Research Article

CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES: A STUDY ON ICICI BANKS IN THOOTHUKUDI DISTRICT

*S. SHAGIRABANU, ** Dr. S. SHEIK ABDULLAH

Abstract

Today's current competitive business and marketing world customer relationship management plays a vital role and key element of innovative business strategy. The service and manufacturing industrial sectors are increasingly interested in retaining and sustained their new and also existing customers to produce quality product and provides innovative, effective customer services. Adequate customer relationship management practices are a basic and essential technique for achieving business goals and also sustained their customers. Customer Relationship Management is a most important influencing factor in service industry; it will help to be successfully attaining business policies for long term efficiency. Hence an attempt was made by the researcher in this study to examine the level of satisfaction on customer relationship management practices in ICICI banks.

Keywords: CRM, Loyalty, Banking Service Quality, Trust.

1. INTRODUCTION

Nowadays, many public sector and private sector banks, insurance companies, and other service providers to understand the value of Customer Relationship Management and its potential to help them attain new customers retain their existing customers and develop maximize their lifetime value. The corporate enterprises build into its strategic arrangement of economical, environmental and social values that enable it to act responsibly towards the society. Customer Relationship Management is defined as a process that "entails the systematic and proactive management of relationships between the customers and banking sectors as move from beginning to end. Customer Relationship Management helps in understanding customer needs, and in building relationship with customers by providing the effective and better customer services.

2. OBJECTIVE OF STUDY

The current study is based upon the following objectives:
1. To make a review of the CRM performance in Indian banking industry.
2. To identify and study the CRM practices implementing ICICI banks.
3. To study the customer perception towards CRM techniques in ICICI banks.

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[1]*Full Time Research Scholar, PG and Research Department of Commerce, Pasumpon Muthuramalinga Thevar College, (An Affiliated to Manonmaniam Sundaranar University) M.N. Nallur, Sankarankovil (Taluk), Tenkasi District.
**Assistant Professor, PG and Research Department of Commerce, Pasumpon Muthuramalinga Thevar College, (An Affiliated to Manonmaniam Sundaranar University) M.N. Nallur, Sankarankovil (Taluk), Tenkasi District.

4. To examine the relationship between customer relationship management practices and age of the customers.
5. To examine the relationship between customer relationship management practices and occupation of the customers.

3. RESEARCH METHODOLOGY

The present paper is based on both the secondary and primary data collected relating to the customer relationship management. The secondary data has provided the supportive information relating to this customer relationship management practices. Primary data were also collected through an interview schedule on matters relating to their profile and the CRM practices implementing ICICI banks in Thoothukudi district. A formal enquiry was made from 400 customers of ICICI banks selected conveniently.

4. ANALYSIS AND DISCUSSION
4.1. PROFILE

During the survey five important profile variables, namely, Gender, Age, Education, Occupation and Types of accounts. Analysis of demographic profile of the customers for the study is shown below:

TABLE - 1
PROFILE

S. No	Profile	Categories	Frequencies	Percentage
1.	Gender	Male	206	51.50
		Female	194	48.50
		Total	**400**	**100**
2.	Age	Below 20	88	22.00
		21 – 30	150	37.50
		31 – 40	49	12.30
		41 – 50	80	20.00
		Above 51	33	8.20
		Total	**400**	**100**
3.	Education	Up to High School	69	17.20
		Diploma	51	12.80
		UG Degree	122	30.50
		PG Degree	116	29.00
		Professionals	42	10.50
		Total	**400**	**100**
4.	Occupation	Private employees	135	33.80
		Government employees	64	16.00
		Business man	81	20.20
		Agriculture	84	21.00
		Housewife	36	9.00
		Total	**400**	**100**
5.	Type of account	Saving account	299	74.80
		Current account	27	6.80
		Fixed account	74	18.40

		Total	400	100

Table 1 reveals the profile of the ICICI bank customers where a majority of 206 customers (51.50%) are male, 150 respondents (37.50%) of the bank customers come under the age group of 21 to 30 years, 122 respondents (30.50%) of the customers completed undergraduate, 135 respondents (33.80%) of the ICICI customers are private employees and 299 respondents (74.80%) of the ICICI bank customers had a savings account.

4.2. CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES

Based on the findings during preliminary study, the researcher identified t environment twelve customer relationship management practices found among the banks. The analysis revealed that, out of 400 customers, most of 188 respondents strongly agreed that ICICI bank 'Provide quality products and services', 172 respondents strongly agreed that the bank 'Adopted modern equipments and technologies', 150 customers strongly agreed that the bank provide 'User friendly website', 192 customers strongly agreed that the bank implement 'Effective and innovative Communication tools' and so on.

TABLE - 2
CRM PRACTICES

S. No	Practices	SA	A	NA-DA	DA	SDA	Mean
1	Provide quality products and services	188	152	44	14	2	**4.28**
2	Bank adopted modern equipments and technologies	172	134	58	16	20	**4.06**
3	User friendly website	150	92	88	60	10	**3.78**
4	Effective and innovative Communication tools	192	100	52	26	30	**3.99**
5	Developed privacy policy	162	134	40	20	44	**3.87**
6	Increasing customer convenience	124	136	94	8	38	**3.75**
7	Retaining existing customers	150	140	52	28	30	**3.88**
8	Provide customized services	100	174	69	28	29	**3.72**
9	Offers adequate loan services	150	126	58	36	30	**3.83**
10	Bank understand customer's needs and wants	130	144	48	34	44	**3.71**
11	Transparent banking process and system	116	144	42	48	50	**3.57**
12	ATM machines are available at convenient places	150	146	54	12	38	**3.90**

SA-Strongly Agree A-Agree NA or DA-Neither Agree or Disagree SDA-Strongly Disagree

Table 2 clearly shows that the ICICI bank implemented an effective customer relationship management practices are 'Provide quality products and services' (4.28), 'Adopted modern equipments and technologies' (4.06) and 'Effective and innovative Communication tools' (3.99).

4.3. RELATIONSHIP BETWEEN CRM PRACTICES AND AGE OF THE CUSTOMERS

The study further examined the relationship between customer relationship management practices and age of the customers. In order to ascertain the existence of the relationship, null and alternate hypothesis were formed for testing as under:

H0: There is no significant relationship between customer relationship management practices and age of the customers.

H1: There is a significant relationship between customer relationship management practices and age of the customers.

For the purpose of testing this null and alternate hypothesis, ***Kruskal Wallis*** test is used. The results of the test are shown in the Table 3 along with chi-square value, P value and Result.

TABLE - 3
RELATIONSHIP BETWEEN CRM PACTICES AND AGE OF THE CUSTOMERS

S. No	Independent variables	Dependent variable	Chi-Square	P-value	Result
1.	Age	Provide quality products and services	4.211	.378	Accept
2.	Age	Bank adopted modern equipments and technologies	5.403	.248	Accept
3.	Age	User friendly website	2.237	.692	Accept
4.	Age	Effective and innovative Communication tools	5.898	.207	Accept
5.	Age	Developed privacy policy	3.929	.416	Accept
6.	Age	Increasing customer convenience	9.444	.051	Accept
7.	Age	Retaining existing customers	8.055	.090	Accept
8.	Age	Provide customized services	2.679	.613	Accept
9.	Age	Offers adequate loan services	6.640	.156	Accept
10.	Age	Bank understand customer's needs and wants	1.560	.816	Accept
11.	Age	Transparent banking process and system	7.389	.117	Accept
12.	Age	ATM machines are available at convenient places	0.248	.993	Accept

Table 3 brings to notice that since the P value is more than 0.05 in case of age of the customers at 5 per cent level of significance, in case of provide quality products and services, bank adopted modern equipments and technologies, user friendly website, effective and innovative communication tools, developed privacy policy, increasing customer convenience, retaining existing customers, provide customized services, offers adequate loan services, bank understand customer's needs and wants, transparent banking process and system, ATM machines are available at convenient places and age of the customers, the null hypothesis is accepted. Hence, it is

concluded that the bank equally provided their customer relationship management practices to all the age group peoples.

4.4. RELATIONSHIP BETWEEN CRM PRACTICES AND OCCUPATION OF THE CUSTOMERS

The study further examined the relationship between customer relationship management practices and occupation of the customers. In order to ascertain the existence of the relationship, null and alternate hypothesis were formed for testing as under:

H0: There is no significant relationship between customer relationship management practices and occupation of the customers.

H1: There is a significant relationship between customer relationship management practices and occupation of the customers.

For the purpose of testing this null and alternate hypothesis, ***Kruskal Wallis*** test is used. The results of the test are shown in the Table 4 along with chi-square value, P value and Result.

TABLE - 4

RELATIONSHIP BETWEEN CRM PRACTICES AND OCCUPATION

S. No	Independent variables	Dependent variable	Chi-Square	P-value	Result
1.	Occupation	Provide quality products and services	8.950	.062	Accept
2.	Occupation	Bank adopted modern equipments and technologies	2.248	.690	Accept
3.	Occupation	User friendly website	9.481	.050	Accept
4.	Occupation	Effective and innovative Communication tools	4.936	.294	Accept
5.	Occupation	Developed privacy policy	0.647	.958	Accept
6.	Occupation	Increasing customer convenience	2.416	.660	Accept
7.	Occupation	Retaining existing customers	5.426	.246	Accept
8.	Occupation	Provide customized services	0.906	.924	Accept
9.	Occupation	Offers adequate loan services	2.304	.680	Accept
10.	Occupation	Bank understand customer's needs and wants	8.899	.064	Accept
11.	Occupation	Transparent banking process and system	2.849	.583	Accept
12.	Occupation	ATM machines are available at convenient places	6.207	.184	Accept

Table 4 brings to notice that since the P value is more than 0.05 in case of occupation of the customers at 5 per cent level of significance, there is no relationship between these customer relationship management practices and occupation of the customers. It concluded that the ICICI bank equally provided their customer relationship management practices to all the occupational peoples like private employees, Government employees, business man, agriculture and Housewife.

4.5. RELATIONSHIP BETWEEN CRM PRACTICES AND TYPE OF ACCOUNTS

The study further examined the relationship between customer relationship management practices and type of accounts. In order to ascertain the existence of the relationship, null and alternate hypothesis were formed for testing as under:

H0: There is no significant relationship between customer relationship management practices and type of accounts.

H1: There is a significant relationship between customer relationship management practices and type of accounts.

For the purpose of testing this null and alternate hypothesis, **_Kruskal Wallis_** test is used. The results of the test are shown in the Table 5 along with chi-square value, P value and Result.

TABLE - 5

RELATIONSHIP BETWEEN CRM PRACTICES AND AGE OF THE CUSTOMERS

S. No	Independent variables	Dependent variable	Chi-Square	P-value	Result
1.	Type of account	Provide quality products and services	2.983	.225	Accept
2.	Type of account	Bank adopted modern equipments and technologies	0.688	.709	Accept
3.	Type of account	User friendly website	2.770	.250	Accept
4.	Type of account	Effective and innovative Communication tools	4.104	.128	Accept
5.	Type of account	Developed privacy policy	4.913	.086	Accept
6.	Type of account	Increasing customer convenience	2.972	.226	Accept
7.	Type of account	Retaining existing customers	2.456	.293	Accept
8.	Type of account	Provide customized services	2.099	.350	Accept
9.	Type of account	Offers adequate loan services	0.938	.626	Accept
10.	Type of account	Bank understand customer's needs and wants	1.900	.387	Accept
11.	Type of account	Transparent banking process and system	2.126	.345	Accept
12.	Type of account	ATM machines are available at convenient places	0.038	.981	Accept

Table 5 brings to notice that since the P value is more than 0.05 in case of type of account at 5 per cent level of significance, there is no relationship between these customer relationship management practices and type of account. It concluded that the ICICI bank equally provided their customer relationship management practices to all type of account holders like saving account holder, current account holder, fixed account holder.

5. CONCLUSION

Customer relationship management practices are most influencing factors for the profitability of banking sector. Customer relationship management is now shifting from the banks value creation to the customer value creation. The banks have to change their business practices for the effective delivery of needful services to their customers. CRM provides the possibility to

create friendly relationship between bankers and customers. CRM in a contemporary context represents the crucial factor for the achievement of the overall business success and survival in the global market.

6. REFERENCES

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