

**Drivers, Barriers, Advantages of Customer Relationship Management and
Customer Behaviour - A Study with reference to Private Commercial Banks
at Bengaluru**

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Abstract

The center of activity in banking industry is customer satisfaction. Innumerable factors drivers the customer satisfaction and factors driving vary from one country to another depending upon socio economic and political development of the region. A change in demographic profile of customers will bring a lot of change in living styles, standards of living etc. For private commercial banks to be successful in the severe competitive world, they are bound to attach significance to customer satisfaction (Dugu Recoglu, 2012). Customer Relationship Management is one of the best and approachable in maintaining the relationship with customers in private sector. Moreover, effective CRM implementation will bring more enhanced avenues to the banks. In the service sector particularly banks is always a concerned in understanding the customer relationship Management activity. Customer Relationship Management always focus the customers need and wants without delay in time (Shailaja Pal, 2018). Therefore the concept of CRM is more emphasised now-a-days and a fair treatment is given in relation to banking services. There is a need to constantly improve the customer satisfaction in the use of multiple number of banking services and should offer and provide more friendly services to make modern competitive private banks initiatives a delight for the customer use. CRM is being seen as a tool to acquire and retain customers using the one of the efficient channels known as web (Waseem John et al., 2014). Hence, competition for customer is intensive. Against this background a study on CRM and customer behaviour has been taken up. The present study reveals about the drivers of CRM and found that respondents strongly agree over the statements impacting CRM. The barriers of CRM includes absence of communication and technology, absence of commoditization of products, inter-departmental inconsistencies and lack of scientific customer segmentation. Further, it was found that some related drivers impacts the customer behaviour. Finally, the study reveals about the advantages of CRM and

found clearly at Bangalore a ‘Silicon city’, ‘Science city’, ‘Garments hub’ many of the customers availing the advantages of CRM.

Keywords : Customer satisfaction, loyalty, competition, needs, strategy, change, retention.

Introduction

Customer relationship management is employed in the business strategy to gain and retain the existing loyal customers relationship., The present age marketing focuses at winning customers through the principle of customer delight and customer life time value (Tarannum Syed, 2014). Today, many of the business houses like banks, insurance companies and service providing organizations understand the utility of CRM and its potential to help to acquire new customers retaining the existing (Shailaja Pal, 2018).

CRM as a sound business strategy if implemented in an orderly manner a extended relationship can be established with customers. This facilities the business to survive well and to attain higher avenues. In addition to his the very concept CRM improves the business through proper understanding of customer needs and works for the attraction of new and retention of existing customers. The survivability of private banks in this high competitive business area the bankers should think of satisfying the customers and try to improve customers interest. Due to severe competition existing in the banking industry customer satisfaction has gained high significant and acts as a catalyst in stopping customer switch over to rival bankers. In order to please the customer without opting to rival another bank the banking industry has to raise the customer satisfaction to a higher level and this can be achieved though attaching significance to CRM.

Statement of the problem

Gaining customer loyalty is not an easy task and loyalty can be achieved through a better designed CRM strategy. Private commercial banks at Bengaluru can attain more profits through better implementations of designed CRM strategy. The precious researchers highlights that the post regulation period brings only low margins and banks must be careful and concentrate services to the customer through a better CRM policy. In the beginning the cost of development of relationship always greater than the profits, but when relationship grows new demands will emerge from customers and incremental reverse will be higher (Shiva Prasad, 2013).

Customer satisfaction and loyalty cannot be only attained through technology and hence service channel is most important. CRM in private banks aims at better understanding of customer needs and integrating them with organisations strategy, people, technology and business process. In order to establish long term relationship it is essential to materialise the customer expectations. On account of severe competition at the global level and changed demographic characteristics of customers banks should be aware of all changes and follow a better suitable to the area CRM strategy.

Review of Literature

Tarannum Syed et al., (2018) have stated that almost all the banks have embraced CRM as a tool for customer acquisition, satisfaction and retention. Further, they have highlighted that CRM is a business strategy which increases customer value and assures that a customer stays loyal which is very critical for growth and profitability of banks.

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Waseem John et al., (2014) stated that retaining the existing customers is more profitable since there is a general notion that retention is less costly than acquiring new customers. Further, the researchers stated that e-CRM is currently being debated as one of the new advancements in marketing which can address the marketing problems.

Priya et al. (2013) have stated that private, public and foreign sector banks can use CRM concept in converting customer need as business opportunity. Their study further reveals that there is a significant difference towards use of CRM tool for measuring customer satisfaction among various groups of banks.

Rozita Shahbha (2012) reports that the benefits of CRM is to improve relationships with customers in organisations and e-commerce.

Objectives of the study:

- (1) To analyse the drivers of Customer Relationship ManagementM in private sector banks.
- (2) To examine the barriers of successful implementation of CRM.
- (3) To understand the factors impacting consumer behaviour.
- (4) To analyse the advantages of CRM in private commercial banks.

Hypotheses:

- (1) There are no drivers of CRM in private commercial banks.
- (2) There are no barriers for the successful implementation of CRM.
- (3) No factors are impacting consumer behaviour.
- (4) There are no advantages of CRM in private commercial banks.

Research questions:

- (1) What kind of drivers impacts CRM in private commercial banks at Bengaluru?
- (2) Its there any barriers that impacts successful implementation of CRM?
- (3) What factors impacts consumer behaviour?
- (4) What are the advantages of CRM in private commercial banks?

Research Methodology: The research design that was used in the present research is survey design. The survey design aims at collecting information about drivers of CRM, barriers for the implementation of CRM, advantages of CRM and factors impacting consumer behaviour.

Study population & Sample size : Convenience sampling technique is followed in the present study purpose. Considering the fact that it is difficult to meet all the customers of the private commercial banks at Bengaluru due to time and financial constraints 200 customers of the different banks at different areas were considered for this research work.

Collection of Data : The data is collected in the primary and secondary information. Survey technique is followed with the researcher going to the field himself. A well drafted questionnaire was administered

to respondents and completed. Data collection through secondary sources includes journals, and internet. All questions asked are close coded. The choice of self administered questionnaires is due to the fact that all respondents are educated.

Study area and the leading private commercial banks : The study is only confined to Bengaluru Urban selected areas and private commercials with the strength of samples is presented below:

Sl.No.	Area	Sample	%
1.	Jayanagara	50	25
2.	Peenya Industrial Area - I	50	25
3.	Yelahanka	50	25
4.	Electronic City	50	25
	Total	200	100

The private commercial banks covered were given below.

- (1) ICICI Bank
- (2) HDFC Bank
- (3) AXIS Bank
- (4) Federal Bank

Method of Data Analysis : The study adopted the simple percentage and Kendall's measure of concordance. These quantitative techniques are employed in the present research work as they are easy to comprehend and considered adequate for the analysis.

The research questions varied from drivers of CRM to advantages of CRM in private commercial banks. These questions revolved around customer satisfaction and existing CRM practices. Therefore, the research questions were examined.

Research question No. 1 : What kind of drivers impacts CRM in private commercial banks at Bengaluru?

Hypotheses H0 : There are no drivers of CRM in private commercial banks.

H1 : There exists significant relationship between the drivers and their impact on CRM practices

Table - 1 : Driver of CRM

Banks should pay attention to the following ethics	SA	A	SWA	RT	RT ²
Recognising the customers	18	11	4	33	1089
Comparing the customers	11	8	2	21	441
Listening to the customers	17	7	2	26	676
Connectivity with customers	14	7	4	25	625
Banks identifying itself with customers	12	6	3	21	441
Adapting to the customers	8	7	2	17	289
Meeting the needs of consumers	11	9	2	22	484
Creation of loyalty among customers	19	11	5	35	1225
Total	110	66	24	200	5270

Source : Primary

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$$\begin{aligned} S'S'R' &= \Sigma R'T'^2 - (\Sigma R'T')^2 / N' \\ &= 5270 - (200)^2 / 8 \\ &= 5270 - 5000 = 270 \end{aligned}$$

$$\begin{aligned} W &= 12 \times SSR / K^2 N (N^2 - 1) \\ &= 12 \times 270 / 9 \times 8 (64-1) \\ &= 3240 / 4536 \\ &= 0.714 \end{aligned}$$

$$\begin{aligned} x^2 &= k (n-1) w \\ &= 3 (8-1) 0.714 \\ &= 3 \times 7 \times 0.714 = 14.999 \end{aligned}$$

Decision : The level of significance is 0.05 with 7 degree of freedom TV = 14.067. The value being 14.999 higher than the critical table value w fails to accept H₀ and accepts H₁. Therefore it is concluded that there exist strong relationship between drivers and CRM.

Table-1 reveals data about 110 respondents out of 200 stated strongly agree followed by 66 agree and 24 some what agree. Out of the 110 respondents who stated strongly agree over the statements driving the CRM and hence banks should pay attention, 19 expressed about creation of loyalty among customers, 18 said about recognising the customers and 17 highlighted about listening to the customers. Out of 66 who reported agree, 11 each spoke about creation of loyalty and recognising the customers and finally out of 24 who said some what agree 5 identified creation of loyalty among customers 4 each expressed about recognising the customers and connectivity with customers. The calculated value being greater than the TV, Kendall's co-efficient of concordance fails to accept H₀ and accept H₁, and hence it is concluded that there exist significant concordance between the driving factors and CRM.

Research question No. 2 : Is there any barriers that impacts successful implementation of CRM?

Hypotheses 2 :

H₀ : There are no borrowers for the successful implementation of CRM.

H₁ : There exist significant relationship between the stated barriers and successful implementation of CRM.

Table - 2 : Barriers for successful implementation of CRM

Drivers of Barriers	SA	A	SWA	RT	RT ²
Inadequate supporting budgets and senior management support	7	10	4	21	441
Absence of communication & technology advancement	18	8	4	30	900
Absence of customer management skills	8	7	3	18	324
Lacuna in standardising of CRM	7	8	3	18	324
Inter departmental inconsistencies	10	6	4	20	400
Lack of complementary customer management skills	4	7	3	14	196

Lack of cultural readiness	7	8	4	19	361
Lack of scientific customer segmentation	10	9	5	24	576
Lack of commoditization of products	19	12	5	36	1296
Total	90	75	35	200	4858

Source : Primary

$$\begin{aligned}
 SSR &= \sum R'T'^2 - (\sum R'T')^2 / N' \\
 &= 4818 - (200)^2 / 9 \\
 &= 4818 - 4444.44 = 373.56
 \end{aligned}$$

$$\begin{aligned}
 W' &= 12 \times S'S'R' / K^2 N (N^2 - 1) \\
 &= 0.691
 \end{aligned}$$

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$$\begin{aligned}
 \chi^2 &= k (n-1) w \\
 &= 16.584
 \end{aligned}$$

Decision : At 8 degree of freedom with 0.05 significance level the TV = 15.507. The value being 16.584 higher than the critical table value W fails to accept H₀ and accepts H₁. Hence it is concluded here that there exist significant relationship between barriers and successful implementation of CRM.

Table-2 reveals data about business confronted by the private commercial banks at the time of successful implementation of CRM. Table reveals that 90 respondents agree over the statements of borrowers confronted by the private commercial banks at the time of implementation followed by 75 agree and 35 somewhat agree. Out of 90 who said strongly agree, 19 pointed at the barrier of lack of commoditization, 18 expressed about lack of communication and technology advancement. Out of 75 who said agree, 12 pointed at lack of commoditization of products, 10 spoke about inadequate supporting budgets and senior management support and 9 voiced about lack of scientific customer segmentation. Out of 35 respondents who said some what agree, 5 each spoke about lack of scientific segmentation of customers and lack of commercialization of products and 4 each pointed of inadequate budget and seniors support, and lack of communication and technology advancement. Further 4 each identified inter departmental inconsistencies and lack of cultural readiness. 'W' fails to accept H₀ and accepts H₁ and hence it is concluded here that there exist significant relationship between the drivers of carriers and successful implementation of CRM.

Research question No. 3: What factors impacts consumer behaviour?

Hypotheses 3 :

H₀ : No factors are impacting consumer behaviour.

H₁: There is a significant relationship between impacting factors and customer behaviour.

Table - 3 : Factors impacting consumer behaviour

Drivers of consumer behaviour	SA	A	SWA	RT	RT ²
Trustworthiness	14	6	3	23	529
Attractiveness	19	4	2	25	625
Expert knowledge on purchase decision	10	5	3	18	324
Peer groups and social class	8	4	2	14	196

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Perceptions and attitudes	9	6	3	18	324
Enhancement of knowledge about products	10	5	1	16	256
Impact of online marketing campaigns	15	3	2	20	400
Impact of globalisation	23	5	4	32	1024
Quality of the products	22	5	7	34	1156
Total	130	43	27	200	4834

Source : Primary

$$S'S'R' = \Sigma R'T'^2 - (\Sigma R'T')^2 / N'$$

$$= 389.56$$

$$W = 12 \times S'S'R' / K^2 N' (N^2 - 1)$$

$$= 0.7214$$

$$x^2 = k (n-1) w$$

$$= 17.3136$$

Decision : At 8 degree of freedom with 0.05 significance level the TV = 15.507. The value being 17.3136 higher than the critical table value w fails to accept H₀ and accepts H₁. Hence it is concluded that driving factors and consumer behaviour are significantly related.

Table-3 shows about factors impacting consumer behaviour. Table reveals 130 respondents out of 200 strongly agree over the statements presented in the table followed by 43 agree and 27 somewhat agree. W fails to accept H₀ and accepts H₁ and hence we can conclude here that there exist significant relationship between the drivers and consumers behaviour.

Research question No. 4 : What are the advantages of CRM in private commercial banks?

H₀ : There are no advantages of CRM in private commercial banks.

H₁ : There exist significant relationship between the advantages and CRM in private commercial banks.

Table - 4 : Advantages of customer relationship management in private commercial banks.

Advantages of CRM	SA	A	SWA	RT	RT ²
Increases total productivity of the bank	15	9	5	29	841
Provides permanent advantage of competition	12	7	3	22	484
Reshaping the selling and marketing campaigns of banks	10	7	3	20	400
CRM identifies and picks up ideal customer	11	6	2	19	361
CRM gathers and uses information by institutionalising the personal sale concepts	12	8	4	24	576
Assist all banks to make the way of bank management customer-based	14	6	3	23	529
CRM acquires new customers and retain old customers	15	7	3	25	625
CRM enhances profitability of banks	21	10	7	38	1444
Total	110	60	30	200	5260

Source : Primary

$$S'S'R' = \Sigma R'T'^2 - (\Sigma R'T')^2 / N'$$

$$= 260$$

$$W = 12 \times SSR / K^2 N (N^2 - 1)$$

$$= 12 \times 260 / 9 \times 8 (64-1)$$

$$= 3120 / 4536$$

$$= 0.69$$

$$x^2 = k (n-1) w$$

$$= 14.49$$

Decision : At 8 degree of freedom with 0.05 significance level the TV = 14.067. The value being 14.49 higher than the critical table value w fails to accept H₀ and accepts H₁. Hence it is concluded that there significant relationship between advantages and CRM.

Table - 4 presents data on advantages of CRM in private commercial banks at Bengaluru. Table reveals that 110 respondents out of 200 stated strongly agree over the stated advantages of CRM followed by 60 agree and 30 somewhat agree. W fails to accept H₀ and accepts H₁ and hence it is concluded that there significant relationship between stated advantages with CRM.

Summary and discussion of findings:

The research study is to focus on “Factors impacting consumer behaviour, barriers for the implementation, drivers of CRM and advantages of CRM in private commercial banks”. The specific objectives of the study include analysing the drivers of CRM, examining the barrier for the successful implementation of CRM, factors affecting consumer behaviour and analysing the benefits of CRM on private commercial banks. The study used survey technique for the data collection. The target population considered all customers of private commercial banks belonging to Bengaluru Urban and sample SRC was fixed at 200. A well drafted questionnaire was administered as schedule for the purpose of getting valid data and secondary sources were journals and internet. The findings of the study were discussed using Kendall’s (w) co-efficient of concordance quantitative technique. From the study it was found that consumers are driven by different factors, there exist barriers for the successful implementation of CRM, and there are drivers of CRM and advantages of CRM.

Based on the responses obtained from respondents it was found that factors like trustworthiness, attractiveness, expert knowledge on purchase decision, peer groups and social class, perceptions and attrition, etc., impacts consumer behaviour. The barriers include inadequate supporting budgets and senior management supports lack of significance management skills, lacuna in standardising CRM etc., were found. CRM is driven by factors like recognising the customers, comparing the customers, listening and connectivity with customers etc., Finally the advantages of CRM to be benefited by banks include increase in the productivity, advantage against competition, reshaping the selling and marketing campaigns, picks up ideal customer etc., The study reveals clearly CRM benefits private commercial banks if implemented successfully.

Conclusion : The study analysed impact of drivers on CRM. Having carried out the present work with careful observation, administration of questionnaire, and review of concerned previous literature, the researcher concluded that a set of impacting factors drives the CRM and out of creation of loyalty, recognising the customers and listening to the customers assumes significant. The stated barriers if faced with suitable strategies the CRM can be implemented and it can be made powerful and successful in the private commercial banks. Finding customers is not easy and further it is a challenge to maintain strong relationship. The better bank knows its customers the stronger will be the relationship. Customers behaviour understanding is a difficult task. The banks should understand the drivers of consumer (Table-3).

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