



CUSTOMER RELATIONSHIP MANAGEMENT IN NEW GENERATION PRIVATE BANKS – WITH REFERENCE TO SELECT ASPECTS

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ABSTRACT

Having good customer relationship management is very important for banking companies in present scenario in order to stand in the business. The research work aimed to study perception of respondents on physical services, reliability and openness under customer relationship management among new generation private banks in Pondicherry region. The researchers collected primary data from 550 customer respondents from 18 branches of six new generation private sector banks through questionnaire. The researcher applied simple percentage and mean to analyse the collected data. The study found that the perception level was high in case of the selected CRM practices followed by the sample banks. Of which, the perception level was high for openness in services was higher than other selected services.

KEYWORDS: Bank, CRM, reliability, perception and new generation private banks.

INTRODUCTION:

Banking industry is the key industries in an economy. Especially in developing countries like India, services of banks are very important for economic development. Banks channelize savings of the people towards industrial development. Before independence majority of banks were in the hands of private. But banks were nationalized in two phases in 1969 (14 banks) and 1980 (6 banks). After that period people depended only on public sector banks for their financial services. But in 90s the Government of India brought major changes in its economic policies and allowed privates to enter into banking business through liberalization policy. Since then many private sector banks entered into banking business and they are called as new generation private banks. After the invention of private sector banks in to the business, banking business became competitive. Public sector banks were pulled to face tough competition. Private sector banks tried to get faith among people in initial period and then new generation private sector banks started to capture a considerable portion of market. These banks try to retain existing market and to capture new market in financial services. But it is possible only when banks satisfy their customers through good financial services. In this context, maintenance of customer relationship is very important. Hence every banking companies tries to have good Customer Relationship Management (CRM). CRM is the strategy of building, managing and strengthening loyal and long-lasting customer relationships.

REVIEW OF LITERATURE

Prasanna Kumar and Ravi Varma.Golla (2017) in their study found that 84 per cent of the employees had moderate knowledge about customer relationship management. About 82 per cent of the employees had positive attitude towards CRM. Munaiah and Krishna Mohan (2017) found that most of the female respondents were satisfied with CRM practices compared to male respondents. There was a significant association between gender and overall attitude of customers towards CRM practices of the public sector

banks. Rajesh C. Patel and Chirag J. Trivedi (2017) evidenced that private sector banks maintained CRM very well compared to their counterparts. The technology in CRM was better in private sector banks. There are more impacts of CRM on private sector banks than public sector banks. Mohamad Dimyati and Ari Subagio (2018) found that economic, resource and social contents were significant predictors of trust and relationship intention. The role of economic content, resource content and social content as direct predictors were higher than the mediating role of trust of state owned bank customers. Noopur Saxena (2018) in their study found that customer experience, technology-orientation, organizational commitment and process-driven approach and reliability were the factors responsible for CRM.

STATEMENT OF THE PROBLEM

CRM is the approach with the objective of retaining existing customers. Primary objective of CRM is to 'Personalised' handling of customers as distinct entities through the identification and understanding of their differentiated needs, preferences and behaviours. New generation banks have occupied a considerable portion of market share in banking, they try to retain existing market and to capture the new market. For this purpose, maintaining good customer relationship is very important. New generation banks aim to have good CRM. Hence the researchers studied selected the aspects of physical services, reliability and openness under CRM in Pondicherry region among selected new generation private banks.

OBJECTIVES

The study is done based on the following objective.

- To study perception of respondents on physical services, reliability and openness under customer relationship management among new generation private banks in Pondicherry region.

METHODOLOGY

The research work is analysed perception of the respondents towards selected CRM practices among new generation private banks in Pondicherry region. The study is based on primary data. The researcher selected Puducherry and Karaikal regions as study area, the sample size was 550. The primary data were collected from six major new generation private banks namely, HDFC Bank, ICICI Bank, Axis Bank, Yes Bank, *Kotak Mahindra Bank* and IndusInd Bank. Total number of branches selected for the study was 18. The primary data were collected through well structured questionnaire. The researcher applied simple percentage and mean to analyse the collected data.

RESULTS AND DISCUSSION

Perception of customer respondents towards the seven aspects of physical services, six aspects of reliability and five aspects of openness under customer relationship management were analysed. The results are presented in the subsequent tables. Table 1 gives the results of perception of the respondents towards physical services provided by the sample banks in the study area.

Table 1: Perception towards Physical Services of the Selected Banks

Statements	Level of Acceptance					Total	Mean Score
	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree		
ATMs spread and network	47 (8.55)	157 (28.55)	180 (32.73)	154 (28.00)	12 (2.18)	550 (100.00)	3.13
Service options in ATM	14 (2.55)	120 (21.81)	271 (49.27)	141 (25.64)	4 (0.73)	550 (100.00)	3.00
Adequate cheque drop boxes	20 (3.64)	196 (35.64)	164 (29.82)	157 (28.55)	13 (2.36)	550 (100.00)	3.10
Issue/renewal of debit/credit cards	26 (4.73)	155 (28.18)	206 (37.45)	156 (28.36)	7 (1.27)	550 (100.00)	3.07
Issue of monthly statements	38 (6.91)	127 (23.09)	188 (34.18)	179 (32.55)	18 (3.27)	550 (100.00)	2.98
Responsiveness in counter service	38 (6.91)	193 (35.09)	166 (30.18)	138 (25.09)	15 (2.73)	550 (100.00)	3.18
Face-to-face interaction on demand	15 (2.73)	164 (29.82)	204 (37.09)	163 (29.64)	4 (0.73)	550 (100.00)	3.04
Overall	28 (5.09)	159 (28.91)	197 (35.82)	155 (28.18)	11 (2.00)	550 (100.00)	3.07

Source: Primary Data

Table 1 shows that more than one third of the respondents (37.10%) either agreed or strongly agreed the statement that services of ATMs spread and network are good. About half of the respondents neither agreed nor disagreed about service options in ATM. A considerable portion of the respondents (39.28%) either agreed or strongly agreed about adequacy of cheque drop box facilities. One third of the respondents (33.01%) either agreed or strongly agreed about issue/renewal of debit/credit cards. More than one third of the respondents (35.82%) either disagreed or strongly disagreed about issue of monthly statements. A considerable portion of the respondents (42%) either agreed or strongly agreed about responsiveness in counter service. Only 32.65% of the respondents either agreed or strongly agreed about Face-to-face interaction on demand. Overall, 35.82% of the customers neither agree nor disagree towards physical services of the banks, 34% of the respondents either agreed or strongly agreed about these services and 30.18% of the respondents either disagreed or strongly disagreed about physical services provided by the sample banks. The mean score reveals that the respondents have a higher acceptance level (3.35) towards responsiveness in counter service. In case of issue of monthly statements, the respondents have lower acceptance score (2.98). The perception level was considerable towards physical services of the sample banks as shown by mean score (3.07).

Table 2 gives the results of perception of the respondents towards physical services provided by the sample banks in the study area.

Table 2: Perception towards Reliability in Service in Selected Banks

Statements	Level of Acceptance					Total	Mean Score
	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree		
Safety and security in service transactions	25 (4.55)	162 (29.45)	168 (30.55)	171 (31.09)	24 (4.36)	550 (100.00)	2.99
Transparency in service charges	28 (5.09)	161 (29.27)	189 (34.36)	161 (29.27)	11 (2.00)	550 (100.00)	3.06
Accuracy in account maintenance	30 (5.45)	162 (29.45)	194 (35.27)	151 (27.45)	13 (2.36)	550 (100.00)	3.08
Privacy in account transactions	27 (4.91)	166 (30.18)	208 (37.82)	144 (26.18)	5 (0.91)	550 (100.00)	3.12
Dedication of bank employees	49 (8.91)	171 (31.09)	149 (27.09)	158 (28.73)	23 (4.18)	550 (100.00)	3.12
Timely service on customer request	27 (4.91)	140 (25.45)	223 (40.55)	150 (27.27)	10 (1.82)	550 (100.00)	3.04
Overall	31 (5.64)	160 (29.09)	189 (34.36)	156 (28.36)	14 (2.55)	550 (100.00)	3.07

Source: Primary Data

Table 2 reports that more than one third of the respondents (34%) either agreed or strongly agreed about Safety and security in service transactions. Similarly one third of the respondents (34.36%) either agreed or strongly agreed about Transparency in service charges. 34.90% of the respondents either agreed or strongly agreed about Accuracy in account maintenance. One third of the respondents (35.09%) either agreed or strongly agreed about Privacy in account transactions. A considerable portion of the respondents (40%) either agreed or strongly agreed about Dedication of bank employees. 30.36% of the respondents either agreed or strongly agreed about Timely service on customer request. Overall, 34.36% of the customers neither agree nor disagree with reliability in service in the new generation private banks, 34.73% either agreed or strongly agreed about the services and 30.91% of the respondents either disagreed or strongly disagreed about reliability in services provided by the selected banks. The mean score reveals that the respondents have a higher acceptance level (3.12) towards privacy in account transactions and dedication of bank employees. In case of safety and security in service transactions, the respondents have lower acceptance score (2.99). The perception level was considerable towards reliability in services provided by sample banks as shown by mean score (3.07).

Table 3 gives the results of perception of the respondents towards physical services provided by the sample banks in the study area.

Table 3: Perception towards Openness in Service in Selected Banks

Statements	Level of Acceptance					Total	Mean Score
	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree		
Relationship with customers	12 (2.18)	202 (36.73)	175 (31.82)	148 (26.91)	13 (2.36)	550 (100.00)	3.09
Response to customer doubts	62 (11.27)	169 (30.73)	143 (26.00)	156 (28.36)	20 (3.64)	550 (100.00)	3.18
Prompt service	26 (4.73)	166 (30.18)	175 (31.82)	168 (30.55)	15 (2.73)	550 (100.00)	3.04
Kindness in help desk service	24 (4.36)	167 (30.36)	189 (34.36)	156 (28.36)	14 (2.55)	550 (100.00)	3.06
Customer centric actions	24 (4.36)	158 (28.73)	200 (36.36)	161 (29.27)	7 (1.27)	550 (100.00)	3.06
Overall	30 (5.45)	172 (31.27)	176 (32.00)	158 (28.73)	14 (2.55)	550 (100.00)	3.08

Source: Primary Data

Table 3 shows that more than a considerable portion of the respondents (38.91%) either agreed or strongly agreed about good relationship with customers under openness. A considerable portion of the respondents (42%) either agreed or strongly agreed about Response to customer doubts. One third of the respondents (34.91%) either agreed or strongly agreed about prompt services provided by the sample banks. One third of the respondents (34.92%) either agreed or strongly agreed about Kindness in help desk service. 33.09% of the respondents either agreed or strongly agreed about customer centric actions. In regards to openness in service, 32% of the customers neither agree nor disagree, one third of the respondents (36.72%) either agreed or strongly agreed about these services. The mean score shows that the respondents have a higher acceptance level (3.18) towards response to customer doubts. In case of prompt service, the respondents have lower acceptance score (3.04). The perception level was good towards openness in services as shown by the results of mean score (3.08).

CONCLUSION

Having good customer relationship management is very important for banking companies in present scenario in order to stand in the business. The research work has been undertaken to study CRM practices towards physical services, reliability in services and openness in services provided by six new generation private sector banks in Pondicherry region. The study found that the perception level was high in case of the selected CRM practices followed by the sample banks. Of which, the perception level was high for openness in services was higher than other selected services.

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