

A STUDY ON MANAGERIAL PRACTICES TOWARDS CUSTOMER RELATIONS WITH SPECIAL REFERENCE TO AXIS BANK

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ABSTRACT

Privatization of the bank in India has given maximum service options to the customers. Hassle free transactions, use of IT, customer oriented public and private services brings increase in use of banking services.

Nationalized banks also adapted the digital mode of service. However, private banks offer more service with less duration of time for attracting customers towards them. Rural part of India are also getting the benefit of private sector banks. They also offer Govt. schemes for agriculture, small and medium scale industries etc. Private banks are more popular for giving maximum service to their customers. Extended timings for service, fast process, maximum focus on digitalization, home service, holiday banking etc. are the major factors for their popularity. Not only private banks but the entire private sector is getting affected by customer relation management.

Profit of the private sector bank i.e. Axis bank is deliberately investing in building the customer relationship programmes. Competitive environment has created a pattern of digitalization and invited more risk towards banking transactions. Non-banking services also get the risk in transactions. This situation gives rise to the term Customer Relationship Management. Retention of unhappy customers can be possible through the CRM programmes.

This research paper deals with the study of customer relationship management in private sector banks with special reference to Axis Bank.

Keywords: Bank, CRM, Products, Customers, Services

Introduction:

Customer relation Management is the crucial element in every bank. In private banks like Axis Bank, CRM practices are proved to be very effective and attract loyal customers towards them. This brings good growth in the sale of banking products to the customers through direct marketing methods.

Every customer must be satisfied in getting the financial services. Banks are often ignoring the fact of customer satisfaction at entry level. However, Axis Bank is providing best in class services to their existing and potential customers. The level of the satisfaction, customer support, employee orientation towards the CRM implementation etc. are the key elements in success of the bank.

Managers play a very important role in maintaining the good relationship with the customers due to the intense competition in the banking sector between private and public sector banks. Every bank wants to attract more numbers. Apart from the regular services, banks have to achieve the targets of mutual funds, insurance policies and fixed deposits in order to achieve the targets of all the services relations with the customers obviously plays an important role.

Management of such CRM practices must be on priority while confirming any financial transactions. This paper studies how the managerial practices are proven to achieve good CRM implementation. For this purpose, CRM strategies must be followed by the Management of the banks. Axis bank is an apex bank in providing quality service to their customers. Further as a part of CRM Axis bank is providing one-day solutions to solve the problem of the customers. In this paper researchers also focus on how the CRM practices can impact on the overall growth of the bank.

Managerial aspects are nowadays oriented towards implementing the CRM strategies which involve digital banking, holiday banking, 24 hours banking, home service, etc. Such strategies make private sector banks like Axis bank to become a differential bank and customers will get multiple choices to enjoy the services from the bank. Management of such CRM practices and implementation of strategies are studied into this research paper.

Multi-tasking services, non-banking product sale, loan recovery becomes easier when there are sustainable managerial practices towards maintaining the CRM.

This research paper further reveals the behaviour and attitude of bank employees towards the execution of Customer Relationship Management in the Bank. Further researchers will focus on awareness of the customers towards the services offered by the bank to them

Review of Literature:

Parvatiyar and Sheth (2001) say that CRM is an inclusive strategy and process of attaining, retentive and combining with selected customers to create higher value for the bank. As per the Gartner Group (2001), they suggested that more than 75% of business units are engaged in CRM promotion practices and unable to take an all-inclusive view of the customers. They observed that customer satisfaction and customer value would be achieved through leadership in CRM. Ernst & Young (1999) suggested that enterprises focusing on CRM practices adapt to new technologies. The problem occurs during communicating with customers, coordinating with processes and technologies while implementing CRM Solutions. While selecting proper technology for CRM practices, Davids (1999) commented that selection of appropriate technology and execution are success factors for the good CRM. Sometimes CRM practices may get failed and such failure may be high in some banks that result in poor customer satisfaction. The CRM initiates offering of personalized products, non-complexity and easy operational activities for completion of financial transactions (Gulati and Garino, 2000). To enhance more marketing competencies Day (2000) suggested that Business enterprises need to extend more marketing competencies for the best execution of CRM. Customer Relationship Management must influence the mindset, values, and norms of the organization. Business units must increase their knowledge and analysis of the customers from various angles. There is a strong need for orientation and incorporation of processes.

In the studies of Mueller (2010), CRM practices are highly dynamic, and every business have to adapt humanistic approach in the development of products. To regain the customers, CRM initiatives must be started at the earliest. Purchasing behavior of the customers were highlighted by Bose (2002). In his studies he mentioned that the invention of the CRM was done due to preferences and purchasing behavior of the customers. For maximization of overall growth of the organization, tailor-made products must be offered to keep customer satisfaction level high. Rogers (2011) suggested the shifting of transactional model to the relationship model is related to the global tendency in CRM. However, long-term association of the customers requires other CRM practices as well. According to the Sinkovics and Ghauri (2009), the requirement for fetching customer relationship management to high cost of direct sales, highly escalating level of competition in the global level, and need for information about various aspects of the business in general, that can be used to increase the levels of market. Utilization of a wide range of CRM techniques (Mathur, 2010). Mathur (2010) suggested a wide range of CRM techniques that to be followed in most of the business. Khurana (2010) focuses on advantages and disadvantages of the CRM. Further he related the CRM pros and cons with the software application. Greenberg stated that CRM can increase the financial status of an enterprise. Sustainable and correct CRP practices give rise to increase in sale of other banking products. Customers will be loyal towards the bank and have good relationships amongst them. While discussing the personalization of services, Dwayne Ball suggested that personalization should give a more satisfactory financial transaction, and more satisfactory and healthy relationship. Personalized services must be simpler to obtain the best services for them.

Objectives of the Study:

1. To study the behavior and awareness of the existing customers towards products/services in banking.
2. To study the service cost charged by the bank and their impact on customers.
3. To study the loyalty of the customers.
4. To study the measures taken by the Axis Bank to ensure the best customer satisfaction.
5. To observe and study the behavior and attitude of bank employees towards the execution of Customer Relationship Management in the Bank.
6. To access the awareness and happiness of the customers with the Bank.

Research Methodology:

This research paper is prepared by using primary and secondary data. It evaluates the validity and reliability of the topic.

Research and Sample Design:

The nature of research is Quantitative Research. This is an Exploratory type of research. Convenience sampling methods were used by the researchers and the Field setting was the research environment. Researchers took 100 customers as sample size and area of the sample was Axis Bank, Chinchwad Branch, Pune.

Sources of Data Collection:

Primary data was collected through questionnaires from bank officers and customers, referring bank records and profit and loss statements. While Secondary data obtained from Axis Bank website, RBI and journals.

Limitations:

Following are the few limitations faced by the researchers:

The geography was large, and I couldn't meet each and every customer. Time was the major constraint. Few customers were not cooperative while asking the questions. The brand name of the Axis Bank affected the good or bad experience of the customers. Further incorrect information given by some customers creates problems in compilation of data.

Initiatives taken by Axis bank for Customer Relationship Management:

If a Customer is loyal to the organization, then the customer is an asset to the organization. Axis bank found that more than 76% existing customers are loyal customers out of the entire customer data with them. This became possible because of best and all-inclusive CRM practices adapted by the bank. Director of the bank mentioned in the annual report that: "the bank's data warehouse, customer relationship management and analytics solutions have helped it target its existing and potential customers in a cost-effective manner and offer them products appropriate to their Profile and needs."

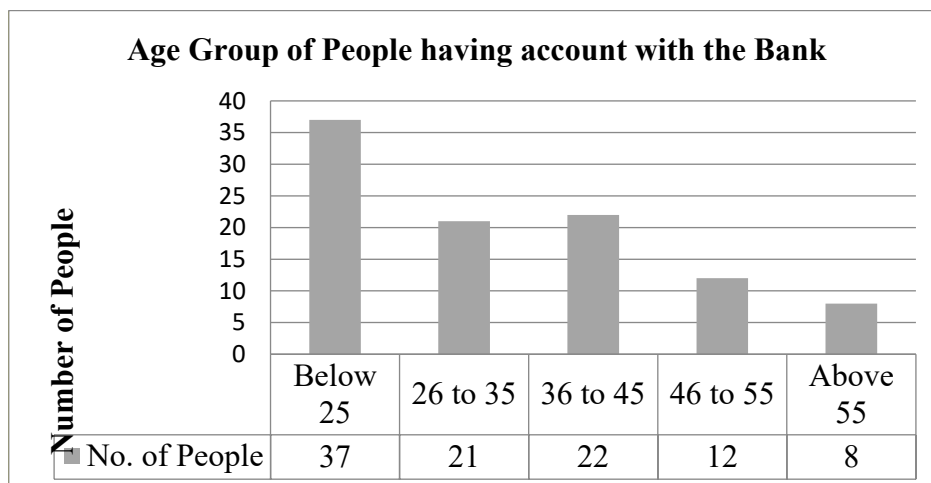
The Bank realizes the value of CRM and IT initiatives offered to the customers for becoming more loyal to the bank. BY imbibing the approach of the CRM, frauds and credit loss also gets lowered.

Initiatives taken by the Axis bank to support and implement CRM:

1. Bank established IT enabled services through which more than 60% customers utilize banking services through online mode.
2. Non – branch channels are serviced with the phone banking and ATM. Customers get multi-channel services.
3. Using Lean Sigma Tool kit, 5S and other initiatives brings more quality in service and customer delight can be obtained from the good quality service. Merge of service objectives and business objectives would bring profit and high customer satisfaction.
4. Comprehensive deposit policy: They monitor the service quality, approvals, customer surveys on annual and triennial basis.
5. To solve the queries, problems, or grievances the bank offers customer helpdesk through call centers, in branch counters, email address, and through bank's website.

Data Analysis and Interpretation

The chart shows various age group of customers having their account in Axis Bank:

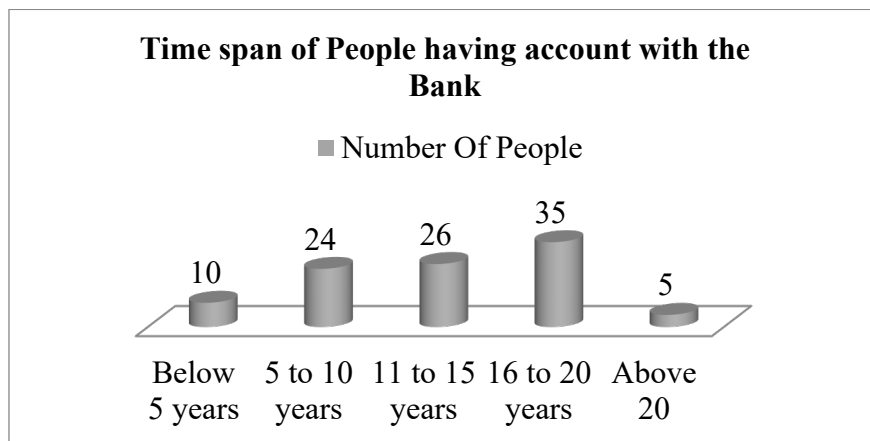


Graph No. 1: Age Group

Interpretation:

Above graph shows that the age group of people below 25 years are more interested and oriented towards the Axis Bank than in comparison with the age group of above 55 years. Young people are interested in availing the banking facilities.

The chart shows time of banking experience of customers with the Axis Bank:

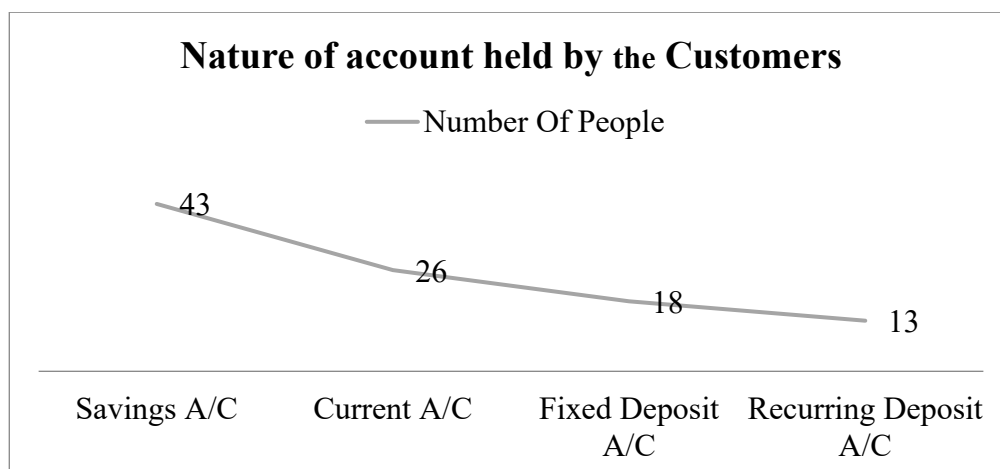


Graph No. 2: Time period of banking experience

Interpretation:

The chart states that most of the customers are in good relationships with Axis Bank for a longer period. It is because of the best CRM practices followed by the Axis Bank. It resulted in customer loyalty also.

1. The chart shows the types of account held by the customers with the Axis Bank:

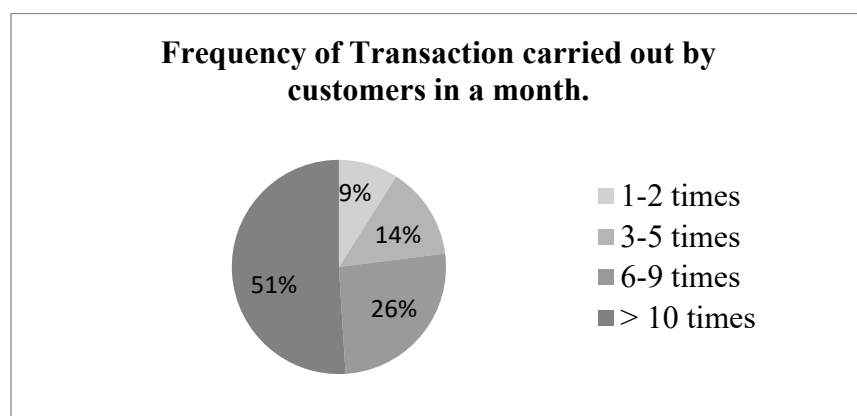


Graph No. 3: Nature of Account held

Interpretation:

Above diagram shows that more of the account holders are having savings accounts in the Axis Bank in Chinchwad region. It may be due to more people being employed rather than entrepreneurs.

The Pie chart shows the frequency of transactions done by the customers in the bank in a single month:

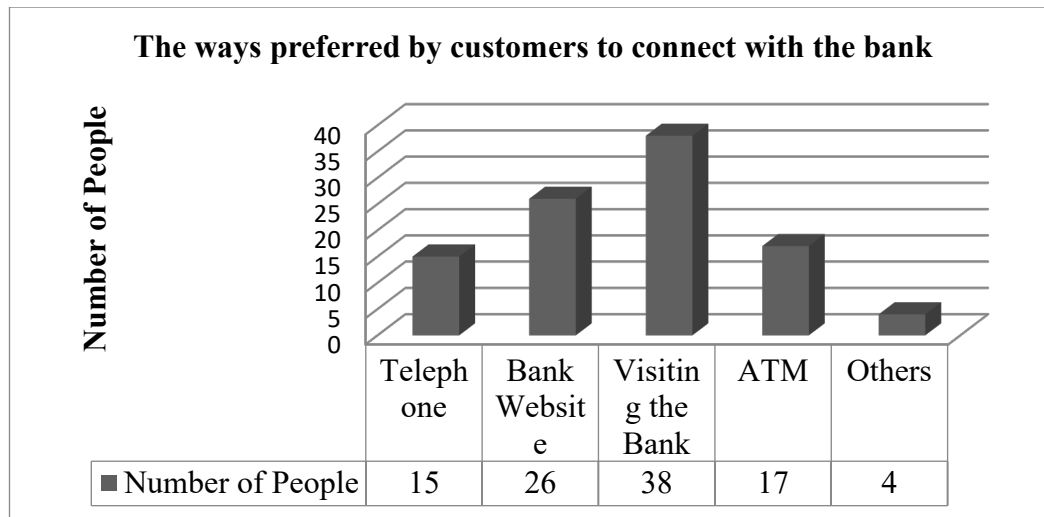


4.1: Pie Chart: Frequency of Transaction

Interpretation:

The pie chart clearly states that 51% of the customers uses banking services for buying and selling of the products as compared to the cash.

The bar diagram shows the way of customers to connect with the bank:

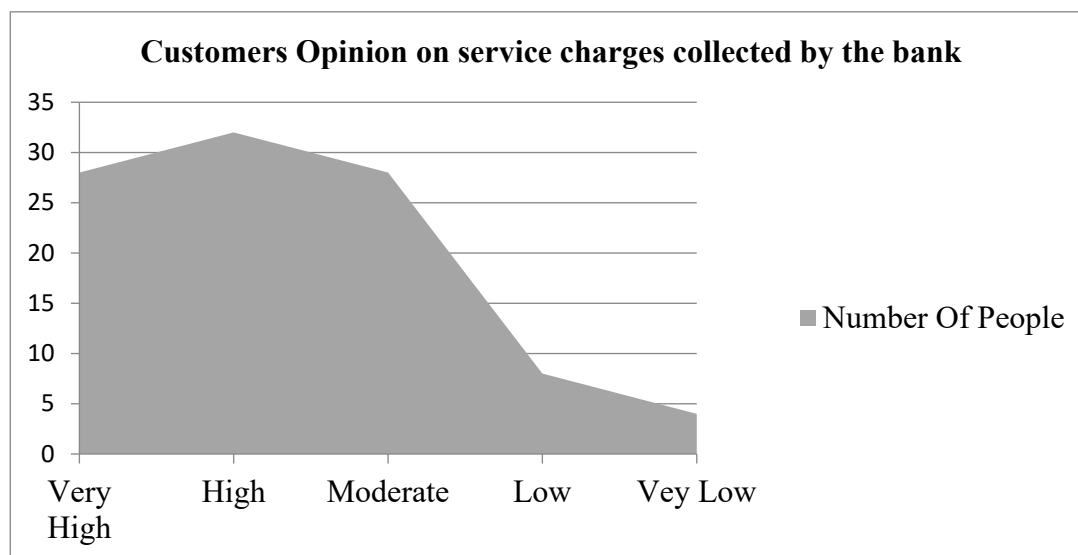


Graph No. 4: Customer connection to banks

Interpretation:

The bar diagram states that 38 customers preferred to visit the branch office of the Axis Bank for convenience in banking operations.

The chart shows customers view about the service charges charged by the bank:

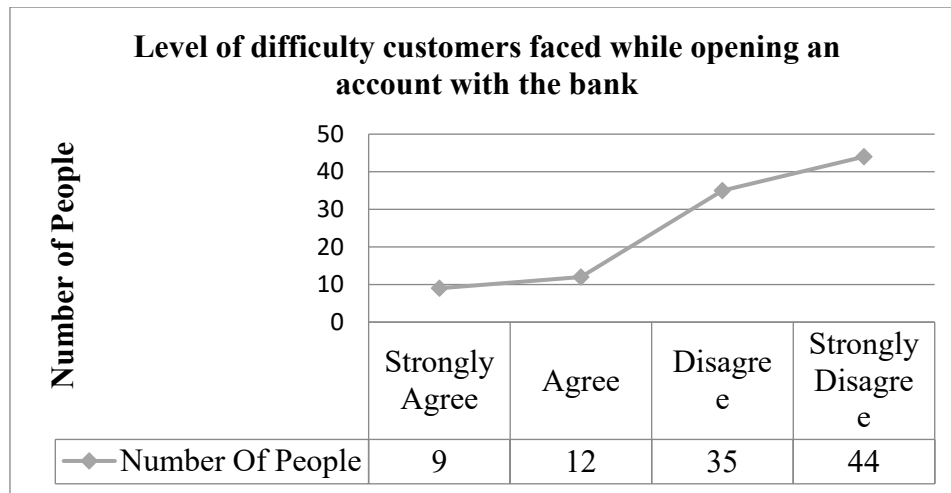


Graph No. 5: Customer Opinion on service charges

Interpretation:

The above chart shows that the customers believe that the service charges charged are little high as compared to the public sector banks.

The chart shows difficulty in opening account in Axis Bank:

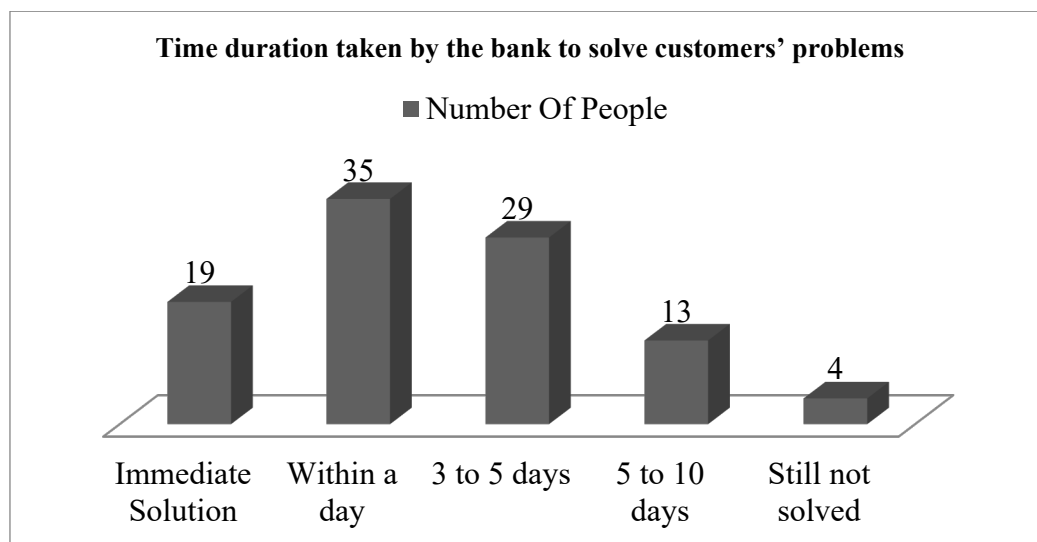


Graph No. 6: Difficulty level during account opening

Interpretation:

As per the above diagram, 44 customers are strongly disagreeing upon the difficulty in account opening. As per their experience with the Axis Bank customers are happy towards the process of account opening.

The chart shows the time duration taken by the bank to solve customers' problems:

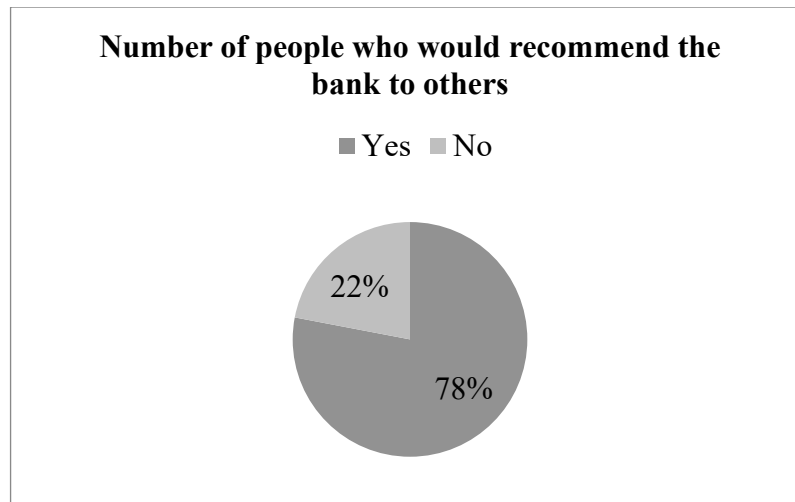


Graph No. 7: Duration to solve problem.

Interpretation:

Above chart states maximum customers get experience of same day problem solving mechanism by the Axis Bank.

The pie chart shows about customers recommending the bank to others:



9.1: Pie Chart: Recommendations of the bank to others

Interpretation:

The pie chart clearly states that 78% customers are ready to recommend the Axis Bank to others. This clearly shows the trust built by the bank amongst the customers.

Conclusion:

This research clearly shows a perfect relation between Axis Bank with their customers. It shows how the bank is sensible towards the customers in satisfying them by providing best quality service. It becomes possible because of CRM practices that are adapted by the Axis Bank. Perfect CRM practices implemented by Axis Bank brought lucrative relationships with their existing customers. It also opens direct marketing of the bank products.

Bank will get more success in maintaining a good relationship with the customers if they continue with the CRM practices. Strategic plans must be adapted by the Axis Bank to achieve the paradigm shifts in service provision. Axis Bank has several products for the customer of all types. CRM practices will develop the strategy to give more service with efficiency. Effective CRM practices help the service sector like Axis Bank in getting good and loyal customers.

Findings based on customer data:

1. 84% of customers are aware of electronic services like IT services. Remaining customers are aware about such service but are not utilizing it in full aspects.
2. ATM facility, e-banking facilities and SMS banking facilities are the most popular facilities as a part of CRM in Axis Bank.
3. 43% of customers are enjoying CRM facilities with a savings account with Axis Bank.
4. Customers are having trust in Axis Bank for investment due to good CRM facilities.
5. 44% of customers are having a disagreement about the poor quality of the services provided by Axis Bank.
6. 35% Customers responded towards the best service of Axis Bank. As per their opinion Axis Bank solves problems of the customers within one working day.
7. 78% Customers showed their interest in promoting and recommending the Axis Bank to others. This clearly shows that the CRM programme run by the Axis Bank is making a positive impact on their growth.

Findings based on Interview with Manager:

1. The Management of the Axis Bank is cooperative in nature. They always promote the CRM practices at branch level.
2. The bank policy describes the empowerment of the staff towards delivery of the best service to their customers.
3. Axis Bank is fulfilling most of the relevant expectations from the customers like ease in e-banking, data safety, hassle free banking, etc.
4. Secured payment process at 3 tier system is getting operated in Axis Bank.
5. As per the data received, more than 72 % Customers are satisfied with the operations of the bank.

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