

CRM : A study of PNB at Karnal District

(With special reference to Tele Banking)

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ABSTRACT

Customer Relationship Management is a business strategy to acquire and retain the most valuable customer's relationship. CRM requires a customer – centric business philosophy and culture to support effective marketing, sales and service processes. CRM applications can enable effective customer relationship management, if an enterprise has the right leadership, strategy, and culture. This study based on Customer relationship management in Punjab National Bank at Karnal Dist. for the duration of April 2008 to Dec. 2008. This paper has discovered that in a competitive environment, the one idea that is sure to succeed will be the customer centric model, where the organization builds long term strategic relationships with its customer. And PNB has been successful in achieving such relationship with customers.

1. INTRODUCTION

In an economy of converging technologies, morphing markets and web-paced communications, customers get ready access to an unprecedented amount of information from anywhere in the globe and at any time of day or night. In response, a host of new financial products and services emerges to serve these customers. CRM is as tracking customer behavior in order to develop marketing and relationship-building programs that bond consumers to a brand often by development of software systems to provide one-on-one contact between the marketing business and their customer.

According to Jadish N Seth, Atul Parvatiyar, and G Shainesh, Customer Relationship management can also be defined as “a comprehensive strategy and process of acquiring retaining, and partnering with selective customers to create superior value for the organization and the customers”.

G C Beri has defined CRM as “a process of attracting new customers, maintaining, developing close relationship and enhancing customer relationship”.

2. DIFFERENCE BETWEEN CONVENTIONAL MARKETING & CRM

CONVENTIONAL

1. Mass marketing is given more emphasis.
2. Customer is passive & rational.
3. Limited use of technology.
4. Serve customers well
5. Success measured by current profits/ market share.
6. Customer acquisition is given more emphasis

CRM

1. Personal marketing is given more emphasis.
2. Customer is active & emotional.
3. Widespread use of technology.
4. Serve customers differently.
5. Success measured by life time profits/ market share.
6. Customer retention is given more emphasis.

3. KEY ELEMENTS OF CRM

- ◆ Business vision-view the whole business and where it is going.
- ◆ Competitive Characteristics-what can you add as a unique.
- ◆ Increase Shareholders Value-

remember the shareholder.

- ◆ The right sort of customer-what measure of CRM to what customer.
- ◆ Segment Customer-what potential value do they give the business.

No. matter how well a business grasps customers' desires and needs, the way its people produce, create, offer and deliver products and services, add probably more value to the total customer experience.

4. CUSTOMER RELATIONSHIP LIFECYCLE

The following business processes are involved in the customer relationship lifecycle:

1. **Marketing.** Targeting prospects and acquiring new customers through data mining, campaign management, and lead distribution.
2. **Sales.** Closing business with effective selling processes using proposal generators, configurations, knowledge management tools, contact managers, and forecasting aids.
3. **E-commerce.** In the internet age, selling processes should transfer seamlessly into purchasing transactions, done quickly, conveniently, and at the lowest cost. All customers should have one face with your company, no matter which touch point they choose to use.
4. **Customer Service and support.** Handling post-sales service and support issues with call center applications or Web-based customer self-service options.

5. 15 STEPS FOR BETTER CUSTOMER RELATIONSHIP MANAGEMENT

Customers are an important part of any business. Instead of building a product and then going in search of customers, today's market suggests that a complete 180 degrees turnaround could be more successful. Even when you already have a product and a few customers, the best & fastest way to get

more customers is word-of-mouth i.e. by getting good referrals from your existing customers. The 5 Cs, 5 Rs, and 5 Ms. of Customer Relationship management will help you understand how to keep your customers happy. The 5 Cs, 5 Rs, and 5 Ms. of Customer Relationship Management are as follows.

- C1- **Clarify** - build your bridges
- C2- **Communicate** - build the rapport
- C3- **Confide** - build trust
- C4- **Copyright** - build security into your operations
- C5- **Confidence** - build quality into your service or Product
- R1- **Ready** - when your attitude is customer support.
- R2- **Right** - the customer is always right: within limits.
- R3- **Rare** - unique and one-of-a-kind: experiences.
- R4- **Referral** - request your customer for testimonials.
- R5- **Relationship** - makes & keeps contacts with customers.
- M1- **Manage** - your projects and the customer perception.
- M2- **Measure** - your progress and customer's satisfactions.
- M3- **Mitigate** - your risks and that of the customer's.
- M4- **Master** - your customer's clientele, market & tech trends.
- M5- **Market** - to your customer before you sell to him.

6. CUSTOMER RELATIONSHIP MANAGEMENT INITIATIVES ADOPTED BY PUNJAB NATIONAL BANK.

- A. ONLINE TAX ACCOUNT SYSTEM

Customers of Punjab National Bank with the help of this facility could assess there tax and deposit it through a online system to the tax authorities. Punjab National Bank has been the first bank to launch such kind of facility. Customers have increasingly been using this facility because of its easy usage.

B. ONLINE INSTANT FUND TRANSFER FACILITY

Through this facility customers could easily transfer there funds to some other branch of Punjab National Bank at a different place in the country. Customers have benefited through this facility since they need not take cash with them. Executives who need to transfer funds from one place to another usually like facility since they can do so at a click of a button through internet.

C. ONLINE BILL PAYMENT FACILITY

Customers of Punjab National Bank also avail the online bill payment facility. Customers pay there electricity, water, telephone and other bills through internet. Since customers need not stand in the long queues, they prefer this facility.

D. PAYMENT OF EXCISE & SERVICE TAX

Customers can also pay there excise and service tax through this exclusive facility. Usually businessman avail this facility of Punjab National Bank. They pay thgere tax to bank and bank advances this tax to respective tax authorities.

E. CORE BANKING SOLUTIONS

The CBS (Core Banking Solution), integrate all customer channels from branch to ATMs to internet and mobile banking on a real time basis. With the help of CBS, bank would be able to instantly update customer's account and offer seam services across the channels. PNB has 2100 CBS networked branches in more than 540 cities.

F. CUSTOMER CARE CENTRE

Punjab National Bank has set up 24 hours toll free help line, which is a milestone in CRM where customer can dial the number for any banking, credit card, or ATM card related queries and get solutions at the earliest. PNB's All India Toll Free. No. is 1800 180 2222 from landline.

G. BUSINESS HOURS

Punjab National Bank has also started 12 hours banking in their selected branches. Through 12 hour banking facility customers get flexibility and they can perform there banking operations ever after there normal office hours.

H. CORPORATE BRANCHES

Punjab National Bank has set up special corporate Branches. For PNB, these special corporate branches undertake any corporate of *Rs. 25 crore* and above. These branches have been set u p to help their corporate customers perform there operations quickly.

I. MULTI-CITY CHEQUE BOOKS

Punjab National Bank has also multi-city cheque books scheme, through this facility customers could use there same cheque books and withdraw cash from different branches in different cities.

J. REAL TIME GROSS SETTLEMENT SERVICE

Punjab National Bank have now realized the importance of speedy banking which blods bottom line benefits. PNB has been one of the first banks to have adopted RTGS. While cash management services and account credits and debits have already speeded up funds transfers across accounts, a new initiative called RTGS (Real time gross settlement). Big Companies will save almost Rs. 2000 on Rs. 1 crore worth of transactions using RTGS.

K. INTERCONNECTED ATM

All the ATMs of Punjab National Bank are interconnected with each other and they have central processing centre where all the information related to cash withdrawal in ATMs is recorded. PNB and UTI Bank have another arrangement for sharing their ATM facilities. All these increase the reach of the bank add to customer convenience.

L. TELEBANKING FACILITY

With the boom in mobile telephone the customer's interest in telephone banking, have also increased. Punjab National Bank understanding the requirement of its customers has also introduced tele-banking facility; its users have initially less but with the understanding of this facility its usage is increasing.

M. INTERNET BANKING

The computerization of banking operation has facilitated the banks to provide various banking operation too its customers through Internet. As all of us are more prone to use of Internet because of its wider application, this facility has brought banking operation to the desktop of customers. They can use it at their own convenient time and place and almost hassle free.

N. ONLINE RAILWAY BOOKING

Customers can also avail the facility of online booking of railway tickets through Punjab National Bank. The usage of this facility has increased many folds in recent days in urban areas.

O. LOANS

There are different types of loans being offered by Punjab National Bank to its customers. It includes home loan, car loan, education loan, personal loan, and finance for doctors etc. Punjab National Bank also provides services like cheque collection/ deposit across cities, total freedom salary

savings account, instant generation of statement of accounts and debit/credit and facilities.

7. REVIEW OF LITERATURE

Xavier¹: In his study on CRM emphasized the technology which is the core concept of CRM. It focuses upon identifying the most valuable customers and looking at their life time values. This process cost less but is made quite easy and feasible by technological innovation. The study explains that CRM is practiced even today by shopkeepers in villages who personalized approach using CRM; the only difference is that they use technology to help them.

Sheth and Parvatiyar²: In their study explores the conceptual foundations of CRM by examining the literature on relationship marketing and other disciplines that contribute to the knowledge of CRM. Study proposed CRM process framework that builds on other relationship development process models. Research identified issues as well as their implementation. Further, CRM challenges are explained in their study. Form corporate implementation point of view CRM should not be misunderstood to simply mean a software solutions or implementation on project.

Ghodeswar³: In his study focuses a framework in designing a strategy for effective customer relationship management and highlights the important element. Main emphasis of this study is that company makes the effective prices to contact, care, and insight, expectations for quality, service and value of customer for building the healthy relationship.

8. STUDY PERIOD

The present study covers the period from April 2008 to December 2008 In order to study the Customer Relationship Management (CRM) primary data has been collected from the customer of different

branches of the Punjab National Bank in Karnal District of Haryana to know their response and effectiveness about customer relationship management. Data is collected with the help of structured questionnaire.

9 OBJECTIVES OF STUDY

The main objectives of the study will be to study, evaluate and analyze the effectiveness of customer relationship management in banking sector in Karnal Distt.

It includes:

Sample Size	100
Male	645
Female	35

1. Occupation

Govt. service	20
Private service	35
Business	20
Student	25

2. Age Group

Class I from 20 years to 30 years	25
Class II from 30 years to 40 years	35
Class III from 40 years to 50 years	20
Class IV from 50 years to 60 years	15
Class V from 60 years and above years	5

3. Income Group

From 5000 to 10,000	20
From 10,000 to 15,000	32
From 15000 to 20,000	25
From 20,000	23

(The income group had been determined on the basis of household income per month).

4. Educational Qualification

Post Graduation	30
Graduation	45
10 + 2	18
Matriculation	07

It can be conclude that out of the total user 82 percent users were satisfied regarding the service of time required to get a response. On the other hand only 18 percent users were not satisfied regarding the service time required to get a response.

Table-1
Time required to getting a response from bank

Preference of user	No. of respondent	Percentage out of users
Excellent	4	6.9
Good	10	17.2
Satisfactory	34	58.2
Poor	10	17.2
Worst	0	—
Not Used	42	—

It can be conclude that the services of account balance enquiry is satisfactory because out of the total user 85 recommended better of account balance enquiry.

Table-2
Account balance enquiry handle by bank

Preference of user	No. of respondent	Percentage out of users
Excellent	4	6.9
Good	34	17.2
Satisfactory	30	58.2
Poor	6	17.2
Worst	6	—
Not Used	20	—

Can be concluded that out of the total users, 78 percent have been found satisfied from the instruction of stop cheque payment. Only 22 payment users were not satisfied with the services for the instruction of cheque stop payment.

Table-3
Cheque stop payment by bank

Preference of user	No. of respondent	Percentage out of users
Excellent	8	10.8
Good	14	18.9
Satisfactory	36	48.6
Poor	12	16.2
Worst	4	5.4
Not Used	26	—

Table-4
Account balance enquiry handle by bank

Preference of user	No. of respondent	Percentage out of users
Excellent	10	12.8
Good	22	28.2
Satisfactory	34	43.6
Poor	8	10.3
Worst	4	5.1
Not Used	22	—

It can be said that large proportion of user means 85 percent felt satisfied form this facility provided by the bank for demand draft.

Table-5
Account balance enquiry handle by bank

Preference of user	No. of respondent	Percentage out of users
Excellent	6	
Good	10	
Satisfactory	28	51.9
Poor	10	18.5
Worst	0	—
Not Used	46	—

It shows that 81 percent out of the total users were satisfied form the payment of utility bill instructions. While 19 percent were not satisfied from the payment of utility bill instructions

Table-6
Account balance enquiry handle by bank

Preference of user	No. of respondent	Percentage out of users
Excellent	6	
Good	10	
Satisfactory	20	51.9
Poor	22	18.5
Worst	20	—
Not Used	22	—

It can be said that out of the total users 46 percent felt satisfied while 52

percent felt not satisfied with the facility of credit card. Thus it can be concluded that a large proportion of users were not satisfied with the facility of credit card provided by bank.

10. FINDINGS

Research also elaborates that users are satisfied regarding the time required to get a response through telebanking. Regarding the service of account balance enquiry which is often used by users through tele banking, it has been observed that majority of the users are found to be positive. Nearly 2/3 of users are also found to be positively satisfied regarding the instruction of cheque stop payment. Study also finds that largest portion of users is found satisfied from the facility of demand draft provided by bank. Users are also satisfied from the service of the payment of utility bill instructions. But regarding the service of credit card facility which is often used by the users, it has been observed that majority of the users are not found to be satisfied. So it can be concluded that majority of users are found to be satisfied with services of telebanking provided by the bank except credit card facility.

11. CONCLUSIONS

The Indian banking sector has witnessed a hike in competition with so many banks coming up with all their potential using their global strength in order to establish themselves in the market. The conclusions drawn are as follows:

PNB customers seem to have satisfied its customers with good services of PNB. It has been successful in retaining its customers by providing better facilities than its competitors. But, still PNB needs to go along way to become a world class globally renowned bank.

In a competitive environment, the one idea that is sure to succeed will be the

customer centric model, where the organization builds long term strategic relationships with its customer. And PNB has been successful in achieving such relationship with customers.

PNB needs to concentrate more on its credit card facilities and insurance services since customers do not have a very good opinion about these facilities being offered by the bank.

Most of the customers also seems to have no knowledge about the internet

banking facility and its usage has been minimalist might be due to less availability of computers in India.

At a bit more personal level conducting a research on this subject has been a very gratifying experience. I am more than satisfied that my efforts have enabled me to successfully complete my research and this dissertation will be useful to the Punjab National Bank to optimize their customer relationship strategies.

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