A

Report on

Study the importance of CRM in Banking & Internet Banking Sector

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Introduction :

Customer relationship management (CRM) is an approach to managing a company's interaction with current and future customers. It often involves using technology to organize, automate, and synchronize sales, marketing, customer service, and technical support.

Customer Relationship Management helps oraganisation to underlying philosophy that successful customer engagement, and therefore successful business, is based on the ability to build ‘meaningful relationships’ with customers. Of course, different banks have very different ideas about what a meaningful relationship is. Nike doesn’t know the names of all their millions of customers, but they have a very good idea of their preferences across different market segmentations. They probably also know a lot about shoe size distribution curves in different countries around the world. They don’t call people up and try to sell them a pair of shoes. They engage through mass market media, and measure consumer responses to different marketing campaigns. On the other hand a company that sells expensive sports cars to the super rich is likely to have strong personal relationships with each individual customer, and not just related to the cars they buy, built up through face to face interaction. CRM helps a business understand who their customers are, how they like to interact with the company, how profitable they are, and what their future value might be. In this way it helps an organisation make critical decisions about how to do business, such as what new products or services they should be developing, and what sales and marketing channels they should invest in, or discard. Effective CRM therefore is about gathering information about customers, then analysing and interpreting it. This is the role played by CRM software systems.

Every Bank which is highly leading now performs their transaction through computer and computer is not only the concept can make off the transaction automatic. All the commercial application now transfers to the concept of e-commerce and is one of the very important aspect for carrying bank transactions falsity. In the commercial world surrounded by highly competitive and volatile market conditions, any new concept or technology would be acceptable only if it provides strong benefits to all concerned. Ecommerce offers some distinct advantages.

1. **Portability:-** Improves bottom line of and organization.
2. **Expanded Market Share:** A some component can be handled by multiple customer at the same time.
3. **Supply Chain Integration Cycle:**All operations become flexible and customer friendly. Based on the nature of transactions conducted through e-commerce, most internet based commerce activities can be broadly classified in categories B2B,B2C,C2B,C2C,G2B.

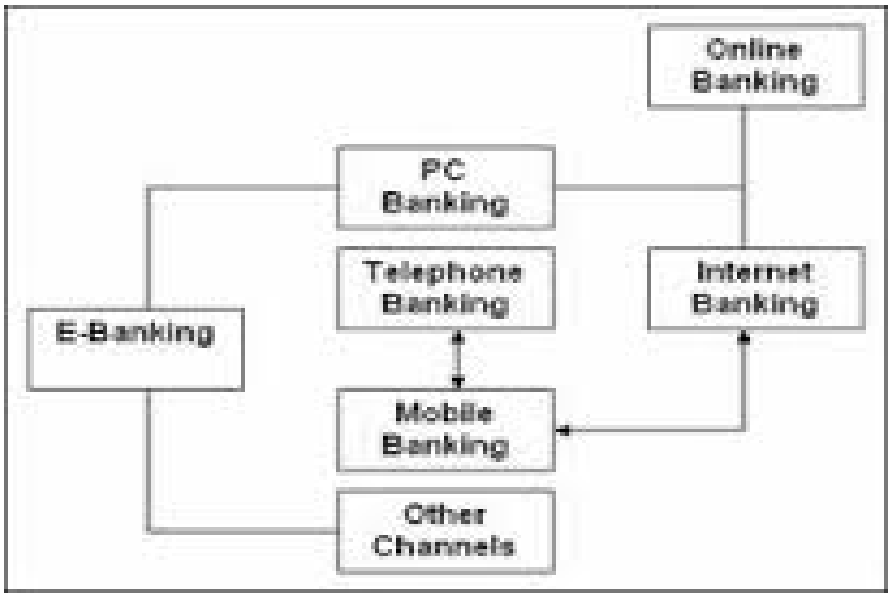

Fig 1 : Services of E-Banking

Objective of CRM in Bank

1. To simplify marketing and sales process
2. To make call centers more efficient To provide better customer service
3. To discover new customers and increase customer revenue
4. To cross sell products more effectively.

CRM Strategy and Goals.

CRM Strategy and Goals….. Customer Behavior Patterns Detailed customer data can provide answers to the following questions : Which communication channel do they prefer? What would be the risk of leaving the bank to go to the competition? What is the probability the customer will

buy a service or product ? Customer Data Who are our customer? What type of relationship we want with our customer? Customer development (up-selling and cross-selling) Customer service and retention Protection of customer privacy

CRM IN BANKING SECTOR - CRM is a sound business strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationships with those customers through individualized marketing, repricing, discretionary decision making, and customized service-all delivered through the various sales channels that the bank uses. The model developed here answers what the different customer segments are, who more likely to respond to a given offer is, which customers are the bank likely to lose, who most likely to default on credit cards is, what the risk associated with this loan applicant is. A greater focus on CRM is the only way the banking industry can protect its market share and boost growth. With intensifying competition, declining market share, deregulations, smarter and more demanding customers, there is competition between the banks to attain a competitive advantage over one another or for sustaining the survival in competition. Over the last few decades, technical evolution has highly affected the banking industry. ATM displaced cashier tellers, telephone represented by call centers replaced the bank branch, internet replaced the mail, credit cards and electronic cash replaced traditional cash transactions. In recent years, banks have moved towards marketing orientation and the adoption of relationship banking principles. The bank would need a complete view of its customers across the various systems that contain their data. If the bank could track customer behaviour, executives can have a better understanding, a predicative future behaviour and customer preferences. Most sectors of the banking industry are trying to use CRM techniques to achieve a variety of outcomes. In the area of strategy, they are trying to:

• Customer related organization and infrastructure.
• provide security for customer relationship
• Improvecustomer profitability
• Support selling initiatives;
• Manage customer support by various services
• study he lifetime value of customers.
• Understand how to attract and keep the customers.

Work Completed in Two years.

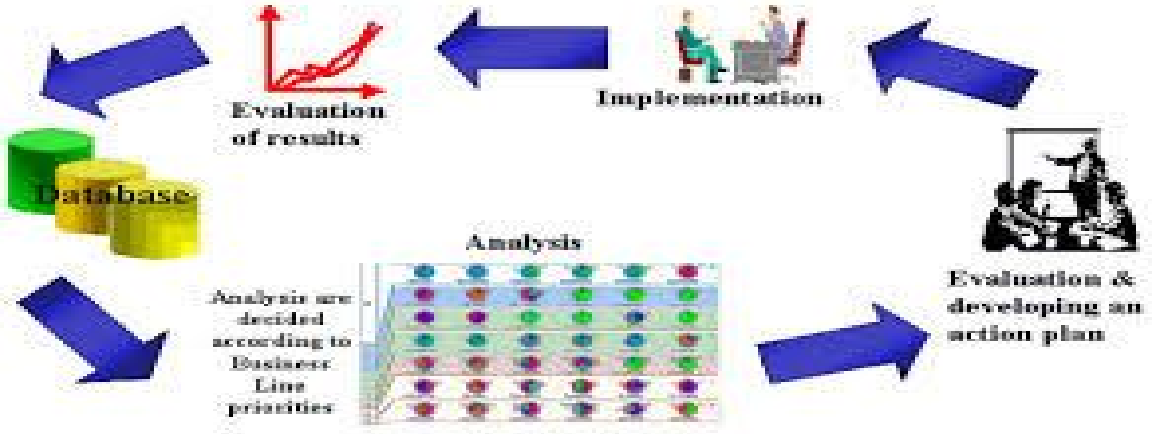

Fig 2: Working of CRM

First year.

1. Visits to each bank where more than 75% transactions are providing e-services.
2. Analysis of the transaction – How each transaction is being processed and what type of resources are needed for completing this e-transactions.
3. Study for that Is training needed for such e-transaction.
4. Are employees are trained to support CRM or E-CRM
5. Make suggestions about primary training to customer through posters, LCD projectors as well as proceed transaction before them

Second Year :

1. Observe each customer who is completing e-transaction.
2. Analyse ATM centers and ask customers about their difficulties for handling ATMs
3. Study security policy of banks towards customers.

Difficulties Occurs While Implementing CRM in Bank -

1. One of the major problems with CRM is the large investment to build and maintain a customer database which requires computer hardware, database software, analytical programs, communication links, and skilled personnel.

2. Also, there is the difficulty of getting everyone in the organization to be customer oriented and to get everyone to actually use the customer information that is available.

3. Providing adequate training so that personnel feel comfortable using a new system is critical.

4. Also, not all customers want a relationship with the company and some may resent the organization collecting information about them and storing it in a database. Another problem is the long wait for a return on investment.

5. Maintenance of complete data – Filling incomplete information of customer is very difficult to search customers whole record.

6. Avoids duplicate entries : So many times customer have more than one account in a same bank like loan account, saving a/c, current a/c etc . At the same time reord of the customer should be available at one click .

7. With data pouring in from several sources and multiple users accessing it, maintaining a clean CRM database is not that easy. One best practice is to restrict access to data in your CRM account.

Findings :

Following are some of the most important findings obtained of this study

1. While asking questions to bank customers about various services from bank most of the services unknown by them.

2. Many customers are not able to transact with e-banking services

3. More than 50% customers are unknown from internet services

4. Every bank maintains customers database

5. Bank provides recently applied services to customer by poster information or by sending SMS to tem time to time.

6. Results of CRM are positive in banks

7. Some banks open help desk for providing knowledge about handling ATM as well as bank websites.

Conclusion :

Every bank is very important center of each customer therefore every bank should apply the strategy for customer-centric. As per Analysis of each bank in the city (Bhusawal) near about all banks having their we sites as well as ATM centers. Now some of the banks decides to do paper less work. More than 50% customers are coming from villages and can not understand how to handle e-services. For better customer satisfaction each bank should adopt the following recommendations.

1. Make banks websites more user friendly.
2. Develop bank team to integrate more customer.
3. More importance should be given for online transactions.
4. Open e-services help desk dor unknown customers.
5. Important data must be gathered by bank and time to time notify those customers whose transactions are more important.
6. Bank should start mobile banking which is more secure and handy service for customers.

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