

Customer Service and Customer Relationship Management with Specific Reference to Banking Industry in India

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Abstract- Customer Relationship Management has been practiced in India for several years. It was a neglected part in marketing previously. But today the scenario is entirely different where all firms including the Banking firms find it difficult to attract and retain the customers due to the aggressive competition and liberal economic policies. Due to this factor, firms in India are now taking serious efforts to satisfy their customers. Customer service is an integral part of CRM. Fulfilling the expectations of customers is the way to serve customers. Changing customer needs and expectations are posing challenges to the companies in satisfying their customers. The entry of new generation customer group who need latest technology in Banking Services is posing further problem to the bankers. In this paper an attempt is made by the author to describe the expectations of customers and its importance in Customer service with reference to Banking Industry.

Index Terms- Banks, Customer Expectation, Customer Relationship Management [CRM], Customer Retention and Customer Service.

1. CUSTOMER RELATIONSHIP MANAGEMENT - PREAMBLE

Customer Relationship Management is a comprehensive approach that aligns business strategy, corporate culture and organization and supporting information technology, so that the customer relationship proves beneficial mutually to both customer and company. Through widespread implementation of sales, customer service, marketing, field support and other customer touching functions, CRM integrates people, process and technology to maximize relationships with all customers. Customer relationship management (CRM) is a widely implemented model for managing

a company's interactions with customers, clients, and sales prospects. It involves using technology to organize, automate, and synchronize business processes - principally sales activities, but also those for marketing, customer service, and technical support. The overall goals are to find, attract, and win new clients, service and retain those the companies already have, entice former clients to return, and reduce the costs of marketing and client service. Customer relationship management describes a company-wide business strategy including customer-interface departments as well as other departments. Measuring and valuing customer relationships is critical to implementing this strategy.

2. AIM OF CRM

The ultimate aim of CRM is to enhance the customers' experience whenever they interact with the company. This enhanced customer experience translates into happy and loyal customers and thereby, into a greater wallet share.

3. OBJECTIVES OF CRM

The fundamental aim of CRM is to

- Understand Customer needs better.
- Maintain long-term customer relationship.
- Be able to pursue a strategy of relationship marketing.

4. NEED FOR CRM

5.

The factor that forced enterprises in all the fields to pay attention to CRM is the competition. Today's market is not dominated by the manufacturers or

marketers where the customers' satisfaction of need and want will be secondary and may be neglected. It is the customers' market today. They are given many choices. Especially after the Central government of India's move in globalization and liberalization, the competition has become more intense. In anticipation of the entry of more foreign banks into India in the coming years, both public and private sector banks in India are introducing innovations in providing banking services to their customers. A company can gain competitive advantage by becoming a low cost player, achieving operational efficiency, by cultivating customer loyalty. For obvious reasons of margins involved, the last option is most profitable for any firm. Furthermore, the low cost and operational efficiency can provide competitive edge only in the short to medium run.

6. RETAINING CUSTOMERS

The modern definition for the term marketing says "Marketing is creating and retaining the customer". A customer may be created by an attractive advertisement, persuasive sales talk, fear, sentiments or strong promise. But he/she cannot be retained as a loyal customer in the long run unless otherwise he/she is happy with the product or service and other interactions with the company. Hence what is required to retain the customer is, consistency and continual up gradation in satisfying the customer. Once someone comes up with better proposition, the customers don't think twice before switching over. In this backdrop, it's now wonder that companies, large and small, strive to turn themselves into customer-driven enterprise. A loyal and happy customer is difficult for competition to wean away even if there are some cost differentials. But, fostering a sense of relatedness in customers is at best an intimidating task. The customers have become more and more informed and much more demanding regarding what they expect. As a means of satisfying the ever increasing customer expectation and as a tool for retaining existing customers and appropriating new customers, the CRM philosophy was conceived. It is not a tool or a technology but a way of thinking that has developed and which keeps customer at the forefront of every action.

Though banks in India were aware of the benefits of CRM, they are skeptical about its applicability to

their organization since they are experiencing astonishing growth at the moment. But with the entry of private bank by Indian and foreign companies, banks in India are not left with an option but they are in a compulsory situation to hold their customers.

7. CUSTOMER SERVICE

Customer service is the crux of CRM. Basically customer service is any interaction with a customer. The traditional forms of such contacts are telephone enquiry, an over-the-counter sale, a letter or a meeting. All forms of contact have an equally strong bearing on a customer's perception of a business and the overall degree of satisfaction they experience in dealing with the business. Sometimes they affect a customer on a subconscious level; other times they are more obvious. The frequency of having interaction with the banks by their customers is comparatively more than any other services. Some of the technological advancement would have reduced the chances of meeting between the customer and banker but still in case of any grievance they will come to meet the banker. For instance, e-banking, phone banking and ATM have reduced the number of face to face interaction by a customer.

8. THREE MANTRAS OF CUSTOMER SERVICE

1. Find out what your customers expect from you?
2. Always meet these expectations
3. Try to exceed these expectations.

All the 3 mantras speak about the expectation of the customer on the banker. Let us now see what does a customer really expect? How to meet and exceed their expectations?

9. CUSTOMER EXPECTATION

A customer approaches a marketer in order to solve his problem. In other words, he wishes to satisfy his needs or wants by consuming the product or service of the marketer. Therefore, he has lot of expectation on the marketer while consuming the product or service. In fact, he believes that his marketer will fulfill the expectation of him. In case of any deviation in this process he gets frustration. Of course, it is also true that not all the expectation of a customer can be satisfied, but the fair expectations

should be satisfied. The major expectations of the customers are listed below.

- Value for the customer himself, his business and his time
- Understanding the customer
- Reliability
- Giving solutions to customer's problems not excuses
- Giving suggestions and alternatives

9.1. VALUE FOR THE CUSTOMER, HIS BUSINESS AND HIS TIME

This is a kind of respect or recognition which the customer is expecting from the banker while making the transaction and interaction with him. In the words of Mahatma Gandhi, when a customer is coming to the marketer's premises, he is not coming for himself but he is giving the opportunity to the marketer to do business. Therefore, a banker has to value everyone of his customer. Valuing the customers can be shown in the following ways.

9.1.1. Welcome and greet the customer

A teller in a bank may be working under any pressure. They meet so many customers on every working day. They may be physically and mentally tired. But for every customer it will be a new experience so the bank has to give it as a good experience. The banker can give good experience to customers by a welcoming approach and polite tone with smiling face.

9.1.2. Personalize the interaction by using the customer's name

A Banker must create relationship with his customers, which is not materialistic. This relationship must be reflected in every interaction so that the customer is not getting any strange feel. A customer will understand this when a teller remembers and calls customers by name. This is the way to bring the customer very close to your business. It will even make the customer cool when he gets some problems and dissatisfaction, the customer will also find it very easy to bring it to the knowledge of the banker. And also in this way we can get positive suggestions and feedback from the customers. A satisfied customer will spread positive message to the outsiders and bring some customers.

9.1.3. Respect the Customers' time

Everybody's time is more precious, especially the customers'. A banker must not give the customer the feeling that he is valuing only his time and not the customers'. Give immediate attention to the customer, an unattended customer gets irritation.

9.1.4. Communicate the customer for any delay in service.

Sometimes to serve a customer it may take time. The employee may have to follow some procedure or to refer it to the superior and wait for his decision. At that time it is advisable to intimate the customer about the delay in providing service. By getting such information about delay the customer can be sure about the time by which he will be able to receive service and accordingly he can plan his other works of the day also. Otherwise every minute that passes will be considered as a loss by the customer. By the time a customer is informed about the delay it may be resented by him, therefore, the staff who is informing about the delay must be polite, humble and subtle.

9.1.5. Give importance to Customers' issue

When a customer brings an issue to the notice of the banker it must not be trivialized by him. The staff who is handling the issue must carefully listen to the problem of the customer. The banker has to explain the customer why such issue has happened? and what contributed to the problem?. If it is contributed by the customer himself be polite in expressing your view. In case if it is contributed by the bank sincerely apologize for such mistake and explain him how and when it will be settled.

9.1.6. Thank the customers

Whenever there is an interaction with the customer, thank the customer at the end of the conversation. Be it a daily transaction, enquiry or complaint settlement, thank the customer generously. If you believe the statement "First impression is the best impression" you should also believe that "Last impression is the lasting impression". Always the last impression and experience will stay in the mind of the customer for long time. Also thank the customer for giving you the chance to serve him.

9.2. UNDERSTANDING THE CUSTOMER

In marketing it is said that “Marketing starts with consumer and ends with consumer”. It means that goods and service are not first made and then sold to the consumers, but it is found that what the customer really needs or wants and later the product or service is so designed as to satisfy the needs or wants of the customers. Bankers should also pay attention to the customers’ need. It is only those marketers who give the feeling to their customers that they’ve got an understanding supplier can survive. Customers can be understood in the following ways.

9.2.1. Listen to the customers

Since the customers are accepted as the starting point of marketing, they must be listened to in deep. Listening to the customers means understanding their needs, wants, likings, disliking, behaviour, taste and expectations. But it is not a simple job in the dynamic environment of today. All customers do not have similar need, want, expectations and behaviour. Even the need, want, expectation and behaviour of the same person do not remain the same over a period of time. It keeps on changing, because human being as a biological element is hard to predict, it is always dynamic. This is the most challenging job for the banker to be always watchful about the change in customer needs and expectations.

9.2.2. See the issue from the customers’ view point

This is the very basic requirement for having a better understanding. That is seeing the problem from the stand point of the customer. This is a kind of empathic behaviour which is appreciated by the customer. It will relax the tensed customer. By doing this, the banker is prioritizing the customer needs. This requires subordination of the firm’s interest before the interest of the customer provided that the customer’s interest is genuine.

9.2.3. Acknowledge the customers’ feelings

Beyond the careful efforts of the banker, sometimes there can be mistakes or defects in customer service. When it is brought to the notice of the banker, the first thing which should be done by the banker is to acknowledge the feeling of the customer if it is genuine. It will provide the customers an outlet for the bent-up emotions. Otherwise if it is denied by the banker without verifying its genuineness, the customers’ anger will be stimulated. The banker will

not only lose the unsatisfied customer, but also the prospect customers.

9.3. RELIABILITY

Reliability is a very important character which must be displayed by any seller and especially the banker. There is a kind of fiduciary relationship exists between the banker and the customer. The customer is analyzing this character before he selects the banker. It is highly considered in the case of selecting a bank. A banking customer will be asking few questions on reliability viz. Will my deposit be safe? Will I get my money back on time? Will I get the return as I was promised? Will my information be secret? Will I be served well? Will I get special privileges? Will I get proper information on enquiry? If a person trusts a banker on these terms only he is selecting that banker. Let us see how can bankers display reliability?

- A. By delivery and commitment
- B. Zero error in service
- C. Get the things right at the first time itself
- D. Communicate correct information
- E. Follow up on commitment made

9.4. GIVE SOLUTIONS TO CUSTOMERS, NOT EXCUSES

Customers can be given solutions in the following ways.

9.4.1. Offer to help

Problems are the need, solutions are the services. Customers may demand any kind of service from the banker. The banker must try to offer the help provided that it is a fair demand. The banker cannot expect the kind of help which will be demanded by the customer. It can be of any new thing. For instance, it may be even helping a customer in filling up of a deposit or withdrawal form or informing the customer about the counter from which he can get his work done. For the purpose of providing these kinds of help, banks are now having arrangements like appointing lobby manager etc.

By taking action for customer complaints and providing solutions to their problems also the banker can help the customers. In case if the customers’ demand cannot be satisfied directly, the banker must not close the conversation by saying NO, instead the banker can suggest the customer about the possible alternatives to satisfy his need. By designing the

banking products based on the customer needs and providing quality services the banker can offer solutions to the customers' problems.

9.5. ADVISE THE CUSTOMER

Advising the customer is another responsibility of the banker. Customers may not know how to make use of the products, services and procedures so as to get maximum satisfaction. At times some customers may get the confusion in selecting the products and make use of extra services and privileges offered to all customers. It is not customers' duty to ask about services but the banker's duty to tell him.

10. CONCLUSION

Customer Service is unavoidable in CRM. It would have got different shapes over a period of time according to the need of the time. It may be called Servicing Customers, or delighting customers or even enthusing the customers. In every form the basic intention is to give the customers good experiences so as to retain them and gain new prospects also. Banks both Nationalized and Private sector must realize this so that they can withstand in the future market which is going to be still very competitive.

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