

A Study on the Impact of CRM in Bank

by **Sudip Kumar Das**, *Resource Person,*
Department of Commerce,

M.G. Govt. College, Mayabunder - 744204

Ritu Kumari Tigga, *Resource Person,*

Department of Commerce,

M.G. Govt. College, Mayabunder - 744204

&

Neha Kandulna, *Resource Person,*

Department of Commerce,

M.G. Govt. College, Mayabunder - 744204

Introduction :

Customer Relationship Management (CRM) primarily caters to all interactions with the customers or potential customers, across multiple touch points including the Internet, bank branch, call center, field organization and other distribution channels. CRM software is a vital business management tool for the banking sector. For any service-based industry, an apt customer management is a primary determinant, which is capable of changing the companies face. A great CRM solution can assist any sector in marketing new customers, deal closure and facilitating outstanding support service. But the perks for banking sector are lucrative exceptions.

Need of Customer Relationship Management in Banks:

➤ **Customer Information Consolidation :**

Instead of customer information being stored in product centric silos, (for e.g. separate databases of savings account & credit card customers), with CRM the

information is stored in a customer centric manner covering all the products of the bank. CRM integrates various channels to deliver a host of services to customers, while aiding the functioning of the bank.

➤ **360-degree view of company :**

This means whoever the bank speaks to, irrespective of whether the communication is from sales, finance or support, the bank is aware of the interaction. Removal of inconsistencies of data makes the client interaction processes smooth and efficient, thus leading to enhanced customer satisfaction.

➤ **Personalized sales home page :**

CRM can provide a single view where Sales Managers and agents can get all the most up-to-date information in one place, including opportunity, account, news, and expense report information. This would make sales decision fast and consistent.

➤ **Lead and Opportunity Management :**

These enable organizations to effectively manage leads and opportunities and track the leads through deal closure, the required follow-up and interaction with the prospects.

➤ **Operational Inefficiency Removal :**

CRM can help in Strategy Formulation to eliminate current operational inefficiencies. An effective CRM solution supports all channels of customer interaction including telephone, fax, e-mail, the online portals, wireless devices, ATMs, and face-to-face contacts with bank personnel. It also links these customer touch points to an operations center and connects the operations center with the relevant internal and external business partners.

➤ **Enhanced productivity :** CRM can help in enhanced productivity of customers, partners and employees.

Importance of CRM in Banking Sectors:

➤ **Better Segmentation for Customers :**

Banks need to work towards a customer-centric business model which is needs-based. CRM in banking enables banks to correctly stratify their customers based on a variety of factors such as:

- ✓ Gender
- ✓ Demography
- ✓ Age
- ✓ Income
- ✓ Credit rating and so on.

Moreover, it will also allow segmentation based on investment scheme preference, investment size, customer ship duration, and more. This classification will act as a specific parameter to evaluate the data provided by the CRM tool. Eventually, the personalized approach will significantly support banks in targeting and reaching out to each customer, as well as nurturing the business relationship with them.

➤ **Boosted Sales :**

By implementing the right BFSI CRM, banks will be able to provide the digital-first banking experience that consumers expect. A Mobile CRM can help banks launch digitization across both online and mobile banking experiences, just from simple on boarding to real-time service solutions. The tool will help identify, nurture and convert leads for the better and enhanced functioning of the banks.

➤ **360-Degree of View for Every Customer :**

A banking CRM is a unified system that combines with banking software applications to provide you a single picture of all of your customers' accounts. Every predetermined action a consumer makes can be logged in the CRM, from making an ATM transaction to requesting information about a specific sort of loan.

➤ **Train your Workforce :**

One of the key benefits of CRM in the banking sector is the elimination of repetitive administrative activities when all customer information is stored in one system. This allows employees to spend less time trawling through data and more

time nurturing client relationships. Conduct monthly training sessions for your employees in order to make them more efficient and productive.

➤ **Better Service :**

CRM with all things in real-time makes it effortless for bank representatives to add notes about client requirements and hence makes following up much easier. With online banking available at our fingertips, bankers should be able to proactively offer personalized services and experiences to their customers. Strengthen your customer service with a CRM's Omni channel experience that allows you to efficiently manage customers reaching out through calls, chat, email, social media, or mobile applications.

Conclusion :

CRM is a simple philosophy that places the customer at the heart of a business organization's activities, processes and culture to improve his satisfaction of service and, in turn, maximize the profits for the organization. A successful CRM strategy aims at understanding the needs of the customer and integrating them with the organization's strategy, people, and technology and business process.

References :

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