

Customer Relationship Management: Transcending the Indian Banking Industry

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Abstract: In the current environment of increased competition, technological innovations and empowered clients; "Customer Relationship Management" has become unavoidable for the growth and the profitability of the banks. CRM methods are used to gain better understanding of customers in order to design products, segment them, target them appropriately, manage campaigns, and to maintain long-term lucrative and mutually beneficial relationships. The days of stifling vaults and towering counters are long gone at banks. The financial industry relies heavily on relationships and communication. In banking, customer relationship provides the bank the boost it needs to stay in business for a longer period of time. Customers will stick with a bank if it provides them with value but the customer relationship management system in Indian banking is still in its infancy. The article presents a report on the CRM software that can benefit the banking industry highlighting on the roadblocks for CRM deployment. The article also investigates the difficulties and proposes strategy framework for realizing the benefits of CRM investments.

Keywords: Banking industry, CRM software, Customer relationship management, Strategy.

I. INTRODUCTION

'Relationship Marketing' and 'Technology' are the two key issues that are the focus of evolving practices and policy in the current Indian banking scenario. These refer to the transformative influence of technology on banking services and procedures. Due to the near-commoditization of banking services, 'Relationship Marketing' is seen as the only distinguishing feature. Client centricity appears to be the motivating reason behind many bank's recent restructuring, rebranding, and reengineering activities. The Core Banking Solution also helps to catalyze the importance of technology and relationship marketing (CBS). CBS has grown to become the axis of bank's development and performance, despite its early difficulties. The vast majority of banks have invested in customer relationship management software that is innovative and easy to use. Client data was generated by CBS in order

to improve business open doors, client admission, and support. Subsequently, CRM is a sensible movement of CBS for Indian banks. Despite the fact that it is still in its early stages, it is rapidly expanding. Client Relationship Management is a combination of Indian banking's two pillars: innovation and relationship marketing. It may be possible to achieve dynamic changes in bank marketing practices in the not-too-distant future, with the goal of business development through the management of clients as resources, the systematic gathering, breaking down, and disseminating of client data, and the use of this client data for securing, holding, and better overhauling clients. Only a small percentage of CRM's potential has been achieved, based on the current level of the CRM project in the majority of banks. The biggest impediment is a lack of understanding and adoption of CRM as an enterprise-wide strategy, as well as the need for organizational reform to apply it.

II. OBJECTIVES OF THE STUDY

- To presents a report on the CRM software that can benefit the banking industry.
- To highlight the roadblocks for CRM deployment.
- To suggest strategy framework for realizing the benefits of Customer Relationship Management.

III. METHODOLOGY

The research is based on secondary information. Secondary data is gathered from numerous journals, publications, and websites to report on the different CRM software available for the banking industry and presenting issues and challenges in the way of RM deployment.

IV. THE CRM FRAMEWORK

Customer-centric approach based on customer intelligence. Its ultimate purpose is to provide clients with 'Personalized' treatment by discovering and grasping their individual needs, preferences, and behaviors. To comprehend the CRM concept, below are a few more definitions:

CRM, according to Philip Kotler, is the process of keeping extensive information on individual customers and all customer “touch points” in order to maximize customer loyalty.

It’s also known as a corporate strategy that entails process, organizational, and technical changes in order to better manage customer behavior.

V. CRM SOFTWARE FOR THE BANKING BUSINESS

- *Sales Force Financial Services Cloud*

Sales force Financial Services Cloud integrates sales, service, and marketing solutions across all divisions to give tailored customer experience. With its full range of banking, insurance, mortgage, lending, and wealth management services, users may better engage with customers, keep track of financial and important life events, make smarter business decisions, and provide individualized advice to develop loyalty.

- *Creatio*

Financial Services from Creatio is process-driven. This helps to manage customer contacts, opportunities, and risks efficiently for corporate and retail banks and financial institutions. Users may create profitable partnerships, maintain track of internal and external processes, acquire useful data for customer journey management, and improve the customer experience. Front-office, contact centre management, end-to-end sales process management, multichannel marketing campaigns and demand generation, are among the capabilities.

- *CRMNEXT*

It is a banking and credit union solution. Because of the easy integration with existing technology and a simple user interface, this is able to display customer and member information in one location. Users may automate processes, make work easier, grow their businesses, and improve their experiences by using the platform. It is the best performer in terms of sales force automation, service management, and lead management.

- *Oracle CX Sales Cloud*

The Oracle CX Sales Cloud assists sales organizations in meeting their most basic demands. Sales personnel may access data on the road for enhanced efficacy, and productivity. This tool provides information and direction to close deals rapidly. Lead management, partner relationship management, sales performance management, advanced analytics, data visualization, adaptive intelligence, customer data management, and other capabilities are among the capabilities available.

- *Microsoft Dynamics 365 for Sales*

Through business analytics, campaign management, and social insights, Microsoft Dynamics 365 Sales boosts efficiency and improves marketing effectiveness. It aids with the organization and automation of corporate processes, allowing users to increase customer happiness and loyalty while lowering expenses. Application to manage client connections on mobile devices, as well as capabilities to combine data and report from social media, are among the other features.

TABLE I: COMPARATIVE ANALYSIS OF THE SOFTWARE

Software	Benefit	Limitations
Sales force Financial Services Cloud	<ul style="list-style-type: none"> ● Helpful forecasts. ● Advanced analytics. ● Bulk emails . ● Prompt customer service. ● Direct calls. 	<ul style="list-style-type: none"> ● Mobile browsers do not support it. ● Multiple jobs aren’t possible.
Creatio	<ul style="list-style-type: none"> ● Customized designer. ● Open API. ● Scanned information. ● Organized information storage. ● Expert consultation. ● Primary features. 	<ul style="list-style-type: none"> ● It doesn’t come with built-in functionality for tagging attachments with metadata, which is required for internal security and segmentation.
CRMNEXT	<ul style="list-style-type: none"> ● Personalized offers. ● Enhanced performance. ● Targeted marketing. ● Easy integration. ● Smooth collaboration. 	<ul style="list-style-type: none"> ● There is no Open API available.
Oracle CX Sales Cloud	<ul style="list-style-type: none"> ● Managed subscription lifecycle. ● Customer data security. ● Social networking. ● AI-based intelligence. ● Expanded business. 	<ul style="list-style-type: none"> ● It is not possible to change the ‘unit of measurement’ for saved products. ● It doesn’t have a kanban view of possibilities built in. ● It is not possible to navigate to the details page of a sales object after selecting it from a ‘dynamic choice list’ on mobile pages. ● The mobile details page is not available.

Software	Benefit	Limitations
Microsoft Dynamics 365	<ul style="list-style-type: none"> ● Powerful integration. ● Personalized emails. ● Enhanced relationship analytics. ● Business on the go. ● Ai-powered insights. 	<ul style="list-style-type: none"> ● Doesn't have an email finder that allows locating ● Verifying and Importing Unknown Email Addresses. ● It doesn't provide native integration with gmail.

VI. THE ISSUES AND ROADBLOCKS FOR CRM

DEPLOYMENT

Many banks are still figuring out how to make the most of this extremely important tool. However, a variety of factors and roadblocks influence uptake and usage. The issues are divided

into four categories: people, processes, data, and technology. Another significant disadvantage is the widespread belief that CRM is a technology requirement. It's critical to recognize that technology is merely a facilitator for CRM. It is, in essence, an organization-wide strategy. The effectiveness of this hinges on the organization's goals, structure, systems, procedures, and resources being well integrated.

TABLE II

The Issues and Roadblocks	Description
Technology issues	<ul style="list-style-type: none"> ● Misconception regarding the role of technology: Most officers believe that technology's job is confined to keeping track of data and transactions. Technology is not being used to process and disseminate more sophisticated information. ● In the customer interface, service, and sales, different channels and technologies are used at the same time. It is difficult to integrate this complicated system of technology. ● Frontline personnel are empowered because they have access to consumer profiles and data. The majority of them are unmotivated to analyze them further and make full use of them in order to deliver superior services and proactive selling efforts. They haven't been taught how to use customer analytics or tailor the bank's services. ● Although the single integrated picture of the client, prior transactions, and preferred form of business are known, no mechanism exists to put them to use with software such as lead management and activity management to improve sales and service effectiveness.
People issues	<ul style="list-style-type: none"> ● The inability to translate data into customer knowledge due to lack of expertise and skills. ● Lack of enthusiasm for maximizing the CRM solution's potential. ● Performance management criteria that aren't up to standard. ● Decision-making authority is limited or non-existent: To apply the CRM concept to client centricity, one needs enough decision-making ability to provide tailored, responsive, and proactive services. ● Staffs lack training in IT, complete use of software and its applications, marketing skills, analytical abilities, customer information uses, and service capabilities, all of which are required for CRM adoption.
Process issue	<ul style="list-style-type: none"> ● CRM implementation necessitates a shift in the organization's vision, mission, philosophy, and shared values. This entails a significant shift in organizational processes and employee behavior. ● CRM cannot succeed in a departmental silo system. It necessitates continual integration and coordination amongst all departments. As a result, breaking through the silos that exist in traditional organizational structures is difficult. ● CRM success depends on all departments owning CRM, with marketing playing a strategic role in merging efforts in all of these areas to improve customer service. Role conflicts, ambiguity, resistance, and attitudinal barriers all impede this fundamental structural shift from a product-centric to a customer-centric organization. ● The prior tight hierarchical and rigid structure must be converted into a flexible, responsive, and proactive framework. This necessitates top-down support, adequate training, and effective follow-up methods. Apart from behavioral concerns, full utilization of CRM benefits is impossible without this.

VII. CRM DEPLOYMENT SUCCESS REQUIRES A STRATEGIC FOUNDATION

Only 15% of CRM projects are fully successful, according to a global survey conducted by the IBM Institute for Business Value as part of IBM Business Consulting Services' three-part series 'Doing CRM Right,' but the success rate can be improved to as high as 80% through proper business methodology and prioritization.

Banks have made significant investments in technology, which are paying off in terms of increased client empowerment, direction, and convenience. CRM's strategic importance must be emphasized in order to fully realize its potential. Changes in bank culture, policies, processes, and staff attitudes are all necessary for successful adoption and execution.

- *The Concept's Acceptance and Implementation*

It is critical to declare that CRM is a long-term strategic project, meaning that it stems from the organization's mission and is seen as a significant means of achieving the organization's long-term goals. It also means that it is intended to help the organization achieve its goals by integrating into the plan of action developed to maximize opportunities and mitigate threats.

- *Support from Upper Management*

The CRM initiative may not receive the weight, attention, or effective deployment it requires if top management does not provide leadership and endorsement. In fact, senior management should promote and sell the idea to internal customers, i.e. personnel at all levels. In this setting, top management plays a critical role in developing and disseminating a 'CRM vision.'

- *Organizational Structure and Practices Realignment*

Salespeople Automation, dashboards, and a plethora of customer data in MIS reports will not lead to effective CRM deployment unless and until the bank's organizational structure is restructured. Most bank's current structures are focused on products and processes. After the setting up of the technology for CRM, banks will be required to make certain structural modifications to make it compatible with the adoption and use of technology-enabled CRM.

- *Cultural Shifts*

CRM, as a strategic endeavor, necessitates a shift in organizational culture, particularly in terms of attitudes and practices. CRM requires buy-in from all members of the organization, particularly recognition of the reality that each person is responsible for CRM. CRM is frequently considered as a job for personnel who have direct touch with clients. Every employee, in fact, is a part of the process that leads to customer pleasure. As a result, regardless of his or her task or function in the process sequence, everyone can make a meaningful contribution to the customer's value. As a result, understanding each employee's basic function in customer centricity will help the CRM adoption.

- *Coordination and Communication*

Communication of CRM vision, enabling practices, and desirable behaviors is required to bring technology and strategic goals for customer acquisition, service, and retention. It's also critical to coordinate human efforts and customer engagements with software-enabled CRM updates, alerts, and templates.

- *Motivation*

A fundamental hurdle to CRM in banks is the lack of desire to adopt, accept, and use CRM software. This can be handled by assisting employees at all levels in understanding CRM ideas and the firm's CRM vision, as well as conveying customer, market, and profitability data to reflect the Bank's progress as it moves forward with CRM.

VIII. CONCLUSION

Client interaction and satisfaction can be greatly improved using banking CRM software. In today's society, customers want to be catered to and cared for. CRM may help banks achieve that goal by allowing them to take the customer interactions to the next level. Despite the fact that all Indian banks understand and apply Relationship Marketing techniques such as optimizing and maintaining customer connections across diverse customer categories, technology-enabled CRM is still in its infancy. Different banks are at various phases of CRM adoption and implementation, with the majority of them still in the early stages. Operational CRM is the most common, but collaborative CRM is most visible in internet banking, mobile banking, ATM features, POS devices, and in the services like pass book printing machines that allow customers to update their passbooks themselves. SMS alerts are also becoming more popular for several crucial customer service events. Although analytical CRM is used by some banks, it is not used by all. How well a bank collects, organizes, and uses client data determines how well it can recognize customer needs, segment customers, and construct accurate customer profiles. Banks must recognize the types of data they require, collect it properly, store it securely, keep it up to date, and utilize it proactively to cross-sell, improve customer experience, and deepen relationships. Data availability is no longer a problem; banks now have access to a wealth of client data; yet, the challenge remains in turning this knowledge into a competitive advantage. This means CRM must bridge the gap between data and customer insights, allowing profitable customer relationships to flourish across various touch points.

The suggested strategic framework for efficient CRM implementation emphasizes on the need of viewing CRM as an organization-wide strategy and the need for bank culture and processes to be aligned in order to put customer centricity at the centre of operations. Top management should provide leadership and desire to optimize customer connections based on customer data, according to the framework. It emphasizes the importance of training at all levels, as well as cooperation and communication between departments.

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