CUSTOMERS' PERCEPTION TOWARDS CUSTOMER RELATIONSHIP MANAGEMENT IN THE SELECT NEW GENERATION PRIVATE BANKS IN PUDUCHERRY

Dr. N. Jamunarani*   S.Sharmila**
*Assistant Professor, Department of Commerce, Annamalai University, Annamalainagar.
** Ph.D. Research Scholar, Department of Commerce, Annamalai University, Annamalainagar.

Abstract
In the enduring era of globalization, the battle for banks to gain a greater slice of the market share has been on the rise the world over. In order to increase the profit, banks are to a greater extent looking at ways of achieving organic growth through acquisition of new customers and retaining existing customers. The effective relationship between customers and banks depends on the understanding of the different needs of customers at different stages. The new generation private banks have made banking more efficient, customer friendly and always try to introduce new products. It is with this background, the researchers have made an attempt to study the customer relationship management in the select new generation private banks in Puducherry. In order to collect primary data for the purpose of the study, multi-stage sampling technique have been adopted. At the first stage, 3 new generation private banks which are outnumbering in branches were selected out of 6 new generation private banks. In the select stage, 50 per cent of the branches i.e. 6 branches were selected out of selected new generation private banks. In the final stage, from each of the branches 25 savings bank accountholders and 10 current accountholders were selected on the purposive basis. Therefore, the sample size consists of 210 customers. As an essential part of the study, the primary data were collected with the help of questionnaire. The secondary data have been collected mainly from journals, magazines, reports, books and unpublished dissertations. In order to study the customer relationship management of the new generation private banks, analysis of variance, co-efficient of variation, multiple regression analysis and percentage analysis have been employed. The results revealed that there is no significant relationship among the acceptance level of the respondents belonging to different genders, age groups, educational status groups, occupations and monthly income groups towards the customer relationship management practices of the select new generation private banks in Puducherry. Female respondents, respondents of the age group upto 30 years, respondents with Diploma/ITI qualification, professionals, respondents who have monthly income upto Rs.20000, savings bank accountholders, customers of the HDFC Bank and rural customers are more satisfied with the customer relationship management practices of the select new generation private banks in Puducherry.

Keywords: Customer Relationship Management, Relationship Marketing, New Generation Private Banks, Customer Retention, Service Quality, Etc.

Introduction
In the enduring era of globalization, the battle for banks to gain a greater slice of the market share has been on the rise the world over. It has become somewhat difficult for banks to meet the ever-increasing customer expectations. In order to increase the profit, banks are to a greater extent looking at ways of achieving organic growth through acquisition of new customers and retaining existing customers. In today's competitive business world, retaining a customer base is vital to the success of a business.   If customers are not given good reasons to stay, competitors will give them a reason to leave. Many banks are continuously formulating strategies to increase their share of the market by getting, keeping and growing its customer base through the provision of quality services, good customer care and creating customer value. The effective relationship between customers and banks depends on the understanding of the different needs of customers at different stages. In order to succeed with strategic organizational change, banks should communicate the change to customers in a way leading them to alter their behaviour and attitudes accordingly. In this optics of relational network, a firm should develop sharp competencies, in order to maintain coherence of its offer, to control the quality of services and products proposed by suppliers and providers, to accelerate the information transmission.

Concept of Customer Relationship Management
Customer relationship management is a business strategy with the aim of maximizing profitability, revenue and customer loyalty by focusing activities towards the customer. It is a business philosophy and set of strategies, programs, and systems that focuses on identifying and building loyalty with the customers. Customer relationship management seeks to create, develop and enhance relationships with carefully targeted customers to maximize customer value, corporate directly or indirectly with production processes. From marketing aspect, customer relationship management is defined as "a combination of business process and technology that seeks to understand a company's customers from the perspective of who they are, what they do, and what they are like". The scope of customer relationship management is including different aspects like customer satisfaction, service quality, relationship quality, market orientation, trust, loyalty, commitment, customer retention, etc. In this age of liberalization, globalization and cut throat competition, the challenge lies in retention of customers and not

just acquisition of customers. It has become imperative for organizations to build trust and relationship with customer so as to win the customers for lifetime.

Customer Relationship Management in Banking Sector

Banks in recent years have adopted the principles of marketing orientation and focused on relationship development. The modern day customer is not only quality conscious but also very particular about time and services offered. Banks have to realize their needs and accommodate the changing needs of customers proactively and provide them with custom made solutions. Today's customers are becoming more price conscious, more demanding of great service, and are being approached by many more competitors with equal or even better offers at cheaper prices. Today, Indian banking industry is one of the largest industries in the world. The banking industry is facing an aggressive competition since most banks have lost substantial proportion of their domestic business to essentially non-bank competition. Banks have realized that managing customer relationships is a very important factor for their success as customer relationship management is a strategy that can help them build long-lasting relationships with their customers and increase their profits through efficient management systems and the application of customer-focused strategies. A greater focus on customer relationship management is the only way the banking industry can protect its market share and boost growth. With intensifying competition, declining market share, deregulations, smarter and more demanding customers, there is competition between the banks to attain a competitive advantage over one another or for sustaining the survival in competition.

Statement of the Problem

In this era of increased competition, in order to improve standards it will be benefit able for the banks to develop long-term relationship with the customers. Developing long-term relations with the potential customer depends on service quality, product quality and relationship quality. The globalization of banking operations along with heightened competition continuing deregulation and technological advancements have significantly altered the face and scope of banking. Therefore, it is essential for any bank to adopt the changes in the market. This is the ultimate reason that customer relationship management is gaining due importance in the recent days. A better understanding of relational exchange must facilitate the development and efficiency of buyer-seller relationship, particularly in banking sector. With the entry of new generation tech-savvy private banks, the banking sector has become too competitive. To deal with the emerging situations, bankers have to shed a lot of old ideas, change in practices, develop customer loyalty programmes, and adopt a distinct approach to meet the challenges ahead. The strategies adopted by the new generation private banks are more in tune with those of the foreign banks, where emphasis is given to establishing superior benchmarks of efficiency, focusing on niche customers, providing impressive customer service and bringing about operational efficiencies by using high-end technology. Even though the new generation private banks do not have an extensive range of branch networks, the emerging trends indicate that they pose a great threat to the public sector banks because of their increasing market share. The new generation private banks have made banking more efficient, customer friendly and always try to introduce new products. It is with this background, the researchers have made an attempt to study the customer relationship management in the select new generation private banks in Puducherry.

Objectives of the Study

The objectives of the present study are given below:

1. To study the importance of customer relationship management in the banking industry.
2. To review the customer relationship management practices of the select new generation private banks in Puducherry.
3. To examine the perception of the customers towards customer relationship management practices of the select new generation private banks.
4. To offer suitable suggestions to improve the customer relationship in the select new generation private banks based on the findings of the study.

Testing of Hypothesis

In order to examine the perception of the customers towards customer relationship management practices of the select new generation private banks in Puducherry, the following null hypothesis was formulated and tested. There is no significant relationship among the acceptance level of the customers belonging to different demographic profiles towards customer relationship management practices of the select new generation private banks.

Research Design

The present study is empirical in nature, based on survey method. This study is restricted to new generation private banks only. In order to collect primary data for the purpose of the study, multi-stage sampling technique have been adopted. At the first stage, 3 new generation private banks which are outnumbering in branches were selected out of 6 new generation private

banks. In the select stage, 50 per cent of the branches i.e. 6 branches were selected out of selected new generation private banks. In the final stage, from each of the branches 25 savings bank accountholders and 10 current accountholders were selected on the purposive basis. Therefore, the sample size consists of 210 customers. Table 1 shows the sampling distribution of the present study.

Table 1,Sampling Distribution

Bank	No. of Branches	Samples		
		No. of Branches	No. of Savings Bank Account Holders	No. of Current Account Holders
HDFC Bank	4	2	50	20
ICICI Bank	5	3	75	30
Axis Bank	2	1	25	10
Total	11	6	150	60

As an essential part of the study, the primary data were collected with the help of questionnaire. Taking into consideration the objectives of the study, a questionnaire was prepared after a perusal of available literature. The questionnaire was constructed based on Likert scaling technique. The secondary data have been collected mainly from journals, magazines, reports, books and unpublished dissertations. In order to study the customer relationship management of the new generation private banks, analysis of variance, co-efficient of variation, multiple regression analysis and percentage analysis have been employed.

Findings
1. There is no significant relationship among the acceptance level of the respondents belonging to different genders, age groups, educational status groups, occupations and monthly income groups towards the customer relationship management practices of the select new generation private banks in Puducherry. Alternatively, a significant relationship is found among the acceptance level of the respondents belonging to different account holdings, banks and locations towards the customer relationship management practices of the new generation private banks.
2. Female respondents, respondents of the age group upto 30 years, respondents with Diploma/ITI qualification, professionals, respondents who have monthly income upto Rs.20000, savings bank accountholders, customers of the HDFC Bank and rural customers are more satisfied with the customer relationship management practices of the select new generation private banks in Puducherry.
3. There exists stability in the acceptance level of female respondents, customers in the age group upto 30 years, respondents who have upto H.Sc education, students and housewives, customers having monthly income Rs.20001-30000, current accountholders, customers of the HDFC Bank and rural customers towards customer relationship management practices of the select new generation private banks in Puducherry.
4. There has been a moderate correlation (0.521) between the respondents' acceptance level towards customer relationship management practices and the selected personal variables. The R square indicates that 27.10 per cent of variation in the acceptance level is explained by all personal variables taken as a group. The F value indicates that the multiple correlation coefficients are significant at 1 per cent level of significance. Age, education and monthly income of the respondents have no significant effect on the respondents' acceptance towards customer relationship management practices of the select new generation private banks. However, type of account has significant effect on the respondents' acceptance towards customer relationship management practices of the select new generation private banks in Puducherry.
5. Ranging from 39.77 per cent to 49.31 per cent of the customers' problems with the customer relationship management practices banking services of the select new generation private banks are absence of customer intimate strategy, poor-quality customer service, inadequate range of products and inadequate customer communication. Delay in service, absence of creativity and innovativeness, inadequate customer contact programmes, absence of update information and lack of customer specific strategies are the problems of the customers in connection with customer relationship management practices at 51.84%, 54.02%, 55.52%, 58.51% and 60.92% respectively.

Suggestions
1. In a competitive environment, the select new generation private banks should adopt suitable marketing skills rather than depending on the trading skills. Hence, new services should be constantly introduced to ensure the customer relationship management and to be competitive in the market and to keep up the enthusiasm of the employees and customers, etc.
2. Proper training should be given to the bank personnel regarding the behavioural patterns by the new generation private banks before they come and work in the field. Effective marketing strategy will also be achieved if staff members are encouraged to attend on-the-job training. This training and retraining of employees must be done on a continuous and

regular basis in order to guarantee the successful implementation of strategic marketing management strategies within banks.

3. It should be realized that customer relationship cannot be built overnight. Therefore, customer relationship management should be considered as continuous relationship management in the select new generation private banks in Puducherry.

4. Customer retention through the provision of innovative products, quality service, prices, meeting client needs, access to bank's facilities among other things are essential to customer satisfaction. High level of customer satisfaction leads to increased customer loyalty, intention to purchase, word-of-mouth recommendation, profit, market share, and return on investment. Hence, the select new generation private banks ought to take necessary efforts to satisfy their customers pertaining to banking services.

5. Precise customer information is important to provide effective customer service. The quality of customer service is determined and evaluated by the customer, and this affects the desirability of a relationship with the organization. In the select new generation private banks, service encounters and customer relationship management are to be associated.

6. Customer complaints should be handled quickly and their satisfaction are to be treated top priority in the select new generation private banks. Provision for separate inquiry counter at the select new generation private banks is advisable especially to the illiterate customers. Efficient, knowledgeable, competent, versatile and skilled front-line staff is required for the select new generation private banks.

Conclusion

The economic reforms have brought about unparalleled growth to the banking sector. The banks have now become more profit oriented and are playing an important part in the economic development. Customer relationship management is one of the tools which helps in meeting the customers' expectations and improve the service quality of the banks thus leading to retention of the customers and improve profitability. Thus, the biggest challenge for banking industry is to serve the mass and huge market of India. Therefore, new generation private banks must focused customer initiatives and drive toward a well-balanced, customer focused model to exploit the potential of its most valuable customers. The study will provoke the authority concerned to take some positive measures for improving the customer relationship management in the select new generation private banks in Puducherry.

References

1. Anbuoli, P and Thiruvenkatraj, T.R (2013). "A Study on Customer Relationship Management in Banks", *International Research Journal of Business and Management,* Vol.IV, December, pp.1-10.
2. Bindu K. Nambiar, Ansted Iype Joseph and Raman Nair, V (2015). "Adoption of CRM Initiatives: Reshaping the Customer Centric Model with Special Reference to Banks in Kerala", *International Journal of Management and Social Science Research Review*, Vol.1, No.12, June, pp.15-25.
3. Mahaswar Sahu and Sweta Leena Hota (2015). "Customer Relationship Management in Banking:A Strategic Tool Adopted by Banks", *International Journal of Research and Development - A Management Review,* Vol.4, No.4, pp.19-22.
4. Nyarku Kwamena M (2013). "Assessing Customer Relationship Management Practices at National Investment Bank Ghana Limited: (A Study of the Cape Coast Branch)", *International Journal of Advances in Management and Economics,* Vo.2, No.2, March-April, pp.151- 162
5. Partha Saradhy, T, Subrahmanyam, S.E.V and Narayana Reddy, T (2014). "A Study on Customer Perception towards Customer Relationship Management Practices in Nationalized Banks", *International Journal of Management*, Vol.5, No.11, November, pp. 34-47.
6. Rafi Ahmed Shaik and Chandra Sekhar Nakkina (2014). "Customer Orientation Evaluation in Indian Public Sector Banks", *Abhinav International Monthly Refereed Journal of Research in Management & Technology,* Vol.3, No.5, May, pp.35-43.
7. Robert Anuforo, et al. (2015). "A Study of the Impact of Customer Relationship Management on Bank Growth in Nigeria", *Journal of Social Economics*, Vol. 2, No. 4, pp,.177-187
8. Santosh Jhawar (2016). "Customer Relationship Management in Retail Banking", *International Journal & Magazine of Engineering, Technology, Management and Research*, Vol.3, No.5, May, pp.15-16.
9. Sharma, M.L and Parul Bansal (2015). "Customer Relationship Management in Indian Banking Industry-Conceptual Framework", *Madhav Research and Review: A Multidisciplinary International Journal,* Vol.1, No.1, July-December, pp.1-37.
10. William George, A. J and Manoj, P. K (2013). "Customer Relationship Management in Banks: A Comparative Study of Public and Private Sector Banks in Kerala", *International Journal of Scientific Research*, Vol.2, No.9, September, pp.246-249.