

Customer Relationship Management at Arakurussi Vanitha Sahakarana Sangham Bank, Mannarkkad, Kerala

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Abstract- Banks often find it difficult to build and keep strong relationships with their customers. Even though they spend a lot on Customer Relationship Management (CRM) systems and technology, many find difficult to understand what their customers want. This can impact customer satisfaction and loyalty. If banks fail to care CRM, they risk losing customers and fall under non-performance. Considering this, the present study aims to analyse the customer relationship management practices of Arakurussi Vanitha Sahakarana Sangham bank, measure their customer service satisfaction and assess the challenges faced by the bank in implementing CRM in an effective way. Findings of the study would help improve the bank's CRM strategies and strengthen the relationship with their customers and attract new ones.

Keywords: Customer Relationship Management, Customer Service and Customer Satisfaction.

I. INTRODUCTION

Customer Relationship Management plays a vital role in the banking industry by helping institutions build stronger and better relationships with their customers. In an environment where competition is intense and customer expectations are constantly rising, banks must go beyond providing financial products. They must understand and meet the specific needs of each customer. CRM systems enable banks to collect and manage detailed customer information, including transaction history, communication records, preferences, and feedback. This data empowers banks to offer personalized services, leading to improved customer satisfaction and long-term loyalty.

CRM enriches banks with the ability to offer customized and timely financial solutions. By analyzing a customer's financial behavior and life stage, banks can recommend products that align with

their goals such as by suggesting a home loan to a customer or investment plans to someone nearing retirement. These services not only meet customer needs but also foster trust and deepen the relationship between the bank and the customer. Personalized service increases customer satisfaction, which in turn improves customer retention which is a key factor in sustaining profitability in the long run.

It also would enhance a bank's ability to cross-sell and up-sell its products and services. With a clear view of each customer's profile and history, banks can identify opportunities to offer additional products such as insurance, credit cards, or fixed deposits. These offers when relevant and timely, they would increase revenue. Effective CRM allows banks to segment their customers based on various factors such as income, spending behavior, and financial goals, enabling them to design targeted marketing campaigns that resonate with specific groups.

Operational efficiency is another major benefit of implementing CRM in banks. By centralizing customer data, CRM systems eliminate duplication of efforts and ensure that all departments—from sales and marketing to customer service—have access to the same accurate information. This helps faster resolution of customer queries, smoother communication, and more coordinated services. The automation tools would handle routine tasks like follow-ups, reminders, and email communications, supporting employees to focus on more strategic initiatives.

CRM assists compliance and risk management. Regulatory requirements such as Know Your Customer (KYC) and Anti-Money Laundering (AML) demand accurate and comprehensive records

of customer interactions and transactions. CRM systems help banks maintain these records systematically and securely. They can also be used to detect unusual or suspicious behavior, contributing to early fraud detection and risk mitigation. Thus, CRM is a powerful tool that supports every aspect of a bank's interaction with its customers—from initial contact to long-term relationship management. It helps banks deliver better customer experiences, boost revenue through personalized services, operate more efficiently, and stay compliant with regulatory standards. As digital banking continues to evolve, CRM remains essential for banks to stay competitive, relevant, and trusted by their customers.

Keeping in view the above, the present study aimed to assess CRM at Arakurussi Vanitha Sahakarana Sangham Bank from its customers.

II. OBJECTIVES OF THE STUDY

- To find the socio-economic background of Arakurussi Vanitha Sahakarana Sangham bank customers.
- To analyse the customer relationship management practices of the bank.
- To measure the customer service satisfaction of the study area.
- To assess the challenges faced by the bank in implementing CRM in an effective way.

III. REVIEW OF LITERATURE

Chiliveri Saikumar and M Pavani (2020) in their paper “A Study on Customer Relationship Management in Banking” analysed the price of credit losses and credit revenues. The study is based on around 50 respondents, found that APGVB is effectively managing risks, improving credit policies, and expanding loans to SHGs. However, limited digital banking use and staff shortages affect service delivery and customer satisfaction.

T. S. Kumar and K. Kalairaja (2021) in their study “Customer Relationship Management practices in Indian banks, Chennai city” found the current customer relationship strategies of Indian banks and customer satisfaction with their services from 120 respondents. Results showed that most were male respondents, aged 20–30 years with private jobs, postgraduates with income under Rs. 20,000/- a month. It found common use of savings accounts and limited bank relationships. Complaints were mainly

resolved through customer meetings, with effective grievance handling noted.

K. K. Saritha Mol and K. Jothi (2021) in their study “Customer Relationship Management in regional rural banks of Kerala” aimed to study the factors that enhance customer relationship and analyse the relationship between the selected study variables and retention of customers within the rural banks of Kerala. The study was based on 211 respondents. Results found there was no connection between age or education and factors like service quality, customer satisfaction, or retention. It recommended periodic feedback collection and employee training in customer care, communication, body language, and complaint management to enhance customer relationships and improve overall service delivery.

M. Ponniah (2021) studied “Customer Relationship Management practices in new generation banks in Bengaluru” with 98 respondents. The study found rising customer expectations make it hard for banks to predict needs. It recommends focusing on customer retention, regular communication, and feedback to improve CRM effectiveness.

Pawan Kumar Gupta (2023) studied “A Framework for Successful CRM Implementation in Indian Banking Sector” using secondary data. He recommended to increase CRM budgets, conducting readiness checks, expanding rural outreach, and strengthening the banking network. Key strategies include employee training, customer satisfaction assessments, and service audits to enhance CRM effectiveness and customer relations.

IV. METHODOLOGY

The present study was confined to Mannarkkad city in Kerala. Random sampling technique was used to collect responses from the respondents. Database for the study was collected from 150 bank customers of Arakurussi Vanitha Sahakarana Sangham Bank, Mannarkkad, Kerala through personal interview method. On completion of data collection appropriate research analytical tools such as Simple Percentage, Correlation, Chi-square and Average Score Ranking were applied.

V. FINDINGS OF THE STUDY

I. SOCIO ECONOMIC BACKGROUND OF THE RESPONDENTS

Findings of socio-economic background revealed that about 51% of the respondents were ‘Male’, 48%

were between '31 to 40' years of age, 46%, 97% were 'Married', 41% were completed 'Secondary Education', 61% received a monthly family income from 'Rs.16000/- to Rs.20000/-', 57% of their monthly family expenses were between 'Rs.11000/- to Rs.15000/-', 29% of their family monthly savings

were between 'Rs.1100/- to Rs.2000/-', 70% belonged to 'Most backward community', 67% followed 'Hinduism', 100% maintained 'Savings account', 57% had an account for over '6 to 10 years' and 39% came to know about this bank through 'Bank staff'.

TABLE 1: SOCIO ECONOMIC BACKGROUND OF THE RESPONDENTS

Socio-economic Background			%	Socio-economic Background		%
Gender	Male	51	Age of the respondent (in years)	21 – 30	9	
	Female	49		31 – 40	48	
Occupation	Private sector employee	6		41 - 50	29	
	Public sector employee	9		51 – 60	13	
	Business person	46		61 – 70	1	
	Dependent	39	Marital status	Married	97	
Educational qualification	Primary	2		Unmarried	3	
	Secondary	41	Monthly family income (in Rs.)	6000 – 10000	1	
	Higher secondary	22		11000 – 15000	29	
	Higher education	35		16000 – 20000	61	
	Monthly family expenses (in Rs.)	6000 – 10000		3	21000 – 25000	7
11000 – 15000		57		26000 – 30000	2	
16000 – 20000		34	Monthly family savings (in Rs.)	Below 1000	25	
21000 – 25000		5		1100 – 2000	29	
26000 – 30000		1		2100 – 3000	28	
Community	Most Backward Community	70		3100 – 4000	10	
	Backward Community	29		Above 4000	8	
	Scheduled Caste	1	Religion	Hindu	67	
	Scheduled Tribes	0		Christian	2	
	Others	0		Muslim	31	
Kind of account maintained	Savings account	100		Others	0	
	Current account	0	Years of account holding	Below 5	11	
	DEMAT account	0		6 to 10	57	
	NRI account	0		11 to 15	29	
Source of information	Through Friends				25	
	Relatives				31	
	Bank staff				39	
	Parents				5	
	Newspaper / social media				0	

Source: Primary Data, 2025

II. CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES

TABLE 2: CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES

CRM Practices		Percentage
Bank promises safe transaction	Strongly Agree	70
	Agree	29.33
	Disagree	0.67
Employee give individual attention to customers	Strongly Agree	59.33
	Agree	38.67
	Neither Agree nor Disagree	2
	Strongly Agree	46

New services and changes are informed regularly	Agree	49.33
	Neither Agree nor Disagree	4.67
Employees ask for suggestions to improve services	Strongly Agree	41.33
	Agree	54
	Neither Agree nor Disagree	3.33
Services are provided at promised time	Disagree	1.33
	Strongly Agree	62
Bank maintain privacy and security	Agree	38
	Strongly Agree	58.67
	Agree	40.66
Employee deals customer patiently	Neither Agree nor Disagree	0.67
	Strongly Agree	69.33
	Agree	30
	Neither Agree nor Disagree	0.67

Source: Primary Data, 2025

Results of CRM practices revealed that about 70% of customers ‘strongly agreed’ that the bank promises safe transactions, 59.33% of them ‘strongly agreed’ that bank employees gave individual attention to customers, 49.33% of customers ‘agreed’ that new services and changes were informed regularly, 54% ‘agreed’ that bank employees asked for suggestions

to improve the services, 62% of customers ‘strongly agreed’ that services were provided at promised time, 58.67% of customers ‘strongly agreed’ that bank maintained privacy and security of customer details and 69.33% of customers ‘strongly agreed’ that the employee deals customers patiently.

TABLE 3: OPINION ON CUSTOMER CHARGES

Opinion on Customer Charges		Percentage
Not maintaining Minimum balance	Nominal	12
	Low	36.67
	Very low	51.33
SMS alert	Nominal	2
	Low	32
	Very low	66
Mini statement	Nominal	3.33
	Low	28.67
	Very low	68
No of transaction at same bank	Nominal	1.33
	Low	26
	Very low	72.67
Non cash transactions	High	0.67
	Nominal	25.33
	Low	49.33
	Very low	24.67

Source: Primary Data, 2025

Almost 51% of customers said that the charges for not maintaining minimum balance in their account was very low, 66% said that charges for SMS alerts were very low, 68% said that charges for mini statement were very low, 72.67% of customers said that charges for number of transactions made at same bank was very low and 49.33% of customers said that charges for non-cash transactions was also low.

Around 7% of the customers have said when they think about the reason for bank popularity of this

bank ‘Computerised banking’ comes first in their mind, 3% of customers said it was ‘Core banking’, 56% of customers said it was ‘Customer service’, 29% of customers said, ‘Personalised banking’ and 5% of customers said it was ‘Wide branch networking’.

About 72 % of the customers reported their grievances or clear their doubts through ‘Personal visit’, 5 % of them through ‘SMS’, 23 % of customers through ‘Telephone’ and none of the

customers reported their problems through 'Websites'.

TABLE 4: CUSTOMER SERVICE SATISFACTION

Customer Service Satisfaction		Percentage
Bank communication with customers	Highly satisfied	58
	Satisfied	41.33
	Dissatisfied	0.67
Hospitality	Highly satisfied	44.67
	Satisfied	54.66
	Dissatisfied	0.67
Service hours	Highly satisfied	44
	Satisfied	55.33
	Neither satisfied nor dissatisfied	0.67
Response to customer feedback	Highly satisfied	38
	Satisfied	48
	Neither satisfied nor dissatisfied	8.67
	Dissatisfied	5.33
Ambience	Highly satisfied	21.33
	Satisfied	55.34
	Neither satisfied nor dissatisfied	20
	Dissatisfied	3.33

Source: Primary Data, 2025

Results of customer service satisfaction revealed that about 58% of customers were 'highly satisfied' with bank communication with customers, 54.66% were 'satisfied' with hospitality, 55.33% 'satisfied' with

service hours of the bank, 48% were 'satisfied' with the response of employees for customer feedback and 55.34% of customers were 'satisfied' with the ambience of the bank.

TABLE 5: OPINION ON CHALLENGES FACED

Opinion on Challenges Faced		Percentage
High transaction cost	Neither Agree nor Disagree	0.67
	Disagree	34.67
	Strongly Disagree	64.66
Low digital service	Agree	28
	Neither Agree nor Disagree	3.33
	Disagree	48
	Strongly Disagree	20.67
Difficulty in getting loan	Neither Agree nor Disagree	0.67
	Disagree	20
	Strongly Disagree	79.33
Difficulty in availing locker facility	Disagree	34.67
	Strongly Disagree	65.33
Problem of trust	Neither Agree nor Disagree	1.33
	Disagree	36
	Strongly Disagree	62.67
Problem of reputation	Agree	3.33
	Neither Agree nor Disagree	20.67
	Disagree	32.67
	Strongly Disagree	43.33

Source: Primary Data, 2025

Results of challenges faced showed that around 64.66% of customers 'strongly disagreed' that the transaction cost was very high, 48% of customers

'disagreed' that digital services were low, 79.33% of customers 'strongly disagreed' in difficulty in getting loans, 65.33% of customers 'strongly disagreed' they

experienced difficulty in availing locker facility, 62.67% of customers 'strongly disagreed' for the problem of trust and said trust is not a major issue

and 43.33% of customers 'strongly disagreed' to the problem of reputation.

TABLE 6: OPINION ON BANK INFRASTRUCTURE

Opinion on Bank Infrastructure		Percentage
Moving & Seating space	Excellent	49.33
	Very good	46
	Good	4.67
Furnishing	Excellent	28.67
	Very good	50.67
	Good	19.33
	Average	1.33
Drinking Water Facility	Excellent	60
	Very good	35.33
	Good	4
	Average	0.67
Enquiry counters	Excellent	26
	Very good	41.34
	Good	17.33
	Average	14
	Poor	1.33
Brochures/ Pamphlets of bank services & facility	Excellent	12
	Very good	32.67
	Good	30
	Average	17.33
	Poor	8
Signboard	Excellent	12
	Very good	13.34
	Good	39.33
	Average	25.33
	Poor	10
Overall CRM performance	Strongly Agree	43
	Agree	51
	Neither Agree nor Disagree	5
	Strongly Disagree	1
Improvement of CRM	To A Great Extend	2
	To Some Extend	5
	To A Little Extend	20
	Not Necessarily	73
Refer bank to others	Yes	83
	No	7
	May Be	10

Source: Primary Data, 2025

Opinion on bank infrastructure revealed that almost 49.33% of customers said moving and seating space of bank were excellent, 50.67% of customers said furnishing in bank was very good, 60% said drinking water facility was excellent, 41.34% said that enquiry counters in bank was very good, 32.67% of customers said that brochures and pamphlets of bank services and facility was very good and 39.33 % of

the customers said that signboards in bank were good.

Around 43 % of customers 'Strongly Agreed' that the overall CRM of the bank was good and 51 % 'Agreed' it was good. About 20% said that CRM has to be improved 'To a little extend' and 73 % customers said that it is 'Not necessarily' to improve

CRM. About 83% of customers 'Would refer' this bank to others.

III. CUSTOMER RELATIONSHIP MANAGEMENT ISSUES: CORRELATION

The association between Charges for SMS alert and High transaction cost and the association between

Ambience and Drinking water facility was found by applying correlation.

H₀₁: There is no association between 'Charges for SMS alert' and 'High transaction cost'

H₀₂: There is no association between 'Ambience' and 'Drinking water facility'

TABLE 7: CUSTOMER RELATIONSHIP MANAGEMENT ISSUES: CORRELATION

CRM issues	p - value	r - value	Inference
Charges for SMS alert and High transaction cost	<.001	0.352	Rejected
Ambience and Drinking water facility	= 0.005	0.229	Rejected

Source: Calculated data, 2025

Results of correlation between 'Charges for SMS alert' and 'High transaction cost' reveal that there is a statistically significant positive correlation between the two. Hence, the null hypothesis is rejected.

In case of the correlation between 'Ambience' and 'Drinking water facility', results show that there is a statistically significant weak positive correlation between Ambience and Drinking water facility. Hence, the null hypothesis is rejected.

IV. CUSTOMER RELATIONSHIP MANAGEMENT ISSUES: CHI-SQUARE TEST

TABLE 8: CUSTOMER RELATIONSHIP MANAGEMENT ISSUES AND SATISFACTION: CHI-SQUARE TEST

Variables	Chi-square value	Degree of freedom	P value	Inference
Income of the customers and charges for mini statement	8.548 ^a	8	.177	Accepted
Age and bank communication with customers	11.467 ^a	8	.177	Accepted

Source: Calculated data, 2025

It is clear from Table 8 that the p-values are much higher than the commonly accepted levels of .05 or .10. Hence, we cannot reject the null hypothesis. Thus, there is no significant relationship between 'Income of the customers' and 'Charges for mini statement'. Also, there is no significant relationship between 'Age of the customers' and 'Bank communication with customers'.

V. FACTORS THAT INFLUENCED CUSTOMERS TO SELECT BANK: AVERAGE SCORE RANKING

TABLE 9: FACTORS THAT INFLUENCED CUSTOMERS TO SELECT THE BANK: AVERAGE RANK SCORING

Factors	Total Score	Average Score	Rank
Convenient location	286	1.91	VI
Convenient working hours	429	2.86	V
Safety and security	447	2.98	IV
Provides new generation facilities	496	3.31	III
Better interest rate	625	4.17	I
Better customer services	535	3.57	II

Source: Calculated data, 2025

The relationship between Income of the customers and problem of charges for mini statement, and the relationship between Age of the customer and satisfaction towards banks' communication with customers was found by using Chi-square test.

H₀₁: There is no association between 'Income of the customers' and 'Charges for mini statement' H₀₂:

There is no association between 'Age' and 'Bank communication with customers'

Factors that influenced customers to select this bank was analysed through average score ranking. The selected respondents were asked to indicate their responses on a five-point scale viz, 'very high', 'high', 'neither high nor low', 'low' and 'very low'. The responses were weighted as 5, 4, 3, 2 and 1 respectively. The total weighted score for each obstacle was calculated, average scores were derived and ranks assigned.

Findings of factors that influenced customers to select bank revealed that ‘Better Interest rate (Rank 1)’, ‘Better Customer Services (Rank 2)’ and ‘Provides new generation facilities (Rank 3)’ were the most influenced factors for the customers to select the bank. The least influenced factors were ‘Safety and Security (Rank 4)’, ‘Convenient working hours (Rank 5)’ and ‘Convenient location (Rank 6)’.

VI. CONCLUSION

The study reveals that Arakurussi Vanitha Sahakarana Sangham Bank builds a strong customer relationship, through trust and personal service. Customers like the safe transactions, friendly staff and low fees. Still, there’s a need to improve digital services and modern ways of communicating. Although their customer relationship practices worked well, it’s important to keep up with changing customer needs, especially when it comes to technology. By improving these practices, the bank can boost customer satisfaction, continue supporting women and benefiting local community.

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