

A study on customer relationship Management practices at Dhanalaxmi Bank LTD with special references to Palakkad district

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ABSTRACT: Customer relationship management (CRM) was originated in early 1970's. CRM came as a process that dealt with relationship with customers surpassing the whole business. Customer relationship management (CRM) is a number of strategies and technologies that are used to build stronger relationships between companies and their customers. A company will store information that is related to their customers, and they will spend time analysing it so that it can be used for the purpose. Some of the methods connected with CRM are automated, and the purpose of this is to create marketing strategies which are targeted towards specific customers. The strategies used will be depended on the information that is contained within the system. Customer relationship management is commonly used by corporation and they will focus on maintaining a strong relationship with their clients. There are a number of reasons why CRM has become so important in last 10 years. The competition is competitive, and it has become easier for customer to switch companies if they are not happy with the service they receive. One of the primary goal of CRM is to maintain clients. When it is used effectively a company will be able to build a relationship with their customers that can last a lifetime. Customer relationship management tool will be generally come in the form of software. Each software program may vary in the way it approaches CRM. Thus the study on customer relationship management in dhanalaxmi bank is under taken to evaluate the efficiency of the bank towards the customer services, to examine the current practices in CRM toward dhanalaxmi bank and to analyze the factor affecting the CRM practices. In olden days serving the customer is important but today CRM is being used to achieve the best of both worlds.

KEYWORDS: CRM, Benefits, Needs, Strategies

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I. INTRODUCTION:

It is important to realize that CRM is more than just a technology. In the last few years a number of changes have been made to customer relationship management that has allowed it to advance. These capabilities have allowed CRM to become the system that was once envisioned by those who create it. Customer relationship management could be better defined as being a methodology, an approach that a company will use to achieve their goals. It should be directly connected to the philosophy of the company. It must guide all of its policies, and it must be an important part of customer service and marketing. If this is not done, the CRM system will become a failure. There are a number of things that a CRM system should have. It should allow the company to find the factors that interest their customers the most. A company must realize that it is impossible for them to succeed if they do not cater to the desire and need of their customers. It is also important for the CRM system to foster a philosophy that is oriented towards the customer while this may sound like common sense, there are a sizeable number of companies that have failed to do it, and their businesses suffered as a result. With CRM, the customer is always right, and is the most important factor in the success of the company. It is also important for the company to use measures that are dependent on their customer. This will greatly tip the odds of success in their favor. While CRM should not be viewed as a technology, it is important to realize that there are end-to-end processes that must be created so that customers can be properly served in many cases, these processes will use computers and software. Customer support is directly connected to CRM. If a company fails to provide quick customer support, they have also failed with their CRM system. When a customer makes complaints, they must be handled quickly and effectively. The company should also seek to make sure those mistakes are not repeated. When mistakes are made, they should be tracked so that the company can analyze them from various aspects. It is also important to understand the architecture of customer relationship management.

STATEMENT OF PROBLEM: There is relevant happening in the banking industry. The customer are occupying the centre stage outshining other factors. The customer are flooded with lot of information are

becoming more savvy. This has increased the competition among the bankers. The competitive forces over the year are compelling the bankers to concentrate more on increasing the number of customers and in providing better service quality. In other words CRM has become a major focus for the bank. The bank in the present era is facing stiff competition and they are struggling to find a place in the industry. They have realized the fact that CRM is a powerful tool to achieve success in their business. CRM is an effective tool for the banks to attract new customers and to retain them.

OBJECTIVES OF THE STUDY

- To examine the current practices in CRM.
- To analyse the factors affecting the CRM practices in Dhanlaxmi bank.
- To evaluate the issues faced by customers from Dhanlaxmi bank at Palakkad district

II. RESEARCH METHODOLOGY:

Research design for the study is descriptive and analytical. In nature the present study was conducted to evaluate the efficiency of the bank towards the customer service, to examine current practices in CRM and to analyse the factors affecting the CRM practices. Sample of 30 customers of Dhanlaxmi bank was selected from the population of Palakkad district. The primary data was collected directly from respondents by personal interview through questionnaire and personal discussion with manager. The secondary data is basically collected from websites, articles and journals, published by bank. The statistical tool used for analyse primary data is simple percentage analysis and weighted ranking method.

THEORETICAL ASPECTS: Customer relationship management (CRM) is a system for managing a computer's interaction with current and future customers. It often involves using technology to organize, automate and synchronize sales, marketing customer service and technical support. CRM refers to the practices, strategies and technologies that companies use to manage, record and evaluate customer interactions in order to drive sales growth by depending and enriching relationship with customer bases. CRM has its roots in relationship marketing which support the proposition that a firm can boost its profitability by establishing long-term relationship with the customers. CRM systems are designed to compile information on customers across different channels or point of contact between the customers and the company which could include the company's website, telephone, live chat, direct mail, marketing material and social media. CRM system can also give customer facing staff details information on customer's personal information, purchase history, buying preferences and concerns. CRM is a long term approach and targets selected customers if focus on one to one or individualized relationship with the customer. CRM is a strategy and technology that is used to build stronger relationships between organizations and their clients. An organization will store information that is related to their clients and employees will analyse it to use it in forecasting and making reports. Some of the strategies of CRM software are planning for targeted marketing comparing towards specific clients. The strategies used will be relying on the information that is coming from the CRM system CRM software solution is commonly used by all kinds of cooperation that focusing on maintaining a strong relationship with their customers. CRM enables you to focus on your organizations relationship with individuals people – whether those are customer services users, colleges a suppliers. Some of the biggest gains in productivity can come from moving beyond CRM as a sales and marketing tools and embedding it in your business from HR to customer's service and supply chain management. CRM is still at the infancy stage. It is concept that seeks to build long term relationship with customers. Through CRM initiatives it is expected to gain confidence and loyalty of the customers thus, the five best ways to keep customers coming back are: Be Reliable, Be Creditable, Be Attractive, Be Responsive, and Be Empathic.

Benefits of CRM to banks:

- CRM banking focuses on customers
- Overall profitability
- Satisfied customers
- Centralized information
- Customer segregation
- CRM banking boots small banks
- Increased operational efficiencies and collaboration
- Marketing encyclopaedia

Benefits of CRM to customers:

- Optimization of the use of bank resources, such as alternative channels of distribution (internal and home banking)

Complaints that implement CRM make better relationship with their customers, achieve loyal customers and a substantial pay back, increased revenue and reduction cost.

NEED OF CRM IN BANKING INDUSTRY

A relationship based marketing approach has the following benefits:-

1. Over time, retail bank customers tend to increase their holding of the other products from across the range of financial products or service available.
2. Long-term customers are more rarely to become refund source
3. The loyal relationship continues, the better a bank can understand stand the customer his/her needs and preferences and so greater the opportunity to tailor products a d service and cross – sell the products and service range
4. Customer in long term relationship all more comfortable with the service, the organization methods and procedures, thus helps reduce operating cost and costs arising of customer error. With increased number of banks, products and

Services and practicality nil switching costs, customers are easily switching banks, wherever they find better services and products, banks are finding it tough to get new customers and more importantly retain existing customers.

THE CRM STRATEGIES

Customer relationship management often through of as a business strategy that enables business to improve in a number of areas. The CRM strategy allows you to following:

- Understand the customers
- Retain customers through better customer experience
- Attractive new customers
- Win new clients and contracts
- Increase profitably
- Decrease customer management costs

DATA ANALYSIS AND INTERPRETATION

Table No: 1
Reasons for opening an account.

Attributes	Number of respondents	Percentage
Due to brand name	3	10
Due to existing account	6	20
Near to place	12	40
Features and benefits	9	30
Total	30	100

The above table 4.6 shows the majority of respondents (40%) convey the reason for opening an account on Dhanlaxmi bank is near to place. 30% of respondents are opening an account with attracted by benefits from bank.

Table No: 2
SATISFACTION ON CRM PRACTICES

Attributes	Number of respondents	Percentage
Highly satisfied	16	53
Satisfied	5	17
Moderate	5	17
Highly Dissatisfied	1	3

Dissatisfaction	3	10
Total	30	100

Source: Primary Data

The table reveals that the most important aspect for any organization is to be rated high on satisfaction level by its customers. Here, reflects that 53% of customers are highly satisfied some of them are dissatisfied (10%) and for 17% are both satisfied and moderate

Table No:3
WIGHTED RANKING OF MOST EFFECTIVE SERVICES

Services	Number of respondents					Total	Rank
	1	2	3	4	5		
Weight	5	4	3	2	1		
Mobile banking	30	20	12	16	7	85	4
Demat banking	15	32	27	14	3	91	3
Internet Banking	50	32	21	2	4	109	1
ATM services	35	28	12	10	7	92	2
Locker facility	20	8	18	18	9	73	5

Majority of respondents provides 1st rank (109) to the service dimension Internet banking and provide 2nd & 3rd rank to the services ATM services and Demat banking.

Table No:4
Factors influencing CRM

Factors	Number of respondents						Total	Rank
	1	2	3	4	5	6		
Weight	6	5	4	3	2	1		
Relationship with Customers	30	50	4	21	4	5	109	2
Interactive Management	48	30	12	18	4	5	117	1
Speedy Services	24	5	40	15	12	4	100	5
Problem solving attitude	18	25	32	18	8	4	105	3
Variety of services	42	0	28	9	20	3	102	4
Privacy information of customers	24	40	8	9	8	9	90	6

The majority of respondents provides 1st rank (117) to the factors interactive management and provide 2nd and 3rd rank to the factor relationship with customers and problem solving attitude.

Table 5
WEIGHTED RANKING ON SERVICE QUALITY OF CRM PRACTICES

Qualities	Number of respondents						Total	Rank
	1	2	3	4	5	6		
Weight	6	5	4	3	2	1		
Tangibility	12	50	8	15	8	7	100	5
Responsibility	48	25	8	12	10	6	109	3
Empathy	36	5	40	18	8	4	111	2
Assurance	24	30	32	24	6	1	117	1
Reliability	42	15	16	15	18	2	108	4

Security	18	35	16	9	0	8	96	6
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Majority of respondents provides 1st rank (117) to the service quality assurance and provide 2nd and 3rd rank to the quality Empathy and responsibility

III. FINDINGS AND SUGGESTIONS

- Majority of the respondents are highly satisfied with the CRM practices of dhanalexmi Bank.
- The customers of dhanalexmi Bank are loyal towards the bank
- From study reveals that the factors affecting CRM practices at banking are relationship with customers and speedy services.
- Majority of the customers are having an account with dhanalexmi Bank for long period because their facilities and attractive services.
- Majority of customers are not facing any difficulties for opening an account with dhanalexmi Bank
- The study reveals that most effective services received from dhanalexmi Bank are Internet banking and ATM services
- Majority of customers are available gold loyal scheme.
- The bank provides fast and computerized system services.
- Most of them are provides 1st rank to the service dimension “Empathy “and provides 2nd rank are to the service dimension “Responsibility “.
- Majority of customers are satisfied to the resolution provided by bank on previous complaints.
- Some of the customers suffering lot of problem from the Unresponsiveness of employees.
- The bank can adopt innovative devices in order to increase customer relationship
- The employer of customer deals with dhanalexmi Bank should change their Unresponsive towards customer resolve the behaviour and problems in service otherwise they will lose their customers
- Dhanlaxmi bank should also focus on the other services like providing loans, mobile banking etc.
- Dhanlaxmi bank provide quick services to the customers. For that they have to either change their staff or provide training to their employees.
- The employees of Dhanlaxmi bank should change Irresponsible behaviour otherwise they will lose their employees

IV. CONCLUSION

The study entitled “study on customer relationship Management practices at Dhanalexmi Bank “is to analyse the factors effecting the CRM practices and current practices in CRM and to evaluate the efficiency of the bank towards the customer services. The analysing the area where the bank cab provide services is identified and thus maintaining a good customer relationship. Although all banks recognize the need for CRM, not every bank is implementing the complete CRM concept. The way CRM has been implemented thus for seems to depend heavily on the current balance between the discretionary and advisory services that the bank provides. Dhanlaxmi bank has got more positive and favourable response from the respondents and especially in case of recommendations by customer to her /his family members where it has higher positive response. Therefore, the company should focus on improving the behaviour its employees to convert these 10% and 3% respondents in to satisfy customers will not only give their future business to the bank but also do positive word of mouth that is the best communication tool used by any company.

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