A STUDY ON CUSTOMER RELATIONSHIP MANAGEMENT WITH SPECIAL REFERENCES TO HDFC BANK IN TRICHY CITY

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ABSTRACT

Customer Relationship Management (CRM) is one of the latest innovations in customer service today. Providing better services to your customers than your competitors is the basic achievement and goal of any business organization. Like any other organizational initiative, the ultimate purpose of CRM is to increase profit by having more satisfied customers, more profitable business and more resources available to the support staff. Retention of customers is necessary for growth and sustainability of business.

Keywords- **Customer Relationship Management, Customer Retention, Sustainability.**

INTRODUCTION

Banks playan essential role in the socio-economic development of our country. Banks offer several facilities to enhance the standard of living of our citizens. In the past, owing to lack of information and proper guidance, the general public could not avail the full benefits from the banking industries to improve their standard of living. It is now obvious that the face of the Indian consumer is changing. This is reflected in the change in the income pattern of the urban household. The direct fallout of such a change will be the consumption patterns and hence, the banking habits of Indians, which will now be change towards retail-products. At the same time, India compares pretty poorly with the other economies of the world that are now becoming comparable in terms of spending patterns with the opening up of our economy.

OBJECTIVES OF THE STUDY

1. To measure influence of demographic variable on elements of CRM in banking industry.
2. To identify various banking services offered by private sector to consolidate their CRM strategies.
3. To study the customer perception on factors influencing Customer relationship management in banking industry.
4. To classify the customer's opinion on initial strategies, maintenance strategies, technology, service satisfaction and impact of CRM.
5. To gives suggestions for improving CRM among customers.

STATEMENT OF THE PROBLEM

In today competitive business environment, attracting, nurturing and retaining customers is really a tall order. In fact, ensuring customer satisfaction is the key to success and bank are actively engaged in studying and exploring the conceptual foundations of managing relationship with customers. Customer relationship management is increasingly used to learn about customer's needs and behaviour, as good relationship is very essential for successful banking sector. CRM is now recognised as a powerful tool, for bank sector to have an edge over the competitors. Customer relationship management is the establishment, development, maintenance and optimization of long term mutually beneficial relationship between customers and bank sector. The purpose of this research is to study the consumer's perception towards CRM in banking sector. The respondents of the study are the customers of the banks using various banking services.

SCOPE OF THE STUDY

The study will highlight the emerging trends in the growth of selecting HDFC banking services in the competitive scenario and the major problems faced by the customers as well as the banks. The study will also help enforcing the government and RBI in formulating and enforcing regulatory and legal reforms in this sector and thus achieve its aim of "Quality Service through dynamic Relationship Management". In today's changing demographic economic competitive factors mean that there are fewer new customers to go around. The costs of attracting new customers are rising. Thus, although finding new customers remains

very important, the emphasis is shifting towards retaining profitable customers and building lasting relationships with them.

LITERATURE REVIEW

SUNIL MITHAS (2005) this research empirically tested the effect of CRM applications on customer knowledge and customer satisfaction. Using archival data on a broad cross-section of U.S. firms, we found that CRM applications are likely to affect customer knowledge when they are well integrated into the supply chain. Our findings provide empirical support for the conjectures that CRM applications help firms gain customer knowledge and that this knowledge helps firms improve their customer satisfaction. Our research contributes to empirically valid theory by synthesizing insights from the marketing and information systems literature and by investigating the effect of organizational variables that leverage CRM investments. Overall, our results suggest that firms that make investments in CRM applications reap significant intangible benefits, such as improved customer knowledge and customer satisfaction. Achieving such customer- focused business objectives is a critical ingredient for success in increasingly competitive markets.

VENKY NAGAR (2005) the research paper examines the profits arise from both the tangible and intangible assets of firms. Following Kaplan and Norton (1996) and Lev (2001), we view intangibles such as customer relationships as a multidimensional process, the measurement of which requires a collection of financial and nonfinancial measures. Our process-based focus distinguishes us from prior accounting studies that focus on a specific nonfinancial measure, and thus responds to Lambert's (1998, p. 41) suggestion that nonfinancial measure studies move beyond individual metrics such as customer satisfaction to a more com prehensive set of customer relationship measures. We employ a unique and comprehensive cross-sectional database on retail banks to demonstrate empirically how managers can use a set of customer relationship measures to identify cause-and-effect interrelationships among various customer relationship activities, and identify activities that must be bundled to maximize performance. Finally, we demonstrate the understand ways in which broader environmental features such as strategy modulate the forward-looking nature of nonfinancial measures. Collectively, these findings add to our understanding of the key

drivers, measures, and interactions in the retail banking industry, and demonstrate the multiple ways in which our measurement model can be of value to firms.

YONG CAO (2005) the research paper examine a positive by-product of our approach to customer selection is the inherent coordination between the marketing and the credit functions of the firm that is selling risk products. Selecting prospects on the basis of their likelihood to respond and to be approved removes a major source of conflict. Such interfunctional coordination is a major goal of CRM as a whole (Rigby, Reichheld, and Schefter 2002). Furthermore, our proposed approach to prospect selection addresses an important problem in the customer relation- ship life cycle, namely, the identification of the right prospects. Its narrow focus and modest goals are consistent with the successes that are now being experienced in CRM practice (Rigby and Ledingham 2004).

ANU PUTNEY (2013), To survive in the competitive world, Indian bank sector is realizing the importance of customer relationship and is adopting crm customer relationship management.so with each and every interaction with customer can give opportunity to build a lifelongrelationship. In this paper, we have discussed the role of crm in Indian banking sector.

MEHMET KARAHAN (2014)the aim of the study as to investigate the effect of implementation stages to management strategies of CRM in banks. In this pilot study the effect degree of this implementation stages to management strategies has been found 33% by the structured questionnaire data. Our findings are based on case studies and only two banks'employees (112 pilot replies). As a result, the generalizability of our findings is so limited. However, our findingscan serve as a starting point for other researchers exploring measures for the evaluation of CRM systems. Futureresearches can enhance and validate measures for the evaluation of CRM systems.

HYPOTHESIS OF THE STUDY

1. There is a significant association between age of the respondents and their opinion about customer relationship management.
2. There is a significant association between gender of the respondents and their opinion about customer relationship management.

3. There is a significant association between Educational qualification of the respondents and their opinion about customer relationship management.

RESEARCH METHODOLOGY

The present study is a descriptive study and questionnaire method is used for collection of required data. The study covers a sample of respondents from HDFC bank. The respondents for the purpose of the study are selected systematically.

SOURCES OF DATA

A structured questionnaire was designed to collect the primary data on the various factors contribute to the customers of the HDFC bank. The secondary data is collected from various published and unpublished sources including books, journals, magazines publications reports, dailies, periodicals, articles, research papers and websites etc.

The probability sampling techniques has been used for the study.Convenient sampling method is adapted to collected responses from the customers in banking is taken in the study.

The sample size for the survey is 125 customers in HDFC bank.

All the data from the questionnaire were entered into SPSS file and principle components analysis is done to do factor analysis of the variables.The following tools and techniques will be used in this research

Percentage analysis, Chi-square test, One- way Anova and T-test are the tools used in this study.

CLASSIFICATION OF RESPONDENTS ON THE BASIS OF EDUCATION QUALIFICATION

S.NO	PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE (%)
1	Below SSLC	4	3.3
2	HSC	26	21.7
3	Diploma	18	15.0
4	Under graduate	28	23.3
5	Post graduate	30	25.0
6	Others	14	11.7
	TOTAL	120	100

Source: Primary data

Inference: The above table shows that 25 % of the respondents have completed their post graduate, 23.3 % of the respondents have completed their under graduate, 21.7% of the respondents have completed their HSC,15 % of the respondents have completed their diploma, 11.7 % of the respondents have completed their others and 3.3% of the respondents have completed their SSLC.

From the study we found that majority (66.7%) of the respondents are Post graduate.

CLASSIFICATION OF RESPONDENTS ON THE BASIS OF MONTHLY INCOME

S.NO	PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE (%)
1	Below Rs 10,000	14	11.7
2	Rs 10,000-25,000	44	36.7
3	Rs 25,001-50,000	32	26.7
4	Rs50,001-75,000	18	15.0
5	Above Rs 75001	12	10.0
	TOTAL	120	100

Source: Primary data

Inference: The above table shows that 36.7 %.respondents are earning Rs.10000-25000 monthly income, 26.7% of the respondents are earning Rs.25001-50000 monthly income, 15% of the respondents are earning Rs.50000-75000 monthly income,11.7% of the respondents are earning BelowRs 10000 and 10% of the respondents are earning above Rs.75001 monthly income.

From the study we found that majority (36.7%) of the respondents are monthly income between Rs.10001-25000.

CORRELATION

VARIABLES		Gender	Type of account

Gender	Pearson Correlation	1	.784**
	Sig. (2-tailed)		.000
	N	120	120
Type of account	Pearson Correlation	.784**	1
	Sig. (2-tailed)	.000	
	N	120	120

Source: Primary Data

Inferences

The calculated value is r = 0.784 and (p = 0.00). Hence the calculated value is less than the table value. So the research is accepted and the null hypothesis is rejected

Findings

The above table reveals that there is a significant association between gender of the respondents and their opinion about use the type of account. Therefore the gender of the respondents is also having an impact in the type of account.

LIMITATIONS OF THE STUDY

The study suffers from the following limitations.

1. The respondents are not answer to the certain question properly due to their busy schedule. So it's quite difficult for the researcher to find the reliable data.

2. since the researcher uses the questioner schedule for data collection, the information given by the respondents is depends upon their honesty.

3. Due to the time constrain the researcher restrict her study only to trichy city of hdfc bank.

RESULT AND CONCLUSION

CRM is a powerful concept for the success of any industry. It paves the way to maintain an optimistic relationship with customers to increase the business and profitability. The strategies employed CRM is aimed at mutual benefit to the customers and industries. It creates deep and wide impact on customers and make in deep in roads in identifying the lucrative move of the industries. Personal details of customers like gender, age, education qualification are essential in determing in essential to perform better for all the industries in fact it gives maximum credit and gains to the industry for the future.

SCOPE FOR THE FURTHER RESEARCH

The following studies have got the scope for the future researcher.

1. A comparative study of public and private sector banks in CRM practices.

2. A study on Customer Relationship Management Practices in foreign banks.

3. A comparative study on CRM practices in selected banks in India.

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