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ISSN (Online): 2455-7838

SJIF Impact Factor : 6.093

EPRA International Journal of

# Research & Development (IJRD)

Monthly Peer Reviewed & Indexed  
International Online Journal

Volume: 4, Issue:3, March 2019



Published By  
EPRA Publishing

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# CUSTOMER RELATIONSHIP MANAGEMENT IN PRIVATE SECTOR BANKS: A STUDY OF JAIPUR CITY

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## ABSTRACT

*The banking sector is one of the most prominent service sectors in India. As services are labour intensive and customer oriented industry it is an essential need to cater the customer needs effectively and efficiently. Customer Relationship Management finds its importance in almost all services, businesses and banking is not an exception. It is vital to assess the penetration and development of CRM in banking industry. Owing to importance of CRM in banking sector present paper finds its relevance. CRM is growing with a rapid pace and getting importance even in banks because customers now focus more on smooth services which would reduce their time span in getting services from banks. Customer Relationship Management in banks is a process that provides banking business with the opportunity to create and maintain long-term relationships with customers. This study aims at identification of CRM in private sector banks providing their services to customers in Jaipur city.*

**KEYWORDS:** Private Sector Banks, CRM, Customer Satisfaction, Banking Services, Customer Services.

## INTRODUCTION

The environment of the banking market is very complex and competitive and technology is changing it dramatically since its focus is on the steady growth of profit as well as consumer's demand. Banks, in addition to maximizing profit, they aim to create a stable relationship with their clients, by identifying their preferences and competing in real time. Therefore, banks are increasingly focused on identifying customer needs, pulling and storing them.

Customer Relationship management (popularly known as CRM) is growing with a rapid pace and getting importance even in banks because customers now focus more on smooth services which would reduce their time span in getting services from banks. Now banks have realized that maintaining a customer or customer retention is only possible through CRM, otherwise customers have a number of choices in this cut throat competitive environment. In such a situation CRM is one of the strongest tool which provides all the details regarding need and choices of the customer to

the bank. CRM basically is a single integrated view of the customer's transaction with the bank through various touch points such as net banking, credit cards, ATMs, branch banking, personal banking, app banking, mobile banking etc. It helps banks to retain good customers and take corrective action against undesirable customers. It also helps banks to identify the high value customer's that give more business to the bank.

Customer Relationship Management in banks is a process that provides banking business with the opportunity to create and maintain long-term relationships with customers. This concept allows the bank to identify, segment, communicate and build long-term relationships with customers on an individual basis regarding their needs for banking products and services as well as value added. Using modern technologies, customer relations management has come to an effective strategy to maintain the existing structure and develop a high-quality customer base. The purpose of the research is to evaluate status

of CRM in private banks in Jaipur City. The study was done on the basis of quantitative and qualitative research methods. This study attempts to show the role of CRM in private sector banks in Jaipur City (Rajasthan) and suggests various ways to improve it.

### **OBJECTIVES**

The main objective of the study is to examine CRM by the way of customer perceptions in managing customer relations in the private banks in Jaipur city. The specific objectives to be considered are as follows:

1. To know the profile (age, sex etc) of customers of the bank.
2. To know the behavior of the private sector bank employees towards the customer.
3. To know the customer's perception about bank staff.
4. To know the customer's view about services offered by banks.
5. To explore the nature of latest tool and techniques used by private sector banks.
6. To explore the way at which professionalism is used by private banks.
7. To identify factors that ensures good customer relationships.

### **RESEARCH METHODOLOGY**

New banks are entering in Jaipur city every year and existing banks are expanding its business in terms of expanding branches, ATMs and by offering personal banking. At present, there are more than 20 private sectors banks are working in Jaipur city and have a large number of market share of banking industry. They have stiff competition with nationalized and other banks. This study is conducted to explore the CRM status of private sector banks in Jaipur city. The universe of this study is customers of private sector banks of Jaipur city only. Out of available more than 20 private sector banks as universe of this study only 10 private sector banks were selected for convenience sampling of this study.

### **RESEARCH DESIGN**

The total number of banks in the Jaipur city is more than 20 private sector banks are in working. The prominent players of private sector banks in Jaipur city are ICICI, Axis, HDFC, HSBC, IDBI, City Bank, Kotak Mahindra Bank, AU Bank, IDFC, IndusInd

Bank, Bandhan Bank, Yes Bank, Karnataka Bank, Karur Vysya Bank, Jammu & Kashmir Bank, Federal Bank, United bank of India, South Indian Bank, City Union Bank, Dhanlaxmi Bank, Fingrowth etc.

In this study, a combination of quantitative and qualitative methods was used. Also structured and semi-structured survey method was used. Therefore, the procedure of the sample of non-probability was used for ease of study. The questionnaire method was used to collect primary data from samples. The Universe for present research is Jaipur city and out of available different private sector banks only 10 private sector banks were selected for survey by questionnaire. These 10 private sector banks were large private sector banks in Jaipur city and most of the market share is captured by these 10 banks and they have large customers as well as customers account and they represent truly the whole universe. They are ICICI, Axis, HDFC, IDBI, Kotak Mahindra, IndusInd Bank, City Bank, Yes Bank, Federal Bank and Karnataka bank.

### **Sample Design:**

A simple random sample survey was conducted in various branches of above 10 private sector banks by the researcher on his own convenience across the main branches of these 10 private sector banks. From each branch 60 customers' sample was taken out and total 600 samples were considered for this study. Therefore, to make a relevance of this study large sample is taken out and survey was conducted from 1<sup>st</sup> February 2019 to 28<sup>th</sup> February 2019 in Jaipur city.

### **ANALYSIS & INTERPRETATION**

On the basis of random survey of 600 respondents, through the method of questionnaire various information related to CRM was collected and presented in tabular form and then further analyzed for the study purpose. On the basis of collected information following findings were concluded.

From the given table-I it is clear that majority of the customers are in the age group between 20 to 60 years which occupies a major share in this study and is 70% and 25% is in the age group more than 60 years. Only 5% customers are below 20 years of age.

**Table I: Profile of the Respondents (Age)**

Age	No. of Respondents	Percentage
0-20 Years	30	5
20-40 Years	210	35
40-60 Years	210	35
More than 60 Years	150	25
Total	600	100
<i>Source: Primary Data</i>		

From the above table I, it is clear that most of the private sector banks customers are from 20 to 60 years age group.

Table II (below) shows that 360 respondents out of 600 are male which is 60% and 240 of them are female which are 40%.

**Table II: Profile of the Respondents (Gender)**

Gender	No. of Respondents	Percentage
Male	360	60
Female	240	40
Total	600	100
<i>Source: Primary Data</i>		

Above table shows that male customers are more than female customers those who are using private banking services.

sector banks employees are helpful and 20% perceive them friendly, 5% each is well informed and also give quick response.

From the below table III, it is concluded that 420 out of 600 respondents (70%) perceive that private

**Table III: Perception about the private bank staff**

Perception	No. of Respondents	Percentage
Response time (quick)	30	5
Helpfulness	420	70
Friendly	120	20
Well informed	30	5
Total	600	100
<i>Source: Primary Data</i>		

From given table IV, 180 customers have given their response about services of private sector banks as better than any other banks and also given as excellent. Whereas only 96 respondents have given their opinion

that private sector banks are providing services as same as other banks and 84 customers were in cannot say position.

**Table IV: Response regarding services offered by private banks**

Services rendered	No. of Respondents	Percentage
Same as other banks	96	16
Better than other banks	180	30
Worse than other banks	60	10
Excellent	180	30
Can't say	84	14
Total	600	100
<i>Source: Primary Data</i>		

From the above table, it is clarified that majority of respondents (30%) consider the services rendered by private bankers are excellent and better than other banks. Similarly, 16% of respondents feel services as same as other banks followed by 10% who consider it

worse than other banks and 14% who could not say anything about their opinion.

In response of customer satisfaction on latest technology used / offered by private banks for CRM, 420 customers were satisfied with the services offered by private banks as shown in below table V.

**Table V: Response on Customer satisfaction on latest technology used/ offered by the private banks for CRM**

Satisfied	No. of Respondents	Percentage
Yes	420	70
No	96	16
Not sure	84	14
Total	600	100
<i>Source: Primary Data</i>		

This table V focuses on satisfaction of customers about the use of latest technologies used offered by private banks for CRM. Here, 70% respondent say yes, while 16% feel that latest tools and technologies are not being used. Rests 14% were not sure about the use of latest technologies for CRM.

In response of various fees charged by private sector banks, 510 respondents were not satisfied whereas only 90 were satisfied with the level of fees charged by these private sector banks as shown in table VI below.

**Table VI: Satisfaction on fee charged for various services by private banks**

Satisfaction	No. of Respondents	Percentage
Yes	90	15
No	510	85
Total	600	100
<i>Source: Primary Data</i>		

From the above table VI, it can be concluded that 85% respondents say that they are not satisfied with the charges of the private banks for various

services like ATM card, SMS services, Pass book etc while 15% i.e. 90 respondents express feeling of satisfaction.

**Table VII: Efforts made by private banks to maintain relationship with Customers**

Efforts made	No. of Respondents	Percentage
Enough efforts	330	55
Sufficient efforts	180	30
Moderate efforts	66	11
No efforts	24	4
Total	600	100
<i>Source: Primary Data</i>		

The above table VII shows the customers perception regarding efforts made by private bankers to maintain relationship with customers. Here, a substantial percentage of respondent's i.e.55% feels that private bankers are making enough efforts to maintain relationship while 30% feel that efforts made are

sufficient. 11% respondents say that efforts are only moderate and 4% feel that no efforts are being made to maintain relationship.

**Table VIII: Data maintenance of customers**

Are data maintained Properly?	No. of Respondents	Percentage
Yes, accurately	420	70
Irregular & careless way	24	4
No data maintenance at all	30	5
Not sure	126	21
Total	600	100
<i>Source: Primary Data</i>		

The above table VIII shows the customers feelings about data maintenance of old customers in private banks. 420 respondents out of 600 i.e. 70% feel the data is maintained accurately in these banks, while 5% feel that there is no data maintenance at all. 21% respondents are not sure about data maintenance in these private banks, and 4% respondents feel that data is maintained in irregular and careless way.

### **FINDINGS**

On the basis of data analysis and tabulation following findings can be summarized:

1. In private sector banks in Jaipur city main customers are between 20 - 60 years age group.
2. The number of male customers is larger than the number of female customers in these banks.
3. Customer's perception about private sector bank staff is mixed one, but majority of respondents feel these staff are helpful.
4. Majority of customers feel that services offered by private banks are better than other banks, but a few of them are disappointed with their services.
5. Majority of customers are not satisfied with the fees charged by private banks for various services.
6. Customers are quite satisfied with the technology offered by private sector banks for CRM.
7. Customers of private sector banks feel that these banks are making enough of sufficient efforts to maintain relationship with customers.
8. Most of the respondents believe in the accuracy of customer data maintenance by private banks in Jaipur.

### **SUGGESTIONS**

The present study was conducted to explore the CRM status in the major private banks in Jaipur. Through the primary data collected from 600 respondents the researcher has given following suggestions in lieu with the objectives of present research.

1. Private Banks must address and solve the issue of customer's perceptions about fee charged by private banks.
2. There is enough scope to improve the customer's perceptions about private banks professionals. It can be further improve by training of the staff to become more responsible and empathetic towards customers.
3. There is a scope to increase the number of female customers and it can be done by the proper use of CRM.

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