

CUSTOMER RELATIONSHIP MANAGEMENT AND CUSTOMER SATISFACTION IN COOPERATIVE BANKS: AN EMPIRICAL STUDY OF NASHIK CITY

Akansha Dadasaheb Kadam

Head, Department of Commerce, MVPs K.K.Wagh Arts, Science and Commerce College,
Pimpalgaon (B)

Abstract

The term Customer Relationship Management is used to reflect a variety of themes and perspectives in Indian banking sector. Customer Relationship Management system supports to track customer interactions with objectives of personalized products and services to their customers. Customer Relationship Management works as an effective way to integrate customer's management and service strategies in order to increase customer benefits and optimize customer relationship in the long term. The practice of Customer Relationship Management is often perceived as a win-win proposition, where a firm can support to solve raising problems and at the same time building the confidence in the minds of the customers. Changes in the traditional banking models helps to enhance technological development and the move from mass management towards the era of customized management have also fostered the adoption of Customer Relationship Management approach. Consequently, mainly leading firms have taken advantages of utilizing Customer Relationship Management to expand their markets and create loyal customers.

Key words: Cooperative Banks, Customer Relationship Management, banking sector

Introduction

A narrow perspective of Customer Relationship Management is database management emphasizing the promotional aspects of management which are linked with the technological database. Entry of new banks resulted in a paradigm shift in the ways of banking in India. The growing competition, growing expectations led to increased awareness amongst banks on the role and importance of technology in banking. The arrival of foreign and private banks with their superior state of the art technology-based services pushed Indian banks also to follow suit by going in for the latest technologies so as to meet of competition and retain their customer base. Customer Relationship Management practices are increased by practitioners and academics for the purpose of development of banking sector by solving the problems of customers related with the techno-based services, which make impact on the customers relationship with the banks. Customer Relationship Management is one of the essential tools in the banking sector which helps in increasing the goodwill of banks and also in increasing the service quality and feedback of customers regarding techno-based services.

Objectives

1. To study the purpose of Customer Relationship Management in banking sector.
2. To know the benefits of Customer Relationship Management practices in banking sector.
3. To study Customer Relationship Management practices in Cooperative Banking Sector.

Research Methodology

The entire research paper is based on the primary data and secondary data which are related with the customer services provided by sample banks to their customers. For this purpose, 100 customers from Nashik City having bank account in Cooperative Banks are selected. Structured questionnaire is used

for collecting primary data. Secondary is collected from various books, journals, reports, research articles, etc.

Review of Literature

The awareness and satisfaction of customers while using the services are found low and the main reason is of managerial and technological problems many customers are not using the services. (R.K. Mittal & Rajeev Kumar, 2001) Various banking instruments mainly ATM and Credit Cards are used for making purchases and sales transactions on international level. (Norudin Mansor 2003) Banks are pioneers in IT investment and introducing new concepts like Sunday Banking, Any Time Banking, Flexi-Banking etc. (Adele Berndt 2005) Narsimham committee recommended the entry of e-banking technology have to provide high-quality customer service to meet long pending aspirations of the Bank customers. (B. C. Saraswathy 2006) Banks can motivate people towards savings and earnings. Banks can fulfill their financial requirements for development of Agriculture and Industries through expansion of Banking facilities. (Judy Strauss 2006) Modernization has taken place in the field of banking so it becomes easy to withdraw the cash from ATM Centre of any bank within few seconds. With the help of core banking system any cheque of same bank has been cleared within a minute and without charging any amount as the service commission. (Madhu Jasola 2008)

Purpose of Customer Relationship Management Policy

A Customer Relationship Management system is purposive and supports to improve customer relationship. The main purposes of Customer Relationship Management are;

1. To enhance customer services
2. To improve customer services
3. To know the customers which are valuable for the development of banks
4. To enhance customer retention with using customer retention policy regarding e-banking technology.

Not only for the above purposes but Customer Relationship Management is essential for overall development of banks and to increase the profitability of banks by performing such type of services with the support of Customer Relationship Management practices.

Benefits/advantages of Customer Relationship Management in Banking Sector

A) Benefits to Banking sector

1. It becomes easy to the Management of banks to identify their customers with the help of profile of customers.
2. Customer Relationship Management supports to increase the profit level in banking sector.
3. As a result of profitability, Customer Relationship Management supports to increase goodwill of banks.
4. Customer Relationship Management helps to increase participation of customers and their ratio in growing competitive era.
5. Customer Relationship Management helps banks to know the efficiency of management regarding e-services.

B) Benefits for Bank Customers

1. Customer Relationship Management supports to increase the service quality and quantity to their customers.
2. Customer Relationship Management enhance the satisfaction level of customers
3. Customers get prompt services without wasting their time
4. Customer Relationship Management provides personalized services which enhance satisfaction of customers
5. It saves customers' valuable time

Analysis and Interpretation of Customer Relationship Management practices

The performance, success and development of sample cooperative banks are dependent on the relationship between bank employees and bank customers. Following points are related with primary data analysis and interpretation which is related with Customer Relationship Management practices in sample Cooperative banks;

1. It is observed that there are 83% bank customers who are experiencing proper guidelines/ suggestions/ solutions from the bank employees of sample cooperative banks, which is the main reason for the bank customers to be connected with these sample cooperative banks. It highlighted that proper Customer Relationship Management practices in sample cooperative sector banks are resulted into increasing the number of customers, bank profitability and overall development of banks in the growing competitive and globalized era.
2. It is opined that 27% sample respondents from sample cooperative banks are in need of proper training program or orientation program which should be organized by sample cooperative banks. This will help to the bank customers to control their banking related issues and to make overall development of banks by minimizing their transaction costs.
3. It is realized that the 89% sample customers of the sample banks have defined that they get accurate and proper information of their account as per their requirement.

Findings

1. It is realized that good Customer Relationship Practices in cooperative banks resulted into increasing the profitability of banks and supports to survive in global growing competitive era.
2. It is realized that, the customers need proper training to solve their problems while using banking services.
3. It is noted that from the sample customers of sample banks, 89% customers are experiencing accuracy in their banking transactions and also getting proper information of their bank accounts regarding the transactions which they performed.
4. It is realized that 75% sample respondents have availability of modern technological instruments, hence they are enjoying with Customer Relationship Management practices as per their need,
5. It is observed that from the sample customers of sample banks, there are 87% customers enjoying their banking transactions with proper internet connectivity.

From this research survey, the researcher has realized that among sample banks Customer Relationship Management System structurally does not exist in the branches of the sample bank and the said system exists in the headquarters of the sample banks. Since customer relationship management system is expensive, the system is designed only at the headquarters and implemented in all branches. However, model banks have been able to survive in this changing environment and increasing competition, and

the main reason for this is the strict implementation of the target strategies from the head office. But still the sample cooperative banks are performing in good situation with the available resources and with entire skills and capabilities.

Conclusion

Customer relationship management is a comprehensive and widely used strategy for bank development. This system develops an interaction between the customers of the bank, and the services provided by the bank. Customer relationship management involves the use of modern technology to automate and synchronize various services with a view to developing bank business. It mainly includes sales of bank services based on information technology, management of bank services, customer service and technical support. The objectives of the bank are to find new customers, attract its customers, increase the number of customers and overall increase the reputation of the bank by providing various types of services to the customers and overall increase the profitability of the bank. Modern services provide 24*7 services to the customers saving time and labor of the customers and also saving the bank's expenses and increasing the number of customers, resulting in increased profitability of the bank.

References

1. R.K. Mittal & Rajeev Kumar, 2001, 'Cooperative: Growth and New Dimensions', Discovery Publishing House, New Delhi
2. Norudin Mansor, 2003, 'The Financial Sector in India-Emerging Issues', Oxford Publications, Pp-154-177
3. Adele Berndt, 2005, Banking, Micro Finance and SGs in India, 'Performance of Private Sector Banks in Erode District', New Century publication, New Delhi, First Edition
4. B. C. Saraswathy, 2006, Indian Banking Moving Towards Better Tomorrow, 'Innovations in Banking', R.K. Uppal, Editorial, Mahamaya publishing house, New Delhi, 2009, pp-43-47
5. Judy Strauss, 2006, editorial, Indian Banking Industry in 2020, 'Globalization', Mahamaya Publishing house, Pp-19
6. Madhu Jasola, 2008 Indian Banking Industry in 2020, 'Indian Financial Services', R.K.Uppal, Editorial, Mahamaya Publishing House, Page No. 266-276
7. Mathur B.S., (2005), 'Co-operation in India', Sahitya Bhavan, Agra, Pp-73
8. Gokhale S.D. (2009), 'Problems & Prospectus of Rural Development in Maharashtra', Shrividya Prakashan, Pune, Pp-46-48
9. Govilkar Vinayak, 'Rural Development', An article in Daily Lokmat, dated Oct., 2013, Pp-6
10. Editorial, 'Co-operative banking in India,' The Economic Times, 24th March, 2011
11. Tripathy S.N. (2000), 'Cooperative: Growth and New Dimensions', Discovery Publishing House, New Delhi
12. Agrawal Meenu, 'Regional Rural Banks in India', First Edition 2009, New Century Publications, New Delhi
13. Thakur Vishwas, (Chairman-Vishwas Cooperative Bank limited, Nashik), an article, 'Dynamic changes in banking sector', in Daily Deshdoot, supplement of Banking Special, dated 20th Feb., 2015, Pp-1

