

Customer Relationship Management in ICICI Bank (With Special Reference to Thiruvannamalai.)

M.Murugan,

Ph.D Research Scholar , Manonmaniam Sundaranar University, Tirunelveli.

Dr. S.A. Senthil Kumar,

Associate Professor and Research Guide, Central University of Pondicherry,

Karaikal Campus, Pondicherry (UT).

Abstract

A study was conducted among 100 respondents to find out the CRM functioning and effectiveness of the ICICI Bank in Thiruvannamalai. This study was revealed that regardless of services context customers expect service provider to be courteous usually, most conversation begin or end with a courtesy expression and includes some form of personal connection content. The important point is that sociality communication can play a pivotal role in moving the provider and consumer for mere encounters to higher degree of relational development.

Key words : CRM, ICICI Bank, Service quality, customer loyalty, Thiruvannamalai.

1. Introduction

Customer Relationship Management (CRM) is a managerial philosophy that seeks to build long term relationships with customers. CRM can be defined as “the development and maintenance of mutually beneficial long-term relationships with strategically significant customers Every sector is facing cut-throat competition in the market and banking sector is not an exception to it. These days, banks are facing an aggressive competition and they have take efforts to survive in this market place. Banks have understood that managing Customer relationships is a very essential factor for

1. Review of Literature

Alok mittal, et al., (2003) presented an article on “An exploratory study of CRM orientation among Bank employees”. The paper aimed at exploring the aspects of the CRM orientation among banks employees of both the public and the private sector banks. The findings of the research highlighted that there is need for improvement on some of the components of the CRM such as customer communication, customer orientation, customer care and handling of complaints in both public and private sector banks. The aged employees in the public and private banking institutions need to improve their CRM skills in order to complete with their younger counterparts.

Tapan, (2003) in his article “creating customer lifetime-value through effective CRM in financial services industry”, has stressed the importance of the CRM in financial services industry.

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Customer data management gives clues about the probability of customer demand and technology helps in tracking the characteristics and categorization of customers depending on their past behavior. He concluded that with increased competition and customers moving very fast from firm to firm another, it is essential to have an integrated CRM strategy across the whole organization for generating higher customers life-time value.

3. Objectives

- To study the CRM functioning and effectiveness of the ICICI Bank in Thiruvannamalai.
- To study the advantages of CRM schemes introduced by ICICI Bank to its customers
- To study the various customers oriented schemes introduced by ICICI Bank in the interest of its customers.

4. Hypothesis

- ❖ Majority of customers are satisfied with the services provided by ICICI Bank.
- ❖ ICICI is always taking initiative for providing maximum satisfaction to its customers.

5. Methodology

- Primary study has been undertaken on micro level basis on focusing only a few individual customers at Thiruvannamalai.
- The Secondary data has been obtained from Articles, journals and some websites Google, management paradise etc.

5.1 Sampling population: -

The population for the present study has be mainly customers of ICICI Bank, Employees of and also public, including those who have had some interaction with this bank. They have been chosen keeping the objectives of our research study and the constraints of time and budget that we have. 100 people have responded.

6. Scope and Utility

This study has concentrated all the services in general. One can also do comparative study of various banks and their approach towards the customers. In the present competitive business world it becomes necessary to align organization towards customers, Integrate customers' touch points, Knowing and understanding customers and potential customers, Establishing and managing relationships with customers. Thus CRM is need of this hour.

7. Limitations

The study is limited to respondents from Thiruvannamalai.

- ✓ This project concentrates on the services given to customer in general. Therefore it is difficult to study the view of the customers towards one particular service.
- ✓ It was difficult to study what happens to customer satisfaction when we initially perceive a service provider as being less than general then over time, that service provide „warms up“ unexpectedly?
- ✓ Finally, this study did not examine whether courteous expressions on personal connections play a role in other customer outcomes such as loyalty and word-of-mouth referrals.

8. Analysis

This project wish to study the customer relationship management in ICICI Bank and how this

concept would help to maintain long term customer loyalty with the bank. This would help ICICI bank to emerge as no one private sector bank in the country.

CRM, according to ICICI consists of the following approaches:

1. Getting personalized information on customers.
2. What is the value of the relationship?
3. Customized offerings to the customers.
4. Converting a prospective customer into a true customer.

1) Getting personalized information on customers:

The bank collects all the information about the customers for processing. ICICI bank has mainly 4 service offerings viz: loan account, saving account, current account and fixed deposits. Moreover, the bank has many customers in each category. So, they collect the data

on one server and thus the company gets the personalized information on each customer by asking them to fill the information in customer application form.

2) What is the value of the relationship?

After the collection of the personalized information on every customer, the department checks out the value of the relationship with each and every customer. Later, they decide how to approach the customer for knowing what his needs and wants are? After this is done, the

company offers him the customized product.

3) Customized offering to the customers:

The step which comes after deciding the value of the customer is that the company offers the person the customized product. Moreover, they also practice a concept called cross-selling over here. Cross – selling refers to offering another product from the service offering of the bank to the customer which he has not gone for. Example If customer has saving account with the bank then we offer him loan, insurance and other investments.

4) Converting a prospective customer in to a true customer:

The last approach of CRM according to ICICI bank is that they try to convert the prospective customer into a true customer. Right from the moment the inquiry comes, they follow- up the customer and then make him to come to the bank occasionally and then regularly.

8.1 Overview on ICICI Bank

ICICI Bank (formerly Industrial Credit and Investment Corporation of India) is a major banking and financial services organization in [India](#). It is the 4th largest bank in India and the largest private sector bank in India by market capitalization. The bank also has a network of 1,700+ branches (as on 31 March 2010) and about 4,721 ATMs in India and

presence in 19 areas of investment banking, life and non-life insurance, venture capital and asset

management. ICICI Bank is also the largest issuer of credit cards in India.

8.2 Need of CRM in the Banking Industry:

A Relationship-based Marketing approach has the following benefits: -

1. Over time, retail bank customers tend to increase their holding of the other products from across the range of financial products / services available.
2. Long-term customers are more likely to become a referral source.
3. The longer a relationship continues; the better a bank can understand the customer and his/her needs & preferences, and so greater the opportunity to tailor products and services and cross-sell the product / service range.
4. Customers in long-term relationships are more comfortable with the service, the organization, methods and procedures. This helps reduce operating cost and costs arising out of customer error. With increased number of banks, products and services and practically nil switching costs, customers are easily switching banks whenever they find better services and products. Banks are finding it tough to get new customers, and more importantly, retain existing customers.

8.3 The Processes for Delivering CRM:

The tools and the processes are as follow –

- Customer application form
- Centralized software where the whole data is collected.
- Wide range of offerings
- Cross – selling
- Feedback forms

1) Customer Application Forms:

Bank collects all the data from customer application form and gets the personalized

information to know which product to offer to which customer. This process helps in collecting the data and knowing what the customer wants.

2) Centralized Software where the Whole Data is Collected:

The data collected through customer application forms is available at one server and can be accessed anytime, anywhere. So, this helps in the further process of customized offerings and cross –selling.

3) Wide Range of Offerings:

After collecting the data from the customer, team decides what product to offer to which customer. In case the bank recognizes you as a valuable customer then it offers a more customized service.

4) Cross – Selling:

It refers to offering another product from the service offering of the bank to the customer which he has not gone for. For example If customer has savings account with the bank then they offer him an insurance, fixed deposits etc. This depends on the value of the customer to the bank. Cross selling is not offered to every customer. It depends on how loyal the customer is to the bank. The more business he gives us, the more are his chances of being special services offered.

5) Feedback Forms:

The bank distributes feedback forms at all its branches. The customers' feedbacks on the service, technology used, employee behavior and promptness in solving customer's problems, are taken and they are analyzed. CRM helps to know the needs and wants of the customer. So, on the basis of this company can decide which product to offer to which customer. It has been observed that cross – selling is the best weapon. It enhances the relationship value with the customer. This satisfies the customer and that is the reason why the customer keeps on coming again and again to the company. This helps in retaining the market share. Now, the satisfied customers help in the word- of – mouth promotion of the bank, which eventually increases our market share.

8.3 Additional Features of CRM in ICICI Bank:

Most banks have their own databases but because of the huge technological investments done by ICICI the databases in all the branches are integrated, which means they can be accessed from anywhere and at anytime. ICICI bank has tied up with Terradata Company for making their software and is the only bank doing this. The difference can be known through matching tool parameter. This refers to; on the server of ICICI sum standards are set in terms of value of the customer and whenever the customer reaches the set standard, the server automatically informs the department to offer him another product.

8.4 Different Channels and Services Offered by ICICI Bank.

Bank Branch, ATM, Phone Banking, Internet Banking, Insta Banking, Mobile Banking, Call Centre. ICICI Bank offers a host of products and services to its clients, which include Deposits,

Loans, Cards, Investments, Insurance, Demat, NRI Services and Online Services etc.

9. Findings

1. Customer relationship management has become need of an hour without which it is difficult to survive in the competitive market.
2. Customers in long-term relationships are more comfortable with the services, the organization, methods and procedures. This helps reduce operating cost and costs arising out

1. Educate more customers about the various banking services available and how to use them.
2. Bank has to ensure the security of ATM cards and credit cards etc.

11. Conclusion

This study strongly supports the fact that CRM is need of an hour and no business may be it is banking business; retailing or something else can ever survive without proper introduction of CRM. This study strongly supports the connection that consumer were more satisfied with professional service provider who engaged in both courteous expressions and personal connections forms of sociality. Moreover, finding revealed that regardless of services context customers expect service provider to be courteous usually ,most conversation begin or end with a courtesy expression and includes some form of personal connection content. The important point is that sociality communication can play a pivotal role in moving the provider and consumer for mere encounters to higher degree of relational development.

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