

Crm Strategies in Banking: A Socio- Economic Study of Private, Public and Foreign Bank in India

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Abstract: *The present study attempts to compare the socio- economic effectiveness of CRM among selected private, public and foreign banks. Analytical and descriptive types of research have been carried out for the purpose of the study. The majority of the study is conducted using primary data. Simple Random Sampling Method is used to gather the primary data. The sample for the research study is selected scientifically. A set of questionnaire has been used for the study to collect information from Customers. Factor Analysis is used as the main tools with average, standard deviation, student t-test and ANOVAs test. It can be summarised that there is insignificant difference between the groups of public and private sector banks where as the difference is insignificant in the group of foreign sector bank with respect to the research variables from the respondents' points of view. Indeed, the respondents have assessed the situation of foreign sector banks better than private sector banks and much ahead than the public sector banks in relation to the research variables.*

Keywords: *Customer Retention Management; Customer Satisfaction; Customer Loyalty and Factor Analysis*

I. INTRODUCTION

Today, customers are the most significant factor in management of businesses because they are now able to choose the items they want from a variety of choices and therefore change the strategies and program the organisation's have. Hence, having enough information about customer's needs and marketplace is a vital factor to interact with their unexpected behaviours and then act in such a way which is in the direction of organisational objectives. Liberalization, globalization and privatization together have changed the entire Indian marketing operations. Due to the innovation, development in new technologies and changes in the customer expectations there is a major shift from seller's market to buyer's market. The problem of losing market share in this era of intense competition and demanding customer retention of existing customers is more important than acquiring the new one. In the era of globalization and liberalization it has undergone a metamorphic change to cope up with the tight and enhanced competition, changing needs and expectations of the customers, ongoing product improvement, changing market trends from mass marketing to interactive and customized marketing and finally to the relationship marketing. With easy access to the information, today the customers are ready with the product information and have an upper hand in most of the interactions and sellers are bending over backwards to improve their offerings.

CRM is a comprehensive approach for creating, maintaining and expanding customer relationship. It provides seamless co-ordination between customer service, marketing, information technology and other customer related functions. It integrates people, process and technology to maximize relationships with all the customers. It does not aim to build closer relationship with all customers, but it recommends that organizations take initiative to identify the most valuable customers by looking for their life time value. CRM means building an interdependent relationship with the customer, in which each relies on the other for business solutions and successes. It is about creating a sustainable competitive advantage by being the best at understanding, communicating, delivering, and developing existing customer relationships in addition to creating and keeping new customers. So the concept of product life cycle is giving way to the concept of customer life cycle focusing on the development of products and services that anticipate the future need of the existing customers and creating additional services that extend existing customer relationships beyond transactions.

The present research paper studies Customer Relation Management in the Indian banking sector, through an empirical survey of customer and executives of various banks. The focus of study is to examine the need of CRM for Indian banking and how far these banks are achieving success in creating and maintaining CRM. The study also emphasizes to understand the view point of customers about their experience in context to the customer relationship management strategies implemented by their banks. Further an attempt is made to suggest some meaningful strategies for developing a long lasting and effective customer relationship between the banks and their customers.

OPERATIONALISATION OF THE CONCEPT

On the basis of review of literature and conceptualization, the customer relationship management can be defined as comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service and the functional areas of the organisation to achieve greater efficiency and effectiveness in delivering customer value.

II. REVIEW OF LITERATURE

DAS, SANJAY K. (2012), explained that customers are the focal point in the development of successful marketing strategy. Marketing strategies both influence and are influenced by consumers' affect and cognition, behaviour and environment. In the banking field a unique 'Relationship' exists between the customers and the bank. But because of various reasons and apprehensions like financial burdens, risk of failure, marketing inertia etc., many banks are still following the traditional ways of marketing and only few banks are making attempts to adapt CRM. It is with this background, the researcher has made a modest attempt towards the idea that CRM can be adapted uniformly in the banking industry for betterment of Banking Services. The lack of understanding on Customer Relationship Management (CRM) is always a concern among the service providers especially banks. Banks have their own way of managing their relationships with the customers. However, the perception of customers on CRM practices among banks should also be taken into consideration. Here in this paper, effort is given to study the comparative perception of SBI customers and other nationalised banks customers' in the issue of CRM practices. It is observed that the approach of CRM by SBI and other nationalised are to some extent same and one but the reach is quite distinguishable. It is due to the profile, their capability and the strategy of CRM in making it and reaching down to customers. On the contrary, it can also be asserted that the background of both banks also found as a big cause for reaching the top CRM. Hence, CRM is an inevitable tool of marketing that can be considered as Critical Responsibility of Market with regard to Banks in present context.

G. Peevers, G. Douglas, D. Marshall, M.A. Jack, (2011) evaluated that the transaction confirmation is shown to be important to customers – whether by an SMS message or within the IVR telephone call itself. Customers judged the role of SMS for CRM as highly desirable after monetary transactions; they prefer the version of the IVR banking service that provides (out-of-band). SMS confirmation compared to one that does not – and they judged it significantly higher for quality. As a consequence, the tools and facilities developed are useful in implementation of CRM strategy by the banks.

GAYATHRY, S. (2016) has attempted to identify the effectiveness of CRM and to determine the lacunae in the process of CRM by establishing an empirically tested CRM model. Analytical and descriptive types of research have been carried out for the purpose of the study. The majority of the study is conducted using primary data. Simple Random Sampling Method is used to gather the primary data. The sample for the research study is selected scientifically. Two sets of questionnaires have been used for the study to collect information from Customers and Bank Employees. The average mean scores of six elements of CRM of customers and employees are 21.23 and 24.53 respectively. This parametric yield is a perfect projection of customers and employees perception. Since the services/facilities are offered by the banks, it is considered to be 100% for CRM effectiveness. The total mean scores of the employees are considered as the effectiveness of CRM in customers' perceptions. The percentage difference would reveal the effectiveness side of CRM as well as the lacunae in the process. The model concludes that the customers' perception of the CRM elements is effective at 86.55% ($21.23/24.53 \times 100$) level and the lacuna is 13.45%. The banks have to employ specific strategies to fulfill the lacunae in the process of CRM and to obtain the full effectiveness of CRM. The study has given a clear message that the real challenge before the banks is to translate sentiments into dealings, and a dealings-based relationship into a psychologically linked and dedicated one within a time period. The study has developed an empirically tested CRM model for the banks to acquire new customers and retain the existing ones.

Jelena Cvijović and et. al. (2017) explicated that due to fierce competition in the banking sector, where the competitive struggle to win larger market share and attract the largest possible number of customers is constantly being led, and taking into account poorly differentiated offer of banks, adequate customer relationship management is a fundamental tool for achieving better business results. In this context, the subject of the paper is the identification of the characteristics of the modern approach to customer relationship management and factors that influence its successful implementation, in order to achieve long-term and mutually beneficial relations between banks and banking products and services users.

Joseph Vella, Albert Caruana, Leyland F. Pitt, (2012) resulted that the human behaviour plays an important role in adoption of CRM strategy as the CRM is relationship between the employees and the customers and both are carrying human characteristics. The attitude of both employees and customers is responsible for the success or failure of the CRM strategy.

Krishnaiah, V.S.R., (2000) conducted the study on branding and relationship management and its impact on the customer retention and depicted that the rise and fall of branding and its management is due to the perception of the customer based on their experiences. Though branding is an age-old concept, it assumed greater importance during the mass marketing era when the brand owners had no direct contact with the ultimate consumers and vice versa. Brands became the embodiment of product value, customer relationship and company image. However, the downfall started with the emergence of the Internet era. He also concluded that emergence of CRM provides a new model of Business Equity that looks at issues in an integrated manner. Basically, the age of interactivity has made it possible for companies to address customers on one-to-one basis and custom design products according to individual specifications. Hence, the traditional brand management concept is giving way to a new integrated model of business equity that combines brand, customer and value equities.

Mittal and Rajeev (2001) explained that technology, people and customer are the three elements on which hinge the success of banking in the fast changing economic environment. The ultimate performance of a bank depends upon the satisfaction of its customers. In the emerging competitive and technological driven banking era, banks have to strive hard for retaining and enlarging their customer base. E-CRM, which is the latest buzzword in the corporate sector, is perceived as one of the effective tool in this direction by the banks. Its emphasis is on defining the customers as valuable in the long-term and on viewing customer relationships as learning relationships. The concept of CRM, when seen in the context of e-business, it translates into e-CRM, which essentially deals with managing customer interactions over the web. The present paper attempts to analyze the concept of e-CRM in Indian banks from its various dimensions covering specifically its need, process, present status and future prospects.

Murugan and Kumar (2011) felt that Modern Banking has become wholly customer – driven and technology driven. During the last decade, technology has been dramatically transforming the banking activities in India. Driven by challenges on competition, rising customer expectation and shrinking margins, banks have been using technology to reduce cost. Apart from competitive environment, there has been deregulation as to rate of interest, technology intensive delivery channel like Internet Banking, Tele Banking, Mobile banking and Automated Teller Machines (ATMs) etc have created a multiple choice to user of the bank. The banking business is becoming more and more complex with the changes emanating from the liberalization and globalization. For a new bank, customer creation is important, but an established bank it is the retention is much more efficient and cost effective mechanism. Customer Relationship Management (CRM) would also make Indian bankers realize that the purpose of their business is to create and keep a customer and to view the entire business process as consisting of Highly Integrated effort to discover, create and satisfy customer needs. But it is surprising to note that much of the activities of the banking and financial remain focused on customer creation not retention. It is revealed in the National Survey that the most effective media for increasing awareness of the bank products is publicity through friends and relatives of potential savers. In rural areas, there is a tremendous potential for deposits and advances, but most of the potential is left untapped due to lack of awareness of basic products scheme. A satisfied customer is silent advertiser for banks products. Under these situations it has been thought fit to conduct a study and CRM in banking sector. The research work is an empirical study intended to explore the technological revolution that the commercial banks witnessed and how far it has benefited banks to build better customer relationship management (CRM) services of public sector banks with private sector banks. Furthermore, a comparison would also be made to find out the expectations of the customers from the banking stream and on various technical and structural fronts.

Purnima S. Sangle, Preety Awasthi, (2011) revealed that perceived utility value is regarded as the most important factor for mobile CRM services. The other factors which emerged were ease of use, context, compatibility, cost, risk, and personal innovativeness.

Renuga and Durga (2016), In today's highly competitive business environment companies are not capable to longer survive with a transactional attitude towards customers. They have to focus their marketing lenses more rational dimension, which is considered to be the most suitable approach for satisfying and maintaining customers. In the banking field a unique 'Relationship' exists between the customers and the bank. But because of various reasons and apprehensions like financial burdens, risk of failure, marketing inertia etc., to understand more in customer relationship management, we first need to understand three components which are customer, relationship and their management (Peppers and Rogers, 2004). More often, managers always make mistakes by seeing customers' satisfaction from their eye not from customers' eye (Peppers and Rogers, 2004). Banking sector is a customer-oriented service where the customer is the KEY focus. Research is needed in such sector to understand customers' need and attitude so as to build a long relationship with them. Customer Relationship Management includes all the marketing activities, which are designed to establish, develop, maintain, and sustain a successful relationship with the target customers. CRM identifies the present and future markets, selects the markets to serve and identifies the progress of existing and new services. The aim of this research is to develop a reliable and valid CRM (Customer relationship management) scale specifically catering

to Indian banking sector. In the centre of marketing activities today is the customer satisfaction. For the banks to be successful in the intensively competitive environment, they are bound to attach importance to customer satisfaction. The purpose of the present study is to reveal the relationship between the banks' customer relationship management and the customer loyalty. As the number of banks has increased and the customers have more options nowadays, so the competition has increased and therefore making a relation with the customer becomes extremely important. The covariance model shows CRM in Indian banking sector as a multidimensional construct comprising of factors namely organizational structure and customer support, service quality, trust, technology, personalization and market orientation etc. The structural model validates the previously extracted factors along with their indicators. The findings of this study validate the long held belief that CRM is a multidimensional construct and serves as a critical success factor for business performance. And also the objective is to effectively analyze all the available data about the customer. The analysis of such data helps a firm assess a customer's current and potential profitability satisfaction and loyalty. Many banks are still following the traditional ways of marketing and only few banks are making attempts to adapt CRM. It is with this background, the researcher has made an attempt towards the idea that CRM can be adapted uniformly in the banking industry for betterment of Banking Services as well as for customer satisfaction.

William & Manoj (2013), clarified that in the ongoing era of financial sector reforms in India, because of intense competition commercial banks are vying with each other for market share. Customer satisfaction has become all the more significant for survival and growth of banks in view of the discerning customers of modern days. In this context, this paper looks into the Customer Relationship Management (CRM) – the modern management philosophy that seeks to maintain long term relationship with customers for ensuring their loyalty and retention – practices in Kerala-based commercial banks in Ernakulam district, and also compares the CRM performance between the public and private sector banks.

OBJECTIVES OF THE STUDY

On the basis of the researches conducted on the topic of customer relationship management (CRM), personal observation and findings recorded through the survey of the existing literature, the following are the objectives for the present study:

1. To study the significance of CRM in Indian Banking Industry;
2. To examine what CRM strategies the banking industry has formulated for the convenience and greater satisfaction of the customer;
3. To assess that how far the CRM strategies designed by bank succeeded in enhancing the satisfaction level of the customer;
4. To examine the drawbacks or shortcomings of designed and implemented CRM Strategies; and
5. To recommend that how the CRM strategies followed by Indian Banks can be strengthened and what could be the possible new strategies for effective CRM for optimum satisfaction of the customer.

HYPOTHESIS OF THE STUDY

Customer Relationship Management leads to the ultimate satisfaction and retention of the customer especially in the service industry. After the era of free economy the new entrants have crowded the market and attracting the customers of existing players by providing the better services than the existing one. To examine the factors related to CRM strategy and customer satisfaction dimensions of executives and customers, the following three null hypotheses were framed.

1. H_{01} : The CRM is highly significant for the banks
2. H_{02} : The factors of CRM do not have any relation with the CRM strategies of the banks
3. H_{03} : There is no difference in the CRM strategies of the public, private and foreign banks operating in India

FOCUS OF THE STUDY

With the above theoretical and conceptual background of Customer Relationship Management, the present study intends to focus on tracing out various determinants of CRM in Indian Banks i.e. Public, Private and Foreign Sector Banks. This also revealed that research gaps exist in evaluating the effectiveness of CRM in general; and with special reference to its applications in banking organization in particular. Further evaluation studies exist on multiple fronts but an integrated view is missing. It has been revealed that none of the research work mentioned above has given an integrated outcome for the CRM strategies for Indian banking sector as most of the studies have been conducted on isolated factors. The perception of this sector about CRM strategies needs to be further researched along with benefits which this sector hopes to achieve through CRM. This constitutes a research gap and has been the focus of this paper. As discussed in the previous sections, the existing studies have multiple points of views but none of them have offered an integral and specific study in CRM specifically for the comparison of different sector of banks present in India.

The study is mainly focused on the origin and development of the concept of Customer Relation Management (CRM) in India and how it will solve the purpose of improving the marketing productivity and enhance mutual value for the parties involved in the relationship. It has the ability to increase the marketing effectiveness and efficiency that improve the marketing productivity and create mutual values. It will help in understanding the effectiveness of CRM programs launched by the various banks. In spite of phenomenal growth in financial sector of the country after 1991, there is a growing general feeling among the users of the financial services about the security and facilities which are not increasing as they might have expected. This feeling may be due to the over reliance of Indian investor on the public sector or nationalized banks than private or foreign banks.

RESEARCH METHODOLOGY

The design of the present study is exploratory to some extent and descriptive and diagnostic to a large extent. Further the study is diagnostic due to the fact that an attempt has been made to see the relationship between the implemented CRM strategies and how far these strategies have succeeded in enhancing or maximizing the level of customer's satisfaction and retention.

SAMPLE SIZE

The study has been conducted on the basis of dual sample in the area of NCR (Delhi and neighbouring cities). The first sample is of banks. The sample for the study has been taken from the survey population and that is too being confined only to the four nationalized, two private and two foreign banks. The sampled banks have been chosen on the basis of non – random purposive sampling and the second sample is of customers. The respondents have been selected on the basis of random and purposive sampling and for this purpose the user's list has been obtained from the sampled banks. Twenty five executives and hundred customers from each category of banks have been taken for the study.

DATA COLLECTION

The data was collected by administering the questionnaire with the participating respondents. The individual heads related to CRM were interviewed with an objective to understand their CRM organizational practices, culture, problems and plans. Since the nature of the proposed is empirical and, therefore, the data has been used is mainly primary. However secondary data has also been used in the study.

STATISTICAL TOOLS USED

In order to analyze the collected data for converting it into valuable information, the following statistical tools have been used.

- a) Simple Arithmetic Mean has been used for the reliable representation of the entire data.
- b) Standard Deviation has been calculated to measure the level of deviation present in the data.
- c) Exploratory factor analysis for deleting the questions with lower factor load (for more preparation to do the confirmatory factor analysis).
- d) Two-sample t-test with independent samples to study the difference between the respondents' point of view in the three groups of executives and customers of public, private and foreign sector banks.
- e) Analysis of variance (ANOVA) or comparing the means of some communities to investigate the difference in respondents' point of views in public, private and foreign sector banks.

It should be noted that the software packages SPSS 22 has been used to perform the calculations mentioned above.

III. DATA ANALYSIS

• ANALYSIS OF PREVALENT CRM STRATEGIES

Table 1 illustrates the composite mean score and standard deviation for the various aspects of customer relationship management in banks. Among the perception regarding CRM strategies of various banks under study, the mean score was found the highest with the statement stating that the customers are the biggest asset of the organisation ($\bar{X} = 4.85$) from the executive point of view and ($\bar{X} = 3.97$) from the customer point of view. The mean score of response towards the statements numbering 10, 23, 24, 36, 37, 43, 54, 58, 63, 70 and 71 of executive's response are above 4.80, which mean that these statements are highly significant. The mean value of statements numbering 1 to 4, 6, 8, 9, 11 to 22, 25 to 27, 29, 30 to 35, 38, 39 to 53, 55, 56, 57, 59, 61, 62, 64 to 69, 72 to 76 for executives are in the range of 4.50 to 4.80, hence the executive's responses indicating that the banks are claiming for providing every facility (covered in the study) to their customers to develop long-term relations. The mean score is further observed to be in the range of 4.00 to 4.50 in case of statements numbering 5, 28 and 60 of executives depicts that their bank is following the practices as mentioned in the statements given in table 4.1 to enhance the relationship with the customers. The table also represents the mean score of the response

voted by the customers of these threecategories of banks and the mean score ($\bar{X} = 4.70$) for the statement number 62 whichhighlights that the information technology helps in customised product and services is thehighest followed by the statement number 66, 68 and 51with a mean score of $\bar{X} = 4.68, 4.58$ and 4.58 respectively. Further the mean score for the statement number 2, 9, 10, 13, 21, 22,23, 25 to 31, 38, 40, 49, 52 to 54, 56, 58 to 61, 64, 65, 69, 70, 73 to 76 has been observed inthe limit of $\bar{X} = 4.01$ to $\bar{X} = 4.55$. Besides this the statement number 1, 3 to 8, 11, 12, 14 to20, 24, 32 to 37, 39, 41 to 48, 50, 55, 57, 63, 71 and 72 have scored a mean score in the rangeof $\bar{X} = 3.12$ to 3.99 . These mean score indicates that customers differ from opinion of thebank’s executives which has been taken care in subsequent analysis.

**TABLE 1
COMPARATIVE ANALYSIS OF PREVALENT CRM STRATEGIES OFSAMPLED BANKS**

Sr. No.	Variables	Executives		Customers	
		Mean	S.D.	Mean	S.D.
1	Have a formal process in place to measure the current and potential needs for developing new products/services	4.56	0.535	3.77	0.531
2	Routinely ask the customer to provide feedback regarding the performance of products/services	4.62	0.390	4.04	0.376
3	Product/service strategy differs with different needs of the customers (e.g. Large vs. small businesses).	4.59	0.458	3.79	0.727
4	Adjust product/service strategy according to the needs of the customer	4.58	0.564	3.99	0.669
5	Categorize the customer according to the level of usage of products / services (e.g. top-tier vs. second tier customers).	4.02	0.711	3.81	0.466
6	Make it easy for the customer to manage the different products/services	4.54	0.493	3.54	0.541
7	Take deliberate steps to ensure the delivery of value expected from the products/services.	4.85	0.173	3.74	0.449
8	Provide customized service and Products to the customers	4.71	0.296	3.71	0.541
9	Use the concept of ‘Relationship Pricing’ in pricing their different products / services.	4.72	0.083	4.26	0.719
10	Products and services are featured according to the needs of the customers.	4.84	0.131	4.04	0.589
11	Strive to constantly surprise and delight the customer	4.63	0.329	3.64	0.364
12	Strengthen the emotional bonds by wishing the customer on important occasions	4.55	0.496	3.92	0.202
13	Do Co-branding / Affinity partnering programs to provide increased value to the customers	4.63	0.353	4.54	0.036
14	Leverage the power of word of mouth by using Referral Marketing programme.	4.64	0.433	3.67	0.097
15	Do cross selling of products / services to increase customer share.	4.66	0.454	3.87	1.040
16	Have a system in place to be able to interact with lost customers.	4.70	0.280	3.12	0.579
17	Regularly assesses the life time value of each customer.	4.76	0.267	3.69	0.802
18	Have formal complaint system, which cover both written and verbal complaints.	4.73	0.350	3.48	0.539
19	Understands individual customer’s character, needs and preferences and behaviours through past interactions.	4.56	0.484	3.98	0.549
20	Have a well-developed privacy policy to ensure confidentiality of data collected from customers.	4.75	0.333	3.94	1.137
21	Follow easy procedures/Processes for serving customers.	4.54	0.472	4.10	0.894
22	Have a formal process for documentation.	4.72	0.332	4.38	0.295
23	Follow high level of accuracy in maintaining accounts.	4.81	0.051	4.07	0.674
24	Customer is the biggest asset of the organization.	4.84	0.131	3.97	0.778
25	Top management accepts and provides leadership for building and maintaining customer relationships as a major goal of the bank.	4.63	0.372	4.17	0.833
26	Commits time and resources in managing customer relationships.	4.50	0.417	4.06	0.266
27	Systems are designed to make it easy for customers to do business.	4.53	0.391	4.23	0.680
28	Provide increased customer convenience using a	4.39	0.486	4.39	0.440

	variety of distribution channels.				
29	Delivers a consistent customer experience across all customer touch points/encounters.	4.57	0.325	4.08	0.703
30	Has established customer-centric performance standards and monitors at all customer touch points.	4.52	0.378	4.18	0.086
31	Has clearly defined, assigned and understood CRM responsibilities of frontline employees.	4.54	0.380	4.03	0.506
32	Employee training programs are designed to develop the skills required for acquiring and deepening customer relationships.	4.63	0.217	3.58	0.733
33	Frontline employees are encouraged and empowered to exceed customer expectations.	4.66	0.327	3.71	0.599
34	Business processes are simple, transparent and well defined.	4.63	0.370	3.39	0.653
35	Systems are flexible enough to adapt to customers' changing needs and wants.	4.62	0.375	3.82	0.466
36	Employees are well aware of all the CRM policies of the bank.	4.80	0.130	3.50	0.556
37	Helps in choosing, attracting, maintaining, and improving customers.	4.82	0.121	3.83	0.191
38	Helps in identifying the best and most important customers in the bank.	4.62	0.370	4.55	0.083
39	Helps in converting potential customers to real customers.	4.60	0.375	3.48	0.451
40	Helps in assuring the quality service to the Customers.	4.72	0.251	4.17	0.191
41	Helps to assess the customer satisfaction levels of their performance.	4.70	0.275	3.93	0.396
42	Take customer feedback seriously and respond within stipulated time period.	4.69	0.324	3.66	0.686
43	Have effective customer recovery strategies including guarantees for service failures.	4.82	0.117	3.62	0.679
44	Take customer and employee feedback using a variety of direct and indirect measures.	4.68	0.242	3.66	0.733
45	Broadcast to the employees the feedback given by customers.	4.63	0.457	3.69	0.809
46	Use information from customers to design or improve products or services.	4.71	0.250	3.64	0.682
47	Analyze the causes of customer defection through exit interviews with the aim to win back customers.	4.70	0.351	3.98	0.944
48	Do customer segmentation using Customer Lifetime Value (CLV) / related metrics.	4.70	0.347	3.62	0.567
49	Has a process in place to obtain and validate customers' permission to interact with them through various channels.	4.72	0.312	4.35	0.569
50	Have a well-developed privacy policy to ensure confidentiality of data collected from customers.	4.76	0.214	3.75	0.794
51	Provides the integrated account information to the customers.	4.73	0.224	4.58	0.414
52	Believes that mining data intelligently is a source of competitive advantage.	4.68	0.487	4.19	0.712
53	Shares customer information across all points of contact.	4.61	0.412	4.02	0.501
54	Have mechanisms to encode new knowledge about our customers into formal rules or policies that can be shared between bank's participants and bank's subunits.	4.83	0.135	4.24	0.541
55	Send the information of the products/services to customers regularly.	4.73	0.141	3.87	0.628
56	Send a/c statements and valuable information of a/c to the customers.	4.54	0.699	4.01	0.549
57	Communication tools are very effective.	4.66	0.364	3.81	0.830
58	Use technology to automate marketing, sales, and service functions.	4.83	0.120	4.28	0.601
59	Information systems are designed to give comprehensive data about all aspects of customers.	4.65	0.367	4.27	0.474
60	IT facilitates the management of customer relationships.	4.46	0.809	4.02	0.564
61	Databases are dynamic in nature and provide comprehensive real-time information about all customers.	4.76	0.256	4.29	0.384

62	Computer technology can help create customized offerings to customers.	4.71	0.289	4.70	0.083
63	Continuously maintains and monitors customer information.	4.83	0.228	3.48	0.451
64	Has the right hardware and software to serve customers.	4.56	0.468	4.17	0.191
65	Our web site is user friendly and equipped with the latest features.	4.60	0.375	4.08	0.703
66	Offers a centralized interface (e.g. online account tool) to manage the different products/services.	4.66	0.360	4.68	0.086
67	Telephone Banking.	4.69	0.315	4.58	0.319
68	Mobile Banking.	4.70	0.490	4.45	0.758
69	Home Banking	4.78	0.150	4.07	0.647
70	Internet Banking.	4.83	0.202	4.45	0.474
71	ATM Banking	4.81	0.092	3.83	1.048
72	TV Banking	4.52	0.451	3.85	0.373
73	Email Management	4.73	0.215	4.42	0.528
74	Help Desk	4.78	0.195	4.23	0.434
75	Call Centre	4.63	0.350	4.34	0.458
76	SMS Alerts and Updates	4.72	0.325	4.45	0.319

Source: Primary Data

Bartlett’s Test Significance: 0.000 KMO: 0.882 Cronbach’s Alpha: 0.871 After describing these strategic variables the factor analysis by using principal component analysis was carried out to reduce the number of variables. The results of factor analysis are given in the further tables.

EXPLORATORY FACTOR ANALYSIS OF CRM STRATEGIES

There are a large number of variables, which constitute various dimension of customer relationship management. Keeping into account these variables, 76 statements were designed and response was obtained on five-point likert’s scale (i.e. 1 for strongly disagree and 5 for strongly agree). The questionnaire consisting of 76 items was analyzed by using principal component analysis with varimax rotation. In factor analysis, the factors with an Eigen value greater than 1.00 were retained. As a result, 7 factors were obtained. A rotated components matrix along with Eigen values are given in Table 2

**TABLE 2
TOTAL VARIANCE EXPLAINED**

Component	Initial Eigen value			Extraction sums of squared loadings			Rotation sums of squared Loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
F1	13.07	35.1	35.1	13.07	35.1	35.1	4.98	18.41	18.41
F2	11.10	6.2	41.3	11.10	6.2	41.3	4.12	10.11	28.52
F3	7.45	6.3	47.6	7.45	6.3	47.6	3.92	9.21	37.73
F4	4.25	5.9	53.5	4.25	5.9	53.5	3.12	8.36	46.09
F5	3.12	5.0	58.5	3.12	5.0	58.5	2.90	6.32	52.41
F6	2.54	4.1	62.6	2.54	4.1	62.6	2.50	7.00	59.41
F7	1.94	3.4	66.0	1.94	3.4	66.0	2.00	6.59	66.00

Source: Primary Data; Note: Extraction Method: Principal Component Analysis

Factor analysis reduced the total variables under consideration into seven factors of customer relationship management strategies. Table 2 indicates the Eigen values of the significant factors and the total variance explained by the seven factors regarding various CRM strategies of banks developed to satisfy the customers is 66 percent.

Keeping into account the loading of factors, these are named as **Customised Product and services, Customer Focus, CRM organisation, Customer knowledge management, Communication Management, Technology process, and CRM tools and facilities.**

**Table 3
Factor loadings of the variables for customer relationship management strategies**

Sr. No.	Variables	Factor Loadings
F1	Customised Products and Services	
1	Have a formal process in place to measure the current and potential needs for developing new products/services	0.808

2	Routinely ask the customer to provide feedback regarding the performance of products/services	0.568
3	Product/service strategy differs with different needs of the customers (e.g. Large vs. small businesses).	0.652
4	Adjust product/service strategy according to the needs of the customer	0.655
5	Categorize the customer according to the level of usage of products / services (e.g. top-tier vs. second tier customers).	0.632
6	Make it easy for the customer to manage the different products/services	0.752
7	Take deliberate steps to ensure the delivery of value expected from the products/services.	0.563
8	Provide customized service and Products to the customers	0.596
9	Use the concept of 'Relationship Pricing' in pricing their different products / services.	0.521
10	Products and services are featured according to the needs of the customers.	0.818
F2 Customised Focus		
11	Strive to constantly surprise and delight the customer	0.796
12	Strengthen the emotional bonds by wishing the customer on important occasions	0.785
13	Do Co-branding / Affinity partnering programs to provide increased value to the customers	0.756
14	Leverage the power of word of mouth by using Referral Marketing programme.	0.685
15	Do cross selling of products / services to increase customer share.	0.658
16	Have a system in place to be able to interact with lost customers.	0.667
17	Regularly assesses the life time value of each customer.	0.615
18	Have formal complaint system, which cover both written and verbal complaints.	0.621
19	Understands individual customer's character, needs and preferences and behaviors through past interactions.	0.602
20	Have a well-developed privacy policy to ensure confidentiality of data collected from customers.	0.521
21	Follow easy procedures/Processes for serving customers.	0.695
22	Have a formal process for documentation.	0.720
23	Follow high level of accuracy in maintaining accounts.	0.743
24	Customer is the biggest asset of the organization.	0.881
F3 CRM Organisation		
25	Top management accepts and provides leadership for building and maintaining customer relationships as a major goal of the bank.	0.883
26	Commits time and resources in managing customer relationships.	0.751
27	Systems are designed to make it easy for customers to do business.	0.741
28	Provide increased customer convenience using a variety of distribution channels.	0.653
29	Delivers a consistent customer experience across all customer touch points/encounters.	0.529
30	Has established customer-centric performance standards and monitors at all customer touch points.	0.687
31	Has clearly defined, assigned and understood CRM responsibilities of frontline employees.	0.639
32	Employee training programs are designed to develop the skills required for acquiring and deepening customer relationships.	0.521
33	Frontline employees are encouraged and empowered to exceed customer expectations.	0.785
34	Business processes are simple, transparent and well defined.	0.783
35	Systems are flexible enough to adapt to customers' changing needs and wants.	0.759
36	Employees are well aware of all the CRM policies of the bank.	0.771
F4 Customer Knowledge Management		
37	Helps in choosing, attracting, maintaining, and improving customers.	0.818
38	Helps in identifying the best and most important customers in the bank.	0.755
39	Helps in converting potential customers to real customers.	0.625
40	Helps in assuring the quality service to the Customers.	0.634
41	Helps to assess the customer satisfaction levels of their performance.	0.669
42	Take customer feedback seriously and respond within stipulated time period.	0.637
43	Have effective customer recovery strategies including guarantees for service failures.	0.562
44	Take customer and employee feedback using a variety of direct and indirect measures.	0.563
45	Broadcast to the employees the feedback given by customers.	0.623
46	Use information from customers to design or improve products or services.	0.711
47	Analyze the causes of customer defection through exit interviews with the	0.601

	aim to win back customers.	
48	Do customer segmentation using Customer Lifetime Value (CLV) / related metrics.	0.619
49	Has a process in place to obtain and validate customers' permission to interact with them through various channels.	0.566.
50	Have a well-developed privacy policy to ensure confidentiality of data collected from customers.	0.628
F5	Communication Management	
51	Provides the integrated account information to the customers.	0.709
52	Believes that mining data intelligently is a source of competitive advantage.	0.754
53	Shares customer information across all points of contact.	0.655
54	Have mechanisms to encode new knowledge about our customers into formal rules or policies that can be shared between bank's participants and bank's subunits.	0.633
55	Send the information of the products/services to customers regularly.	0.750
56	Send a/c statements and valuable information of a/c to the customers.	0.761
57	Communication tools are very effective.	0.562
F6	Technology	
58	Use technology to automate marketing, sales, and service functions.	0.792
59	Information systems are designed to give comprehensive data about all aspects of customers.	0.724
60	IT facilitates the management of customer relationships.	0.781
61	Databases are dynamic in nature and provide comprehensive real-time information about all customers.	0.684
62	Computer technology can help create customized offerings to customers.	0.561
63	Continuously maintains and monitors customer information.	0.578
64	Has the right hardware and software to serve customers.	0.649
65	Our web site is user friendly and equipped with the latest features.	0.743
66	Offers a centralized interface (e.g. online account tool) to manage the different products/services.	0.622
F7	CRM Tools and Facilities	
67	Telephone Banking.	0.655
68	Mobile Banking.	0.703
69	Home Banking	0.703
70	Internet Banking.	0.795
71	ATM Banking	0.791
72	TV Banking	0.520
73	Email Management	0.530
74	Help Desk	0.653
75	Call Centre	0.671
76	SMS Alerts and Updates	0.688

Source: Primary Data

FACTOR 1: CUSTOMISED PRODUCT AND SERVICES

The product and services are the offerings, which the bank is offering to its customers that lead to fulfilment of needs and wishes of the customers. It could be seen in the table 2 that 'Customised Product and services' is one of the important factors explaining as 35.1 percent of the total variance and has an Eigen value of 13.07. It consists of ten variables related to the development of product and services of the selected banks. Each of these variables has obtained positive factor loading meaning thereby, that these variables share most of the variances between them and co-vary with each other. Amongst various dimensions of this factor, the highest factor loading (0.818) is for the dimension 'Products and services are featured according to the needs of the customers'. It implies that banks are focusing on the customer preferences and needs while designing the product or service so that it suits the customer and are up to the maximum extent of their expectation. The next highest factor loading value is found in the case of the dimension 'a formal process to measure the current and potential needs for developing new products/services' (0.808). This variable reveals that to measure the current and future need of the customers, the banks must have a formal system to know the customers' present needs and also forecast the future needs on the basis of their current requirement. This information about the customer can be collected by routinely asking the customer to provide feedback regarding the performance of product and services of the bank they are using for which the statement has factor loading of 0.568. The banks also design different strategy and process for their different types of customer (factor loading of 0.652) on the basis of their usage level (factor loading of 0.632) and adjust the product and services accordingly which is supported by a factor loading of 0.655. The statements 'Make it easy for the customer to manage the different products/services, Take deliberate steps to ensure the delivery of value expected from the products/services and Provide customized service and products to the customers,' are another important dimensions of this factor and have a factor loading of 0.752, 0.563, 0.596 respectively. This result indicates towards the bank's readiness and willingness to help

the customers to build long term relationships with its customers. The next dimension is 'use of the concept of relationship pricing while pricing the product and services' with a factor loading of 0.521, reveals that the banks take care of the relationship with the customer while pricing their product because the customers expect to get benefit of their relationship in financial terms as well. The preceding analysis implies that the banks in India adopt such customer centric approach, which assist them in enhancing their competency, and in turn get facilitated in relationship management.

FACTOR 2: CUSTOMER FOCUS

The second factor (customer focus) includes fourteen dimensions for defining the customer focus as a CRM strategy of banks to maintain better relationship with customers. The statement 'Customer is the biggest asset of the organization' has the highest loading of 0.881. It along with statement nos. 11 and 12 (factor loading 0.796 and 0.785) conveys that to remain in touch with customers, the companies always wish to customers on all special occasions and 'Strive to constantly surprise and delight the customer'. It implies that companies are aware of the issue that there should be a constant touch with the customers in any form so as to maintain long lasting and better relationship. This also helps the banks to do co-branding or affinity partnering programmes which provide high value of the product or service and cross selling of the products which has a factor loading of 0.756 and 0.658, respectively. Power of word of mouth with a factor loading of 0.685 has been the next construct of this factor. Further having a system in place to be able to interact with the lost customer with the factor loading of 0.667, regularly assess the life time value of each customer with the factor loading of 0.615, formal system of complaint with the factor loading of 0.621, understanding customer behavior and needs through part interactions with the factor value of 0.602, well developed privacy policy having a factor value of 0.521 are also the main dimensions of the customer focus. Following easy procedure with a factor loading of 0.695 and formal documentation system with the factor value of 0.720 are the another aspects of the customer focus as these aspects are highly significant for maintaining healthy relations with the customers. The fourteenth parameter of customer focus is accuracy in maintaining accounts because the related information is very significant for the customer as one minor error can lead to the defection of the customer. This has a factor loading of 0.743.

FACTOR 3- CRM ORGANISATION

The third factor of customer relationship management is 'CRM organisation'. It means about setting up the organization for the formulation and implementation of CRM strategy and making crucial changes in the existing set up as per the requirement of CRM strategy of the bank. It consists of twelve variables. The first two parameter, 'top management accepts and provides leadership for building and maintaining customer relationships as a major goal of the bank' and also commits time and resources in managing the customer relationship are related to the top management and has the factor loading of 0.883 and 0.751 respectively. It reveals that the role of top management is very instrumental in framing and implementing the CRM strategy. The employees of the banks are well trained through continuous training programme having a factor value of 0.521 ensures awareness, understanding, encouragement and empowerment among the frontline employees of their responsibilities (factor value 0.771, 0.639 and 0.785 respectively), establishing the customer centric performance standards (factor value of 0.687), flexible system designing for easing the use of CRM process for the customers (factor value of 0.759 and 0.741 respectively). Further variety of distribution channels (factor value of 0.653) and transparent and well-defined business process (factor value of 0.783) completes the construct of the CRM organisation.

FACTOR 4: CUSTOMER KNOWLEDGE MANAGEMENT

The factor 'Customer Knowledge Management' is supported by fourteen parameters. The statement 'choosing, attracting, maintaining, and improving customers' has the highest factor loading of 0.818. Since collecting, storing and distributing relevant knowledge about the customer is highly significant, it is evident that an organization's Knowledge Management capabilities play a key role in CRM success. The successive dimensions 'identifying the best and most important customers and gathering information for designing and improving the products' with a factor loading of 0.755 and 0.711 respectively also depicts the value of customer knowledge management. Assuring the quality service and assessing the customer satisfaction level helps in converting the potential customers to real customers (factor loading of 0.634, 0.669 and 0.625 respectively). Taking customer feedback and formulation of strategy for effective customer recovery have scored a factor loading of 0.637 and 0.562 respectively. Measures for taking feedback and broadcast the feedback to the employees (factor loading of 0.563 and 0.623 respectively) are also vital as the feedback of the customer makes the bank aware about the shortcomings in their product, service and process. Further the next dimension of customer knowledge management is 'analyzing the causes of customer defection through exit interviews with the aim to win back customers (factor loading of 0.601) because these defected customer may spread a negative image of the bank at the same time it is easy and economical to win back these customers. The next aspect is having a process to obtain and validate customers' permission to interact with them and use the information from

customers to design and improve the products and services (factor value of 0.566 and 0.711 respectively). The rest of two issues are having a well-developed privacy policy to ensure confidentiality of data collected from customers as this data is most personal and customer would not like to reveal this data at any cost (factor value of 0.628) and do customer segmentation using Customer Lifetime Value (CLV) / related metrics (factor value of 0.619). Thus, from the factor value of preceding dimensions, it is evident that the customer knowledge management has been one of the dominant factors of CRM strategy of the banks.

FACTOR 5: COMMUNICATION MANAGEMENT

The factor 'Communication Management' consists of five parameters. Communication between a bank and its customer is often crucial in the delivery process. Partnerships or relationships, between banks and their consumers, are built on and maintained by communication. It can also add value to the product or services of the banks in the eyes of the customers. The variables of this factor 'Send accounts statements and valuable information to the customers' and provides the integrated account information has factor loading of 0.761 and 0.709 respectively means the customer always expect the updated information. Mining data is a source of competitive advantage (factor value of 0.754). The next aspects are sending the information of the products and services to customers regularly and shares customer information across all points of contact (factor value of 0.750 and 0.655 respectively). The last dimension of this factor 'having mechanisms to encode new knowledge about our customers into formal rules or policies that can be shared between bank's participants and bank's subunits with a factor value of 0.633 indicates that effective communication plays an important role not only in attracting customers but also in retaining them resulting into cordial relations with the customers. Hence this factor proves an important customer relationship management strategy for the service providers.

FACTOR 6: TECHNOLOGY

Technology can be used to identify and categorize the customer base into distinct groupings with similar characteristics. Demographic, geographic, attitudinal, and behavioural data from across the bank data, as well as information from analytic applications (such as cross-sell/up-sell and retention modules), can be incorporated into the analysis to develop highly accurate segments. This knowledge empowers the banks to create more targeted product communications and bundled services, producing greater returns at a lower cost. When the attributes, needs, and preferences of each customer group are known, it is easy to identify the best predictors of customer behaviour (as well as buying patterns). The bank can then plan programs or campaigns that appeal to appropriate groups. The factor loading in this case is in the range of 0.561 to 0.792. It comprises of nine aspects related to Technology. The factor loading for the parameter i.e. Use technology to automate marketing, sales, and service functions is 0.792. The second highest factor loading statement is 'IT facilitates the management of customer relationships' has a factor loading of 0.781 means that the technology is helpful in managing the relationship with the customers. User friendly web site offers a centralized interface to manage the products and services (factor loading of 0.743 and 0.622 respectively) depicts that problems associated with the branch banking can be minimized by providing online solutions or products to the customers. Computer technology with the right hardware and software helps in serving customers (factor value of 0.561 and 0.649 respectively) better and efficiently. Information systems are designed to give comprehensive data about all aspects of customers which helps in maintaining and monitoring the information of customers (factor value of 0.724 and 0.578 respectively). Databases are dynamic in nature and provide comprehensive real-time information about all customers with a factor loading of 0.684. Thus, a centralized robust technology platform, with a rich palette of features and proven scalability, is a non-negotiable pre-requisite for a bank to thrive in the flattening world. Banks with the vision to harness their technology strategy to drive their business goals will be the ones with the prowess and agility to respond to changing business dynamics in the flat world.

FACTOR 7: CRM TOOLS AND FACILITIES

Most business is shifting from product centric to customer centric. Moving towards customer centric approach is a multi prolonged efforts that requires transformation of process, culture and strategy from top level to every individual employee. Tools and facilities play a crucial role to support this. This factor is about providing the tools and facilities to implement the CRM strategy designed by the banks. The loadings for all the ten dimensions of the factor CRM tools and facilities are significantly high as observed in table 3. Internet and ATM banking is having the highest factor loading of 0.795 and 0.791 respectively. The factor loading of Telephone and mobile banking are 0.655 and 0.741 respectively. Call centre and help desk have a factor loading of 0.671 and 0.653 respectively. Home banking facility has a factor loading of 0.703. SMS alerts and updates (factor value of 0.688). TV banking is having factor loading of 0.520 as all the banks are not providing this service but believe to gain advantage from this facility.

• COMPOSITE STATUS OF FACTORS OF CUSTOMER RELATIONSHIP MANAGEMENT STRATEGIES OF INDIAN BANKS

Table 4 depicts the mean and standard deviation of CRM strategies of banking sector. The mean scores, for the factor ‘CRM tools and facilities’ are 4.74, which reveals that this aspect is highly important for developing and maintaining the everlasting relationships with the customers. Thus it could be inferred that the customers are no longer interested in visiting the bank’s branch for minor reasons rather like to use the alternate services like ATM, Internet banking, telephone banking and call centre for majority of their transactions which not only help to save the time but are more convenient also. The second highest mean value ($\bar{X} = 4.70$) is of the factor ‘CRM organisation’ indicates that for designing and implementation of an effective CRM strategy, the organisation is to be arranged in a manner that the customer should get the maximum benefits of the designed CRM strategy and at the same time the employees are also empowered to serve better with more transparency and responsibility. The CRM strategy is the brainchild of the top management of the bank as nothing can change in the banks until the top management wants it. The next highest mean is scored by factors ‘Customer Focus’ and ‘Communication Management’ ($\bar{X} = 4.68$). It seems that after the top management decides to implement the CRM in bank the strategy is framed and focused on the customer, the efforts are being made to satisfy the existing customers by providing them unexpected experiences, which the customers look forward for. The customers are the central factor in the CRM strategy of any bank as they have been considered as the biggest asset of the bank which can be seen in the factor loading table (Table No. 3). As explained earlier also, the communication also plays a vital role in establishing and maintaining the relationship with the customers. In the current competitive era, the banks always want to remain in touch with their customers and promoting the two-way communication at the same time. The mean score for the factor technology process ($\bar{X} = 4.67$) divulges that there is a rapid change in the technology adopted by banks to implement the CRM strategy and new technological products are introduced by the banks on regular intervals for maintaining better relations with the customers. These products are designed to serve the customer more convincingly. The factor customised products and services have obtained ($\bar{X} = 4.60$) which means that banks continuously strive to offer customised products and services based on the customer knowledge management which has scored ($\bar{X} = 4.58$). It elaborates that the knowledge from customers has to be incorporated by the banks for product and service innovation, idea generation as well as for the continuous improvement of its products and services. The process of critically managing knowledge to meet existing needs, identify and exploit existing and acquired knowledge assets and to develop new opportunities.

**TABLE 4
OVERALL MEAN VALUES AND STANDARD DEVIATION OF
FACTORS OF CRM STRATEGIES OF INDIAN BANKS.**

Sr. No.	Factors	Mean	S.D.
1	Customised products and services	4.60	0.233
2	Customer focus	4.68	0.104
3	Customer knowledge management	4.58	0.101
4	CRM organization	4.70	0.064
5	Communication Management	4.68	0.093
6	Technology Process	4.67	0.123
7	CRM tools and facilities	4.74	0.119

Source: Primary Data

4.5 COMPARISON OF THE RESPONSE OF EXECUTIVES AND CUSTOMERS ON THE FACTORS OF CRM STRATEGIES

Table 5 presents the comparison of the mean scores of the response submitted by the executives and customers of the public sector banks with respect to the seven factors for significance of CRM in banking. The mean score for the first factor i.e. Customised products and services is 4.33 for executives and 3.39 for the customers. The variance of means is insignificant as per the t – value 0.928 at 5 percent level. In regard to the next factor customer focus the mean scores are 4.25 and 3.04 for the executives and customers respectively. The difference in means indicates some variance among the executives and customers but it is insignificant as per the t – value -0.96 at 0.01 level. The mean score for the customer knowledge management are 4.28 in case of executives and 3.63 in case of the customers but the variance in means has proved insignificant as per the t – value obtained 0.0009 at 0.01 level. The next factor is CRM organisation and has obtained the mean score of 4.31 and 3.37 for the executives and customers respectively but the variance has been proved insignificant on the basis of obtained t – value -0.97 at 0.01 level. Communication management obtained the mean score of 4.27 and 3.50 for the executives and customers respectively but the variance in means has proved insignificant as per the t – value 0.0011 at 0.01 level. The mean score for the Technology process are 4.16 in case of executives and 3.85 in case of the customers but the variance in means has proved insignificant as per the t – value obtained 0.0234 at 5 percent level. The mean score for the CRM tools and facilities are 4.37 in case of executives and 3.80 in case of

the customers but the variance in means has proved insignificant as per the t – value obtained 0.0017 at 0.01 level.

TABLE 5
t – RATIO OF THE RESPONSE OF EXECUTIVES AND CUSTOMERS
OF PUBLIC SECTOR BANKS ON FACTORS OF CRM STRATEGIES

CRM strategies	Executives(n = 25)		Customers(n = 100)		t-value	Sig. Vale (2 tailed)
	Mean	S.D.	Mean	S.D.		
Customised products and services	4.33	0.338	3.39	0.212	0.928	0.05*
Customer focus	4.25	0.193	3.04	0.634	-0.960	0.01**
Customer knowledge management	4.28	0.210	3.63	0.546	0.001	0.01**
CRM organization	4.31	0.250	3.37	0.591	-0.970	0.01**
Communication Management	4.27	0.0401	3.50	0.256	0.001	0.01**
Technology Process	4.16	0.195	3.85	0.323	0.023	0.05*
CRM tools and facilities	4.37	0.327	3.80	0.405	0.002	0.01**

Source: primary data

*Significant at 5percent level

**Significant at 0.01 level

Table 6 presents the comparison of the mean scores of factors of CRM strategies in case of private banks. The mean score has been obtained from the response submitted by the executives and customers of the private sector banks with respect to the seven factors for CRM strategies in banking. The mean value of these factors lies in the range from 4.39 to 4.77 in case of executives and 3.77 to 4.30 in case of the customers. In particular it is identified that the factors i.e. Customised products and services possesses the mean value of 4.77 and 3.81, customer focus has the mean score of 4.81 and 3.83, customer knowledge management 4.49 and 3.77, CRM organisation has obtained the mean score of 4.72 and 4.02, Communication management has the mean score of 4.86 and 4.16, Technology process with a mean score of 4.39 and 4.19 and CRM tools and facilities have obtained a mean value of 4.71 and 4.30 for the executives and customers respectively.

The significance of these mean values are derived from the t – value and it is found that all the t – values are statistically significant at 1 percent or at 5 percent level. Therefore it could be evidently noted from the analysis that the opinion of the customers of the private banks differ from the opinion of the executives and does not fully agree with the process or policies framed by the banks to implement the CRM strategy. It seems though the mean score does not indicate the much of the diversity but the variance in the mean scores have been proven significant.

TABLE 6
t – RATIO OF THE RESPONSE OF EXECUTIVES AND CUSTOMERS
OF PRIVATE SECTOR BANKS ON FACTORS OF CRM STRATEGIES

CRM strategies	Executives(n = 25)		Customers(n = 100)		t-value	Sig. Vale (2 tailed)
	Mean	S.D.	Mean	S.D.		
Customised products and services	4.77	0.175	3.81	0.366	-0.41	0.01**
Customer focus	4.81	0.087	3.83	0.486	-0.24	0.01**
Customer knowledge management	4.49	0.220	3.77	0.655	0.01	0.05*
CRM organization	4.72	0.221	4.02	0.435	-0.13	0.01**
Communication Management	4.86	0.067	4.16	0.451	0.01	0.05*
Technology Process	4.39	0.283	4.19	0.283	0.01	0.01**
CRM tools and facilities	4.71	0.260	4.30	0.459	0.22	0.05*

Source: primary data

*Significant at 5percent level

**Significant at 0.01 level

Thus, the Customers of the private banks consider all these seven factors significant for the design and implementation of CRM strategy by the banks.

Table 7 presents the comparison of the mean scores of factors of CRM strategies in case of foreign sector banks. The mean score has been obtained from the response submitted by the executives and customers of the foreign sector banks with respect to the seven factors for CRM strategies in banking. The mean value of these factors lies in the range from 4.74 to 4.95 in case of executives and 4.05 to 4.78 in case of the customers. Further, the table also describes that the factors i.e. Customised products and services possesses the mean value of 4.94 and 4.35, customer focus has the mean score of 4.95 and 4.05, customer knowledge management 4.90 and 4.30, CRM organisation has obtained the mean score of 4.92 and 4.40, Communication management has the mean

score of 4.96 and 4.66, Technology process with a mean score of 4.74 and 4.56 and CRM tools and facilities have obtained a mean value of 4.95 and 4.78 for the executives and customers respectively.

The significance of these mean values are derived from the t – value and it is found that t – values are statistically insignificant at 1 percent or 5 percent level. For the factors Customer focus and CRM organization the t – value -.33 and -.18 are statistically significant at 1 percent level which means that the customers of the foreign banks have the difference in opinion over these two factors which is significant and detailed in the percentage analysis. Therefore it is emphatically identified from the analysis that the customer of the foreign bank agrees with the opinion of the executives for most of the factors as the t – value has proven the difference in the mean score insignificant. The difference in mean has been found significant over the two factors namely CRM organization and Customer focus.

TABLE: 7
t – RATIO OF THE RESPONSE OF EXECUTIVES AND CUSTOMERS OF FOREIGN SECTOR BANKS ON FACTORS OF CRM STRATEGIES

CRM strategies	Executives(n = 25)		Customers(n = 100)		t-value	Sig. Value (2 tailed)
	Mean	S.D.	Mean	S.D.		
Customised products and services	4.94	0.023	4.35	0.232	-.12	0.325
Customer focus	4.91	0.056	4.05	0.406	-.33	0.01*
Customer knowledge management	4.90	0.085	4.30	0.235	-.31	0.852
CRM organization	4.92	0.063	4.40	0.310	-.18	0.01**
Communication Management	4.96	0.054	4.66	0.093	-.12	.121
Technology Process	4.74	0.116	4.56	0.116	.91	0.954
CRM tools and facilities	4.95	0.090	4.78	0.238	0.05	0.652

Source: primary data

*Significant at 5 percent level

**Significant at 0.01 level

4.6 Comparison of variance between public, private and foreign sector banks in relation to the CRM strategies by using ANOVA (Executive and Customer view point)

Table 8 presents the results of ANOVA regarding the comparison of variance among the response of executives from all the three categories of the banks taken under study, which reveals that the variance is significant as the F value is significant at 1 percent level in case of all the seven factors of CRM strategies, which seems that the factors of CRM strategies have direct impact on the designing and implementation of CRM strategy of the banks. Thus, it could be concluded, that there is a significant variance in the response of the executives of public, private and foreign sector banks and have direct relation with the formulation of CRM strategy.

TABLE 8
SUMMARY OF VARIANCE BETWEEN PUBLIC, PRIVATE AND FOREIGN SECTOR BANKS IN RELATION TO THE CRM STRATEGIES BY USING ANOVA (EXECUTIVE'S VIEW POINT)

S. No.	Factors	Sig. Groups	Sum of Squares	Df	Mean Square	F	Sig.
1	F1	Between Groups	65.9054	3	21.962	1.359	.000
		With in the Group	4.6800	25	0.187		
		Total	70.5854	28			
2	F2	Between Groups	65.3067	3	21.768	1.485	.000
		With in the Group	4.6500	25	0.186		
		Total	69.9567	28			
3	F3	Between Groups	62.4885	3	20.8295	1.632	.000
		With in the Group	4.5500	25	0.1823		
		Total	67.0385	28			
4	F4	Between Groups	65.0609	3	21.6869	1.365	.000
		With in the Group	4.6500	25	0.1860		
		Total	69.7109	28			
5	F5	Between Groups	66.4541	3	22.151	2.092	.000
		With in the Group	4.6900	25	0.187		
		Total	71.1441	28			
6	F6	Between Groups	59.0453	3	19.681	1.022	.000
		With in the Group	4.4300	25	.177		
		Total	63.4753	28			
7	F7	Between Groups	65.7835	3	21.927	1.842	.000
		With in the Group	4.6700	25	0.187		
		Total	70.4535	28			

Source: Primary Data

**Significant at 0.05 level

* Significant at 0.01 level

Based on the significance table 8, the gained number indicates the significance of the effect of CRM factors on CRM strategy. The standard diagram indicates that factors of CRM have explained 99 percent of the changes in CRM strategies of the banks; therefore, the second null hypothesis H₀₁ is rejected and the alternate hypothesis H₁₁ which states that factors of CRM have direct effect on CRM strategy of the banks is accepted. The remaining 1 percent is related to the factors that are not studied in this research.

Table 9 presents the results of ANOVA regarding the comparison of variance among the response of customers from all the three categories of the banks taken under study, which reveals that the variance is significant as the F value is significant at 1 percent level in case of all the seven factors of CRM strategies, which seems that the factors of CRM strategies of private and foreign banks are better than the public sector banks. Thus it could be concluded that there is a significant variance in the response of the customers of public, private and foreign sector banks and indicate that the customers of public sector banks are not agreed with the claims made by the executives of public sector banks which reveals the result that customers of private and foreign banks have minimum variance and difference from the claims made by the executives of respective banks.

TABLE 9
SUMMARY OF VARIANCE BETWEEN PUBLIC, PRIVATE AND FOREIGN SECTOR BANKS IN RELATION TO THE CRM STRATEGIES BY USING ANOVA (CUSTOMER'S VIEW POINT)

S. No.	Factors	Sig. Groups	Sum of Squares	Df	Mean Square	F	Sig.
1	F1	Between Groups	44.9307	3	14.9769	6.04E12	.000
		With in the Group	3.8500	100	0.0385		
		Total	48.7807	103			
2	F2	Between Groups	40.313	3	13.4370	1.04E15	.000
		With in the Group	3.640	100	0.0364		
		Total	43.953	103			
3	F3	Between Groups	46.877	3	15.625	2.26E12	.000
		With in the Group	3.900	100	0.039		
		Total	50.777	103			
4	F4	Between Groups	45.879	3	15.293	1.21E11	.000
		With in the Group	3.930	100	0.039		
		Total	49.809	103			
5	F5	Between Groups	51.271	3	17.090	2.90E9	.000
		With in the Group	4.100	100	0.041		
		Total	55.371	103			
6	F6	Between Groups	53.172	3	17.724	1.02E6	.000
		With in the Group	4.200	100	0.042		
		Total	57.372	103			
7	F7	Between Groups	55.778	3	18.592	1.84E2	.000
		With in the Group	4.290	100	0.187		
		Total	60.068	103			

Source: Primary Data

**Significant at 0.05 level

* Significant at 0.01 level

From the significance table 9, the gained number indicates the significance of the effect of CRM factors on the customers and the table indicates that customers of public sector banks are not satisfied with the response of the executives of public sector banks and f value for all the factors has been proved significant at 1 percent level; therefore, the third hypothesis H₀₁ is rejected and the alternate hypothesis H₁₁ which says CRM strategies of Indian public sector banks are not better than the private and foreign sector banks.

Thus from the above data analysis it could be concluded that the pace of development for the Indian banking industry has been tremendous over the past decade. As the world reels from the global financial meltdown, India's banking sector has been one of the very few to actually maintain resilience while continuing to provide growth opportunities, a feat unlikely to be matched by other developed markets around the world. In this study, data analysis is done in two parts by descriptive and inferential statistics. In the descriptive part, the demography of statistical sample is investigated and the results were shown in frequency tables and diagrams, but in the inferential part, the data is analyzed by using a series of steps. To do so, first of all the Kaiser-Meyer-Olkin, Bartlett's test and Cornbrac's alpha has been used to check the validity and reliability of the schedule. Next, the exploratory factor analysis for deleting the questions with lower factor load was done. Further, the

percentage analysis of each factor was done to develop the understanding on the position of each variable of these factors. Finally, to study and test the research hypotheses two sample t – test were performed where the comparison of each bank's respondents were compared the variance and difference in their mean score was observed along the application of ANOVA to determine and examine the level and significance of variance among the executives and customers of the banks. These hypothesis tests were followed respectively.

The final results of hypothesis test show that the first hypotheses as explained in the first chapter are accepted. Therefore, according to the first hypothesis, the CRM is significant for the banks, which illustrate the various benefits associated with the CRM. The second hypothesis has been rejected which means that the explored factors of this study i.e. customised products and services, customer focus, CRM organisation, Customer knowledge management, communication management, technology process and tool and facilities for CRM have the direct effect on the CRM strategies of the banks. The third (the last) hypothesis has also been rejected and reveals that CRM strategy of public sector banks is not better than the private and foreign sector banks.

The results of two sample t – test with independent samples was done to study the difference in each of the research variables of the factors of CRM strategy in the three groups (executives and customers) of public, private and foreign banks.

According to this test, it might be summarised that there is significant difference between the groups of public and private sector banks where as the difference is insignificant in the group of foreign sector bank with respect to the research variables from the respondents' points of view. Indeed, the respondents have assessed the situation of foreign sector banks better than private sector banks and much ahead than the public sector banks in relation to the research variables.

IV. CONCLUDING FINDINGS

From the analysis and discussion it could be vividly observed that CRM is highly significant for the Indian banks as it results in to various benefits like retention of customers, customer loyalty, reducing sales cost, increasing market share and profits, building up the image and competitive advantage and customer satisfaction. The analysis has indicated that the both executives and customers have similar opinion on the significance of CRM in banks and agree with regard to its benefits.

Further, analysis of data concluded that the pace of development for the Indian banking industry has been tremendous over the past decade. As the world reels from the global financial meltdown, India's banking sector has been one of the very few to actually maintain resilience while continuing to provide growth opportunities, a feat unlikely to be matched by other developed markets around the world. In this study, data analysis is done in two parts by descriptive and inferential statistics. In the descriptive part, the demography of statistical sample is investigated and the results were shown in frequency tables and diagrams, but in the inferential part, the data is analyzed by using a series of steps. The final results of hypothesis test show that the first hypotheses as explained in the first chapter are accepted. Therefore, according to the first hypothesis, the CRM is significant for the banks, which illustrate the various benefits associated with the CRM.

The second hypothesis has been rejected which means that the explored factors of this study i.e. customised products and services, customer focus, CRM organisation, Customer knowledge management, communication management, technology process and tool and facilities for CRM have the direct effect on the CRM strategies of the banks. The third (the last) hypothesis has also been rejected and reveals that CRM strategy of public sector banks is not better than the private and foreign sector banks.

According to the result of two sample t - test, it could be summarised that there is significant difference between the groups of public and private sector banks where as the difference is insignificant in the group of foreign sector bank with respect to the research variables from the respondents' points of view. Indeed, the respondents have assessed the situation of foreign sector banks better than private sector banks and much ahead than the public sector banks in relation to the research variables.

V. RECOMMENDATIONS

From the loading of items, customised product and services, customer focus, CRM organisation, customer knowledge management, communication management, technology process and tools and facilities for CRM, a variety of recommendations and conclusions may be inferred. The significance of these factors indicates that respondents have given regard to these factors in formulation and implementation of CRM strategies for banking industry in India. On the basis of the findings in this study it is visible that for the success of CRM strategies in banking, some transformation in these strategies is needed to be done. After analysis of data certain strategies are suggested which will help in better formulation and implementation of CRM strategies in banks.

The factors CRM organisation and customer knowledge management reveals that knowledge management and attitude of top management and bank employees are considered to be the main aspects in a bank - customer relationship. The research indicates that the most important aspect for the bank customers is the

face-to-face personal contact and interaction that they have with their bank. Financial matters are important for the customers and they want to feel that their money is safe and secure.

Therefore, the customers desire their bank's employees to be knowledgeable about the bank's products and/or services. Additionally, if bank employees are positive and indicate satisfaction and self-confidence regarding their tasks, customers feel more comfortable. Specifically, this indicates that the bank employees at the front desk/enquiry desk and tellers, whom customers directly interact with, should be knowledgeable regarding the bank matters and should display positive attitudes towards their working environment and the customers. In other words, bank managers can increase their bank's level of CRM and ultimately their service quality level by focusing on the customer knowledge management and attitude of their bank employees. Further the factors customised product and services, customer focus, communication management, technology process and tools and facilities for CRM also have immense importance for the banks in managing the customer relationships.

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