

CUSTOMER RELATIONSHIP MANAGEMENT - OVERVIEW OF PUBLIC AND PRIVATE SECTOR BANKS IN TAMIL NADU

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Abstract

Customer relationship management enables the banking industry to communicate with customers and potential human resources through technology. These characteristics aid banks in gaining a better understanding of customer behavior and values. Through CRM, banks may provide better service to their customers while also assisting their employees in closing deals faster, finding new customers, selling products more effectively, simplifying sales procedures, and increasing consumer revenue. It is not possible to achieve this by purchasing and installing software on the system. The bank must select what type of consumer information they require and what they will do with it once they have it. After going through all of these steps, the banks decide on and implement a model that effectively engages with customers and provides them with what they require to increase customer satisfaction.

Keywords: *Public Sector Banks, Private Sector Banks*

Introduction

When the Banking Industry in India underwent a Repaid Change as a result of a Series of Fundamental Developments, the paradigm of traditional banking was modified. The most major role in this transition is played by information technology and communication systems. The Information Technology and Communication Networking System have revolutionized the way banks operate. It has boosted their profits, and banks are increasingly focusing on organic growth through new customer acquisition and retention. The major goal of incorporating CRM into a business strategy is to streamline the marketing and sales process to improve customer service. It also aids in the discovery of new consumers as well as the increase of client revenue.

Objectives

- To compare and contrast the public and private sector banks' CRM performance.
- To investigate the relationship between CRM practices and consumer attitudes toward elements that influence service quality.
- To provide appropriate solutions for improving CRM processes in a small group of private banks.
- To investigate the advantages of CRM in the banking sector.
- To Research the Cheek Lists of Public and Private Sector Banks

Public and Private Banks

Public sector banks are those whose entire or majority ownership is held by the government. Private sector banks are those in which people and corporations own the majority of the stock. Customer retention management is concerned with retaining customers in the customer inventory for an indefinite time by meeting their needs and exceeding their expectations. It is a strategy for turning casual customers into committed loyal clients.

1. CRM is focused on a single department, and only a small percentage of clients believe CRM is used at all levels of the bank. CRM has been regarded as the primary responsibility of banks, and as a result, banks believe that CRM is the ideal tool for doing the job of providing good services.
2. According to customers of selected banks, customer retention is not a significant challenge for banks. The selected banks' CRM practices are not up to par in terms of maintaining critical clients.
3. The majority of customers are unsure about CRM's value in fostering customer loyalty. All of the bank's departments participate in CRM initiatives.
4. All clients are unsure about their bank's CRM, which includes the establishment of a complete customer database. Banks' technological advancements were ineffective in providing up-to-date and current information via CRM.
5. The customers of the chosen bank are exposed to the new tactics. CRM is discovered to be limited to a mention in the annual report of public sector banks. Customers are also strongly opposed, and some are unsure about the CRM activity carried out by their banks through e-Marketing.
6. The majority of clients refuse to acknowledge that the selected banks are not genuinely interested in CRM operations, but rather treat them as a necessity. Employees have viewed CRM as an added workload, yet they believe CRM is beneficial to both customers and banks.
7. It has been discovered that the technological requirements for CRM installation do not necessitate advanced country surroundings. The basic physical facilities and technology tools that are available in India are ideal for the banking industry's deployment of CRM.

Benefits of CRM in Banking Sectors

The customer anticipates flawless service. Whether he asks a dealer, calls a helpline, browses a website, or visits a store in person. It is vital to reassure him that he is communicating with the same company regardless of the mode of communication, time, or location he chooses.



- Satisfied customer does not consider leaving
- The ability to sell more products
- Greater number of individual contacts with customers
- More time for customer
- Differentiation from competition
- Real time access to information
- Fast and reliable predictions
- Communication between marketing, sales and services
- Increase in effectiveness of teamwork
- Increase in staff motivation

Check List of Public Sector Banks in India 2020

| S.No | Bank name | Establishment | Headquarter |
|------|-----------------------|---------------|----------------------|
| 1 | Bank of Baroda | 1908 | Vadodara, Gujarat |
| 2 | Bank of India | 1906 | Mumbai, Maharashtra |
| 3 | Bank of Maharashtra | 1935 | Pune, Maharashtra |
| 4 | Canara Bank | 1906 | Bangalore, Karnataka |
| 5 | Central Bank of India | 1911 | Mumbai, Maharashtra |
| 6 | Indian Bank | 1907 | Chennai, Tamil Nadu |
| 7 | Indian Overseas Bank | 1937 | Chennai, Tamil Nadu |
| 8 | Punjab and Sind Bank | 1908 | New Delhi, Delhi |
| 9 | Punjab National Bank | 1894 | New Delhi, Delhi |
| 10 | State Bank of India | 1955 | Mumbai, Maharashtra |
| 11 | UCO Bank | 1943 | Kolkata, West Bengal |
| 12 | Union Bank of India | 1919 | Mumbai, Maharashtra |

Check the List of Private Sector Banks in India 2020

| S.No | Bank name | Establishment | Headquarter |
|------|--------------|---------------|----------------------|
| 1 | Axis Bank | 1993 | Mumbai, Maharashtra |
| 2 | Bandhan Bank | 2015 | Kolkata, West Bengal |

| | | | |
|----|--------------------------|------|-----------------------------|
| 3 | CSB Bank | 1920 | Thrissur, Kerala |
| 4 | City Union Bank | 1904 | Thanjavur, Tamil Nadu |
| 5 | DCB Bank | 1930 | Mumbai, Maharashtra |
| 6 | Dhanlaxmi Bank | 1927 | Thrissur, Kerala |
| 7 | Federal Bank | 1931 | Aluva, Kerala |
| 8 | HDFC Bank | 1994 | Mumbai, Maharashtra |
| 9 | ICICI Bank | 1994 | Mumbai, Maharashtra |
| 10 | IndusInd Bank | 1964 | Mumbai, Maharashtra |
| 11 | IDFC FIRST Bank | 2015 | Mumbai, Maharashtra |
| 12 | Jammu & Kashmir Bank | 1938 | Srinagar, Jammu and Kashmir |
| 13 | Karnataka Bank | 1924 | Mangaluru, Karnataka |
| 14 | KarurVysya Bank | 1916 | Karur, Tamil Nadu |
| 15 | Kotak Mahindra Bank | 2003 | Mumbai, Maharashtra |
| 16 | Lakshmi Vilas Bank | 1926 | Chennai, Tamil Nadu |
| 17 | Nainital bank | 1922 | Nainital, Uttarakhand |
| 18 | RBL Bank | 1943 | Mumbai, Maharashtra |
| 19 | South Indian Bank | 1929 | Thrissur, Kerala |
| 20 | Tamilnad Mercantile Bank | 1921 | Thoothukudi, Tamil Nadu |
| 21 | YES Bank | 2004 | Mumbai, Maharashtra |
| 22 | IDBI Bank | 1964 | Mumbai, Maharashtra |

Public and Private Sector Banking Details

As of December 2018, the total number of bank branches in Tamil Nadu was 10576. As of December 2018, the following is the distribution of bank branches in Tamil Nadu by group:

| S. No. | Bank | No. of Branches | | | | |
|--------|--------------------------------|-----------------|-------------|-------------|-------------|--------------|
| | | Rural | S. Urban | Urban | Metro | Total |
| | GroupWise Consolidation | | | | | |
| 1 | State Bank Group | 296 | 436 | 248 | 209 | 1189 |
| 2 | Nationalised Banks | 1582 | 1747 | 1076 | 829 | 5234 |
| 3 | Other Public Sector Banks | 15 | 49 | 30 | 18 | 112 |
| 4 | Private Sector Banks | 737 | 1381 | 760 | 699 | 3577 |
| 5 | Regional Rural Banks | 343 | 249 | 34 | 0 | 626 |
| 6 | Foreign Banks | 0 | 0 | 0 | 20 | 20 |
| | Grand Total | 2973 | 3862 | 2148 | 1775 | 10758 |

| | | | | | | |
|----|--------------------------------------|-----|-----|-----|-----|------|
| | State Bank Group | | | | | |
| 1 | State Bank of India | 296 | 436 | 248 | 209 | 1189 |
| | Nationalised Banks | | | | | |
| 2 | Allahabad Bank | 5 | 16 | 24 | 20 | 65 |
| 3 | Andhra Bank | 24 | 61 | 53 | 42 | 180 |
| 4 | Bank of Baroda | 27 | 80 | 43 | 42 | 192 |
| 5 | Bank of India | 70 | 68 | 46 | 41 | 225 |
| 6 | Bank of Maharashtra | 2 | 3 | 14 | 10 | 29 |
| 7 | Canara Bank | 306 | 287 | 155 | 98 | 846 |
| 8 | Central Bank of India | 61 | 61 | 52 | 37 | 211 |
| 9 | Corporation Bank | 73 | 75 | 43 | 25 | 216 |
| 10 | Dena Bank | 3 | 8 | 19 | 12 | 42 |
| 11 | Indian Bank | 377 | 345 | 176 | 141 | 1039 |
| 12 | Indian Overseas Bank | 437 | 388 | 164 | 131 | 1120 |
| 13 | Oriental Bank of Commerce | 1 | 11 | 22 | 24 | 58 |
| 14 | Punjab National Bank | 25 | 65 | 43 | 46 | 179 |
| 15 | Punjab & Sind Bank | 1 | 0 | 8 | 7 | 16 |
| 16 | Syndicate Bank | 79 | 105 | 73 | 42 | 299 |
| 17 | UCO Bank | 20 | 31 | 30 | 28 | 109 |
| 18 | Union Bank of India | 44 | 89 | 55 | 36 | 224 |
| 19 | United Bank of India | 4 | 8 | 16 | 12 | 40 |
| 20 | Vijaya Bank | 23 | 46 | 40 | 35 | 144 |
| | Other Public Sector Banks | | | | | |
| 21 | IDBI Bank Ltd. | 15 | 49 | 30 | 18 | 112 |
| | Private Sector Banks | | | | | |
| 22 | Axis Bank Ltd. | 44 | 111 | 65 | 85 | 305 |
| 23 | Catholic Syrian Bank Ltd. | 3 | 23 | 21 | 11 | 58 |
| 24 | City Union Bank Ltd. | 91 | 217 | 72 | 46 | 426 |
| 25 | Dhanalakshmi Bank Ltd. | 2 | 11 | 9 | 9 | 31 |
| 26 | Federal Bank Ltd. | 36 | 57 | 17 | 27 | 137 |
| 27 | HDFC Bank Ltd. | 18 | 85 | 64 | 87 | 254 |
| 28 | ICICI Bank Ltd. | 137 | 173 | 82 | 93 | 485 |
| 29 | Indus Ind Bank Ltd. | 0 | 23 | 44 | 95 | 162 |
| 30 | Jammu & Kashmir Bank Ltd. | 0 | 0 | 1 | 3 | 4 |
| 31 | Karnataka Bank Ltd. | 0 | 10 | 21 | 19 | 50 |
| 32 | KarurVysya Bank Ltd. | 103 | 195 | 82 | 44 | 424 |
| 33 | Kotak Mahindra Bank Ltd. | 5 | 18 | 23 | 35 | 81 |

| | | | | | | |
|----|-----------------------------|-------------|-------------|-------------|-------------|--------------|
| 34 | Lakshmi Vilas Bank Ltd. | 80 | 116 | 66 | 32 | 294 |
| 35 | South Indian Bank Ltd. | 40 | 51 | 35 | 20 | 146 |
| 36 | Tamilnad Mercantile Bk Ltd. | 104 | 194 | 50 | 21 | 369 |
| 37 | Yes Bank | 0 | 3 | 14 | 22 | 39 |
| 38 | Ratnakar Bank Ltd | 6 | 7 | 4 | 6 | 23 |
| 39 | Equitas Small Finance Bank | 53 | 54 | 27 | 16 | 150 |
| 40 | Ujjivan Small Finance Bank | 14 | 30 | 18 | 3 | 65 |
| 41 | Bandhan Bank Ltd | 0 | 3 | 41 | 18 | 62 |
| 42 | IDFC Bank | 1 | 0 | 4 | 7 | 12 |
| | Regional Rural Banks | | | | | |
| 43 | Pandiyana Grama Bank | 178 | 139 | 18 | 0 | 335 |
| 44 | Palaver Grama Bank | 165 | 110 | 16 | 0 | 291 |
| | Foreign Banks | | | | | |
| 45 | Royal Bank of Scotland N.V. | 0 | 0 | 0 | 1 | 1 |
| 46 | American Express Bank | 0 | 0 | 0 | 1 | 1 |
| 47 | Bank of America | 0 | 0 | 0 | 1 | 1 |
| 48 | Bank of Ceylon | 0 | 0 | 0 | 1 | 1 |
| 49 | Bank of Nova Scotia | 0 | 0 | 0 | 1 | 1 |
| 50 | BNP Paribas | 0 | 0 | 0 | 1 | 1 |
| 51 | City Bank | 0 | 0 | 0 | 3 | 3 |
| 51 | City Bank | 0 | 0 | 0 | 3 | 3 |
| 52 | Credit Agricole | 0 | 0 | 0 | 1 | 1 |
| 53 | Hongkong&Shanghai Bank | 0 | 0 | 0 | 1 | 1 |
| 54 | Standard Chartered Bank | 0 | 0 | 0 | 7 | 7 |
| 55 | State Bank of Mauritius | 0 | 0 | 0 | 1 | 1 |
| 56 | The Bk of Tokyo-Mitsubishi | 0 | 0 | 0 | 1 | 1 |
| | Grand Total | 2919 | 3763 | 2156 | 1738 | 10576 |

Conclusion

Because of advances in information technology, India's service sector is rapidly expanding and making a significant contribution to economic development. Banking services play an important part in the growth of individual customer business and social life in a variety of service industries. In the wake of liberalization and globalization, managing consumer relationships has become an indisputable concern. The study's main goal is to increase the quality of the bank's interaction with its customers, hence

enhancing the benefits of their long-term partnership. One of the most significant parts of a bank's relationship with its customers is the quality of its services. When they attract and build a solid relationship with a prospective consumer through their services, they can turn them into a loyal customer. The study will assist banks in gaining a better understanding of their customers' banking perceptions and expectations regarding the services they provide.