.

In order to examine the difference in the CRM practices among the nationalized banks, Analysis of Variance (ANOVA) has been employed. The result of ANOVA is explained in table 2.

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Table 2
ANOVA: CRM Practices of Nationalized Banks

Source of Variation	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	43.793	19	2.305		
Within Groups	680.419	358	1.901	1.213	.024**
Total	724.212	377			

**Significant at .05 level of confidence

In order to test the null hypothesis (H_0), the ANOVA technique has been used to measure the variation in the mean values of the each item for Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab & Sind Bank, United Bank of India, Punjab National Bank, Syndicate Bank, State Bank of India, UCO Bank, Union Bank of India and Vijaya Bank. The results in table 2 show that the F ratio (1.213) is significant at p-value (0.024) at the 5 percent level of significance, which leads to rejection of the Null Hypothesis (H_0). Thus, there is a significant difference in the CRM practices between the nationalized banks.

Thus, from the above analysis, it can be interpreted that the different nationalized banks have a significant effect on the CRM practices. A significant difference in the CRM practices has been found during the study for Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab & Sind Bank, United Bank of India, Punjab National Bank, Syndicate Bank, State Bank of India, UCO Bank, Union Bank of India and Vijaya Bank. Thus the assumption that the different nationalized banks directly affect the service delivery, information system, openness in service, Relationship in service, physical services, personal welfare and many other factors which lead to the CRM practices, has been found correct during the study.

The proposed null hypothesis (H_0) was tested by ANOVA. The significant level of confidence was fixed at .05. Using this significance level, it is possible to reach a decision with regard to whether to reject or accept the proposed null hypothesis. The decision made, based on this *p*-value, is presented in table 3.

Table 3
Null Hypothesis (H_0) Test Summary

Null Hypothesis	Test	*p*-value	Decision
There is no significant difference in the CRM practices between the nationalized banks.	ANOVA	.024**	Rejected

**Significant at 0.05 level

The table 3 revealed that the null hypothesis (H_0) is rejected at the 5% level of significance due to the *p*-value is less than 0.05.

FINDINGS AND CONCLUSION

The study found out that the majority of the customers satisfied with the Consumer Relationship Management (CRM) practices of nationalized banks. It is also found that the State Bank of India gets the first position in Consumer Relationship Management (CRM) practices and Dena Bank, Indian Overseas Bank and Bank of India gets second, third and fourth ranks respectively. A significant difference in the Consumer Relationship Management (CRM) practices has been found among the nationalized banks during the study. Based on the result of the study, it is recommended that the nationalized banks may share their techniques regarding CRM practices among them so that they can serve better than before in CRM practices for their

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5

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customers. If a bank has better CRM practices, that bank not only satisfy its customers but also retain and increase the number of customers so that the bank can achieve their goal regarding the customers who prime support of a bank.

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