



CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES IN SELECTED PUBLIC SECTOR BANKS IN RURAL AREAS OF KANYAKUMARI DISTRICT

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Abstract

Rural development is also one of the features regarding the economic development of the nation. Since freedom of our country our policy makers striving for sufficient thrust towards rural development. The Rural banking in India is developing since its establishment. Rural Banks at that time was focused only on the agro division. Regional Rural Banks in India plays an important role towards the country and completely extending its hand in the developmental process. Banking system plays a major role in the development of the Indian economy. Banks are offering number of services to their customers to increase the living standards of people. Previously due to lack of information technology, proper guidance and supervision, the people could not get the maximum facilities from the banks. Now it is a right of each customer to enjoy various services, it shows the change of customers' savings mentality and financial literacy. This indicates the development of socio-economic status of people in both urban and rural areas. This study is conducted to understand the customer relationship management practices in selected public sector banks. The study has been made by conducting a survey in rural areas of Kanyakumari District. For that, the researcher collected 90 samples from the respondents and percentage, Garret ranking method and chi-square test used for this study. When the researcher compared with Selected Banks and Level of Satisfaction, there test is accepted.

Key words: Knowledge Management, Return on Relationship, Supply Chain Management, Total Quality Management.

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Introduction:

Banking today has become extremely competitive business. However, the essential strength of a bank lies in its good customer relationship. Banks in the pell-mell rush for achieving efficiency and gaining technology are facing the danger of forgetting this fundamental premise. For many years, banks have been guilty of five interpersonal sins, that have caused tremendous irritation to customers: inability to cross sell, long queues, poor service attitudes, lack of information and lack of humility, that prevent them from maintaining good customer relationship. Banks were concentrating only on acquiring new customers. The CRM in banking

sector seems to be helping the large masses which focused only on Urban population but in rural areas are still need to be identified. The effectiveness of usage of CRM practices in rural banks needs to be addressed, to know the emerging challenges in rural banking and analysing, assessing the philosophy of CRM in rural areas.

The present study in its endeavor to underline the magnitude of customer satisfaction as an outcome of Customer Relationship Management, which discloses the minute details of every customer which leads towards the ultimate customer satisfaction. The pinnacle of success of Customer Relationship Management applications would reach the bank which is able to generate the customer loyalty. Loyalty is considered to be the ultimate as far as Customer Relationship Management is concerned. Customer loyalty would also make the customers to approach their bank for all their financial needs. This would lead to increase in number of transactions. Customer loyalty as a concept has been accepted by many

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researchers as the vital outcome of Customer Relationship Management submissions. Total Customer Experience is captured in its three essential interactive elements: Physical moments, Emotional involvement moments, and its Value chain moments.

Statement of the Problem

Banking today has become extremely competitive business. However, the essential strength of a bank lies in its good customer relationship. Banks in the pell-mell rush for achieving efficiency and gaining technology are facing the danger of forgetting this fundamental premise. For many years, banks have been guilty of five interpersonal sins, that have caused tremendous irritation to customers: inability to cross sell, long queues, poor service attitudes, lack of information and lack of humility, that prevent them from maintaining good customer relationship. Banks were concentrating only on acquiring new customers. They seldom understand the importance and profitability of creating loyalty and retaining customers. In the last decade most banks have been absorbed that their own internal issues, particularly strikes for different internal issues, merger-drives, cost-cutting and re-engineering, that customers and their relationship often received short shrift. Banks have to come out with innovative measures to satisfy the needs of both the present and the potential customers, at the same time adopt procedures to win the lost customers. In the light of this development, it seems pertinent to focus on the study of the quality of banking services and the banker customer relationship management. The CRM in banking sector seems to be helping the large masses which focused only on Urban population but in rural areas are still need to be identified. The effectiveness of usage of CRM practices in rural banks needs to be addressed, to know the emerging challenges in rural banking and analysing, assessing the philosophy of CRM in rural areas of selected banks in rural areas of Kanyakumari District was chosen for the research study.

Review of Literature

Dr. M. Pandya Nayak and Dr.J. Ravi Kumar (2020), “Customer Relationship Management Practices in Select Public and Private Sector Banks “, The results show that there is no difference between the employees of public and private banks in Hyderabad city about the practices considered for influencing CRM practices. But univariate analysis shows that some practices of private sector banks are better for CRM. This is because the Private Banks are well organized, building up to modern infrastructure, monitoring of service quality programs, and taking feedback to have long term bonding with customers. Public Sector Banks enjoy the trust of customers but they need to improve their physical facility, infrastructure, guarantees for service failures, and customer feedback system. Public Sector Banks need to improve in this area. Private Banks seems to provide better facilities than the Public Sector Banks but, still, private banks need to go a long way to become the customer's first preference. In an economy of innovative technologies and changing markets, every service quality variable has become important. New

financial products and services have to be continuously introduced to stay competitive. However, Private Banks needs to concentrate more on their distribution channels so that they can provide prompt services to its customers.

Dr. M. L. Vasita (2020), “An Empirical Study of Customer Relationship Management Practices in Selected Public & Private Sector Banks of Jodhpur (Rajasthan), The customer relationship is important for the organizations to grow a connected way. The customers are important for the business and their profit can be managed by the developed and advanced software's of Customer Relationship Management (CRM) systems available in the organizations. The India dual and small customers and investors are also important for the banking sector to generate the profits and growth. The CRM has a straight connection with the quality of service in banking. It is evitable that they use CRM to gain satisfaction from their banking services. If executed properly CRM can lead to increase in Customer retention and hence develop overall effectiveness from their organisational services.

Customer Relationship Management

CRM is an approach implemented by an organization, which integrates strategy, business processes and functionalities to build up, to maintain and expand relationship with the customers.

Objectives of the Study

- To measure the Customer Relationship Management in selected banks
- To know the overall customer satisfaction level towards the service offered by the banks
- To find the association Between Selected Banks and Level of Satisfaction

Research Design

The present study is of Descriptive in nature. Sample size selected for the study was 90 respondents in the rural areas of Kanyakumari District. Convenience sampling technique was adopted in the selection of the respondents. For analyzing the data, Percentages, Garret Ranking and chi-square test were applied.

Limitations of the Study

- This study doesn't cover the customers and employees of private and foreign banks in Kanyakumari District.
- This study doesn't cover all the employees and all the banks in Kanyakumari District.

RESULTS AND DISCUSSIONS

Table No.1
Demographics - Wise Distribution of the Respondents

VARIABLES		SBI	IOB	Indian Bank	Canara Bank	Total
Gender	Male	11	13	10	3	37
	Female	10	24	12	7	53
	Total	21	37	22	10	90
Age	Upto 25	8	5	7	5	25
	26-35	5	17	5	3	30
	36-45	4	10	5	0	19
	45-55	2	3	3	1	9
	Above 55	2	2	2	1	7
	Total	21	37	22	10	90
Educational Qualification	Illiterate	6	17	13	2	38
	SSLC	9	13	4	4	30
	HSC	3	2	3	2	10
	Graduation	3	5	2	2	12
	Total	21	37	22	10	90
Occupation	Agriculture	7	16	5	1	29
	Student	6	10	7	2	25
	Private Employees	4	4	5	3	16
	Government Employees	3	4	3	3	13
	Business	1	3	2	1	7
	Total	21	37	22	10	90
Income Per Month	Less than 10000	8	18	3	2	31
	10001-20000	6	9	12	3	30
	20001-30000	2	5	4	2	13
	30001-40000	3	3	2	2	10
	Above 40000	2	2	1	1	6
	Total	21	37	22	10	90

Primary data

Table No.1 shows demographics wise distribution of the respondents. It reveals that the 21 respondents they using SBI bank account, 37 respondents were using IOB bank account, 22 respondents were using

Indian bank account and 10 respondents were using Canara bank account for their own. Female respondents are higher than male respondents. Majority of respondents were in the age group of 26-35 and Illiterate were high as compared to other Educational groups. Majority of the

respondents were Agriculture and Less than 10000 were Income Per Month.

Table 2: Customer relationship with bank in years

Statement	SBI	IOB	Indian Bank	Canara Bank	Total
Below 5 years	4	15	4	5	28
5-10 Years	6	10	13	3	32
More than 10 Years	11	12	5	2	30
Total	21	37	22	10	90

Primary data

The analysis of data indicates that 28 respondents were Below 5 years, 32 respondents were 5-10 Years and 30 respondents were More than 10 Years.

Table 3: Customer Relationship Management in selected banks

VARIABLES	Score Value	Rank
Service Quality	63.75	I
CRM Acceptance	60.33	II
Benefits of CRM	59.33	III
Customer Service Strategies	59.17	IV
Customer Satisfaction	57.50	V
Customer Loyalty	55.00	VI
Customer Retention	51.33	VII

Computed data

The above table indicated that the factors considered by respondents while Customer Relationship Management in selected banks. In which, Service Quality were first rank whereas Customer Retention were last rank.

Table 4: Level of Satisfaction

Statement	No of Respondents	Percentage
Strongly agree	23	26
Agree	29	32
Neutral	25	28
Dis Agree	08	9
Strongly Dis agree	05	6
Total	90	100

Primary Data

From the above table it can be observed that 23 respondents were Strongly agree, 32 respondents were agree, 28 respondents were Neutral, 9 respondents were Dis-agree and 6 respondents were Strongly Dis agree.

ASSOCIATION BETWEEN SELECTED BANKS AND LEVEL OF SATISFACTION

The non-parametric chi-square test is applied to find the association Between Selected Banks and Level of Satisfaction.

Table 5: Selected Banks and Level of Satisfaction

Factors	SBI	IOB	Indian Bank	Canara Bank	Total
Strongly agree	5	8	6	4	23
Agree	5	14	5	5	29
Neutral	4	12	8	1	25
Dis Agree	4	3	1	0	08
Strongly Dis agree	3	0	2	0	05
Total	21	37	22	10	90

Sources: Computed data

Results of chi-square test are as follows

Chi-Square test	Calculated value	Df	Table Value	Result
	50.82	12	21.03	Accepted

Above table indicate that the Table Value is less than calculated value. Therefore, test is accepted.

Findings

- 21 respondents they using SBI bank account.
- 37 respondents were using IOB bank account.
- 22 respondents were using Indian bank account.
- 10 respondents were using Canara bank account.
- Female respondents were higher than male respondents.
- Majority of respondents were in the age group of 26-35.
- Illiterate were high as compared to other Educational groups.
- Majority of the respondents were Agriculture.
- Less than 10000 were Income per month.

Suggestions of the Study

- All Selected Banks should accept CRM practices in a full fledge manner, still there are so many rural banks have not utilized CRM as a tool for their growth and development.
- Banks are enjoying many productive benefits like enhanced productivity and fulfilling customer's requirement by adopting CRM practices. So that all banks must utilize modern CRM practices sincerely for their growth and profitability.

Conclusion

CRM is emerging as the core area of activity in banking sector. CRM is a customer focused business strategy designed to optimize customer loyalty, retention, maintenance and optimizing revenue. The Banks have to make more efforts to garner better customer base and market share. Banks are playing a pivotal role in augmenting the financial resources of the nation. Similarly the customers and the banks are also plays nation building role in strengthening the banking activities as well as economy of the nation. Hence, the CRM determines the efficacy of the banking services of the nation. In this context developing a systemize relationship management is very essential in one hand, whereas in other speaks about the prevailing practices of CRM. Customer satisfaction and customer relationship management is the major job of the banks for their survival. CRM is not an easy task and simple procedure, its achievement and success is depending on the view of customers, service quality of banks and employees. This study covers the different factors which have more important in successful accomplishment of CRM which were measured in the view of customers and employees.

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