

## MEASURES OF GOOD CRM IN SERVICES INDUSTRY: A STUDY

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### ABSTRACT

*Information Communication Technology (ICT) has paved the way for good CRM. CRM has the power to improve sales volume by adopting technology. Many manufacturing and service industries are adopting Technology and providing good CRM to its esteemed customers. In this 21<sup>st</sup> century customer is a King because he has many options and can easily shift his loyalties to other brands. Thus, exhibiting the trends of brand promiscuity. So, in this competitive world to face the challenges from the competitors and maximize sales volume there is only one way i.e., maintaining healthy relationships with the target audiences and going in for better CRM. I strongly believe that CRM is the only solution to take the business to commanding heights and maintain healthy relationship with the prospective and potential customers. Therefore, there is every need to know the measures for good and effective CRM. The present paper is an attempt to examine the measures of good CRM in services industry.*



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**Keywords:** CRM, ICT, Customer Franchise, Maximizing Sales, Service Industries.

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### Introduction

According to Cap Gemini Ernst & Young, A leading management consulting firm, CRM is defined as “a company’s ability to continuously maximize the value of its customer franchise by effectively allocating scarce resources to specific customers segments in those areas viewed as having a significant impact on the profit-impacting behaviors of customers.”

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CRM is the new and emerging subject in services industry, in view of the new technology of IT which is expected to enable the service oriented industries to reach out to the present and prospective customers and the general public in India and abroad for an enduring customer relationship. The result or one of the results or outcome of the information technology in services industry. Thus is a new customer relationship management on which to build a grand, enduring, expanding, people-oriented, profitable services structure of world – class

Competition puts the customer at the centre of business including services industry. The age-old saying in business is that the customer is king, because of money he expends on various goods and services or the products of business, which yield business profits which is the goal of management and following it CRM is of prime importance, particularly in the case of the services industry like banking and other financial institutions, which is so much customer based and for its expansion, growth and profitability. When we speak about services the first and foremost important thing that strikes our mind is banking and therefore an attempt is made to find out the nitty-gritty of measures for good and better CRM in Banking Industry.

Banking, as seen, is the business of dealing in money, which has a network of hundreds of banks, thousands of branches, millions of crores of deposits, crores of depositors and borrowers, which touches every aspect of the economy and involves daily a large number of transactions and huge amounts of money. The industry, as emphasized by the first Rangarajan Committee (1984) needs mechanization to improve efficiency, speed, work culture, reach, etc., and IT comes handy for the purpose. Then bankers started adopting technology and were also able to provide good CRM. That is how CRM for the first time emerged as a game changer in the services industry.

#### **CRM in Banking Industry**

CRM is noted to be systematic management of banking affairs and services to give the customers, central to the banking industry, good and satisfying services for expansion and growth. There is a heightened interest in CRM in view of the competitive business and banking conditions, following the opening of the Indian economy to more internal and external competition CRM, in sum, is banks and bank management is becoming consumers centric and whole customer oriented. The tenets of CRM are well noted in the following passage.

“Customer has always been at the centre stage of any business organization. Its capacity to keep the lifeline running of business houses can never be undermined. But, of late, as an aftermath of opening up of economy and liberalization the customer is getting more and more attention and focus of all businesses is now on customer’s satisfaction. Reasons for this are very much visible and based on certain principles. The markets are being driven through the forces of demand and supply. And in the wake of liberal import policies and open doors for foreign investment the market scenario of businesses has turned from that of sellers’ market to buyer’s market.

There appears to have been a sort of renaissance in customer relationship management, not only because of competition but also the information technology in business applications and corporate governance, calling the businesses to account to their customers, as never before, perhaps.

Today, customers are more money-worth, more confident and desire to be well attended. They are more knowledgeable of markets, services, products, prices, quality and other conditions, all of which make customer relationship management crucial for enterprise management. It appears as a separate tool of management, like market management, human resources management, financial management. It might have not-much concerned the banks all these years, but banks or any large scale organization with a large customer base can neglect CRM at their own peril, in the present highly competitive business and banking times.

That is, the customer can no more be neglected or taken for granted. For, where he is not well attended to and given satisfactory services, he/she will shift his/her loyalties and migrate to satisfactory CRM enterprises, products and services. The customer will shift his patronage from one organization to another. And one bank to another perhaps and the telephone industry best illustrates this situation. For example, in cell phones there is constant shifting from one cell company to another and still another and yet another, depending upon the price and service quality. Companies go on losing and acquiring customers depending upon their customer relationship management and customer service. In a way, CRM appears to have come to be viewed as the management-of-managements, or the mother of all managements.

For the purpose on hand, there are many imaginable tools of CRM, price, product, PR or public relationship, counseling, call centers, help lines, etc. aimed at paying attention to customer-service, of which IT is said to be the new face of CRM, establishing instant relationship with the customers on an enduring basis, a two way relationship business or banks to customers and customers to banks, B 2 C and C 2 B, which are expected to be mutually beneficial, as well noted by an expert.

“CRM is the information technology face of the business processes that aim to establish enduring and mutually beneficial relationships with customers in order to drive customers retention, value and profitability”.

Thus, the ingredients or components of the CRM clearly emerge from the above statement of Mr.Agrawal (An eminent personality in the field of CRM) as a new and dynamic business concept, aimed at managing satisfactory relationship with customers.

#### **Ingredients of Good CRM**

- Of the business stakeholders-promoters, shareholders, government, general public and others, the firm; customers are of utmost importance giving business and profits to the firm on which all other stakeholders survive. It is putting the business in the right perspective and in a good customer relationship, service, interactive and information mode.
- Good CRM should be among the first organizational and banking principles. It is more relevant to the banking which has a very large customer base.
- The relationship of the customers with the company or of the company with the customers is as the first stakeholders.
- Customers' views and interest should guide the enterprise in its functioning and planning.
- Above all, CRM is good product planning, product quality, fair pricing, good sales service, fair business practices, and prompt redressal of customer problems and grievances. Apparently, these are not only good CRM but also business and banking principles.

Therefore, it is not surprising that the RBI is forever keeping, a watch on the quality and cost of customer services, and issuing corrective directions, as the latest directive on credit cards. The latest RBI directive is to display service charges by the banks.

“With profound belief and understanding I stand convinced that if we take reasonable care to the following aspects, there is no question as why a customer should not be satisfied, delighted and remain loyal to the service industries.

#### **Measures of Good CRM**

- Skill
- Willingness
- Systems and procedures
- Latest technology
- Good infrastructure
- Quality of service
- Standard of performance
- Fundamentals of marketing
- Market research
- Publicity
- Advertisements
- Merchandising
- Distribution
- Customer service and support

Regarding the latest technology, 100 percent computerization, ATMs in metros, towns, villages and NEFT (National Electronic Fund Transfer), EFT (Electronic Funds Transfer), RTGS (Real Time Gross Settlement System), are suggested. According to the view, good CRM is not just a function of IT, but more of attitude and professional and concerned behavior. The pieces like that of Kohil (Eminent Banker) stand out in their fields, as representatives of the 'new' thinking in their fields, as a new technology calls for a new way of thinking and working.

The need, in other words, is for a democracy like thing in CRM. As noted by this researcher, the best of the technologies cannot achieve much unless the bureaucratic mind-set of banking is altered.

This has been forcefully brought out along with an emphasis on EDI (Electronic Data Interchange), GEDIS (Gateway Electronic Data Interchange Service), etc., trade network, by G.H. Deolalkar, former, Director, National Institute of Bank Management (NIBM), Pune, in a study entitled "Technology, Electronic Commerce and Electronic Data Interchange", which is about what IT implies in banking. IT is seen as a great facilitator of banking functions.

"The key to future success in the area of globalization and liberalization will lie in developing global mindset and competencies in organizations by placing greater emphasis on people skills, adding more global perspective, creativity, innovation, ability to examine business issues from points of several disciplines"

CRM led banking is a novelty, which bring back the banks to their original moorings of the custodies and trustees of their customers who are at the root of the banking structure. A combination of IT and CRM are most likely to make the banks vibrant and dynamic, as such, IT has taken roots in the banking industry, which hold a mirror to other services oriented industries, but CRM has to do so, yet, the banks need to go or take-off from the consideration of the customers also without whom there is no altogether.

### Conclusion

Thus, more importance is given to CRM in this 21<sup>st</sup> Century for successful business in services industry. The main objective of CRM is to maintain healthy relationship with target audiences , effective and efficient services can be a reality with the help of latest and highly sophisticated Technology. Moreover, Technology is playing a pivotal role in providing with good services and in turn customers are found to be more happy than ever before. Finally, some good measures need to be taken care of in the services industry for achieving organizational goals and therefore it can be noted that CRM strategies can be successfully implemented with the help of Information Technology.

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