CRM – A force for Service Innovation in Indian banking Industry with reference to new generation Banks in Chennai.

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ABSTRACT

Our Indian financial industry is giving chances to advancements even with constant endeavors at improving budgetary administrations through the innovative improvement in present day field independent of nationalized and modernized banks in India. The greatest test of banks is that gauges the need of clients and edges the administration advancement effectively. The financial segment has been developing at a quick level in India and tested with client desires, mechanical change and changing the method of activities. The advanced Technology has been assuming a crucial job in the colossal improvement of banking administrations .In the new decade of Banks were encountered a continued development by broadening their client system and client relationship the executives for contending others in the worldwide condition. These mind blowing innovational developments are a motor for animating the improvements and keep up the client reinforcement because of accomplishment. This successful CRM practices is playing as a determined of changing client need s into item and administration advancement by quickening the financial business. The dissemination of data from the dependable client would give more proposals to acquire the advancements quality administration process. The paper is meant to discover the impact and significance of administration developments in banks by the predominance CRM rehearses and the wellsprings of data that brings colossal changes by a compelling administration advancements and greatness conveyance in the new age banks. This correlative study was conducted as a field study and a statistic society of all customers with an account in federal bank, Chennai. Sample group was selected randomly and data were collected through questionnaire. For data analyses, 125 questionnaires were taken up and regression
coefficients were obtained and discussed. The results showed that, concerning different aspects
of exiting services, delivery system, tips for better service innovation and the best way of CRM
practices in new generation banks.

Keywords: Service innovations, new generation banks, Customer relationship management and
Technological development.

Introduction:

The advanced business field has changed the way of expanding the benefit, rather than
giving brief administrations to the general public. Presently multi day the real difficulties of all
organizations are to center the new client and building up their client discussion than their rivals
in the business. Banking industry likewise not absolved from this goal [1]. The fundamental
focal point of banking division is in the regular purpose of client arrange, even the elements of
work has changed. When the idea of CRM has presented in the business, they all are plan to
change and recognize them self to bring the extreme change by utilizing the powerful CRM
rehearses in the main and up and coming financial age. The purpose for of this is the hazard and
difficulties has diminished and prompt the chance of expediting greater improvement the idea of
administration development which enables the business to carry quality and well disposed
administrations to both client and the specialist organization [2]. Continuously there is a huge
interest and extension on Innovative advances with adaptable activity among the individuals of
present day ages who preferences change and updates. In this plan, the advanced banks likes
government bank were taken up progressively activity to broaden their image and client
reinforcement through refreshed administration advances up to the scope of worldwide creative
innovations [10].

Need of CRM in Service Innovation:

The Indian Performa of banking system is mainly depends on service with quality and
revenue generation which is mainly used for making the transparency in transactions and
overcoming the nuances of complaint forum from the customers desk. It would be simplified
when the technology in services plays the vital role in banking sector. Success of each and every
banks determined by its own credibility which would come through a effective CRM practices to
avail the outline of expectations from customers for a service change, point out the place where
the service innovation could updated and modified, identify the stage when the customers are in
a service gap, mapping the position of technology in service delivery and eradicating the faults
and queries in technology, Branding the tag of a bank through a reachable channel where the
customers can ensure their comfort zone and connecting the people to drag the point where the
morale of customer is dislocated, and finally directing the technological advancement track to
cover the expectations of customers through a platform of globalised service innovation [5, 6].

**Base work on Literature**

Every success and result is root-casted by an insignificant stone of starting point that’s
shaped my thought and gives more wings to my perception on my research work where I can
regenerated the findings and observations in this perspective of CRM in service innovation at our
banking system of India. A. Chemmalar (2015), “Banking industry in India is a vast
development sector comparatively with other field; it has more opening and entry point for
global investment to maximize their wealth by an attractive return with risk free quality service
through a well designed technological safety protocol in the service delivery” [7]. Dr. M. Siva
Subramanian (2015), “service change and innovation are the consent player in the market to
bring more customer to the business day by day; it helps the system to be simplified and
improved based on the requirement of customers in the Indian banking sector for attaining the
top most objective of maintaining the loyal customers in large size” [9]. This fact has founded by
the study of Dr. Naagarajan (2013), “Customer relationship management is a mirror of
customer’s reflection on the techniques and technology of services that offered by a private
banks and its mandatory to identify the insight feeling of clients in the modern era. Major
percentage of respondent was agreed that the CRM would be a parameter to scale the fulfillment
of customer in short run” [8]. To enhance security, banking sectors can be provided with
effective protection mechanism which helps to maximize the level of empathy that helps to
enlarge the amount of CRM [11, 12].

**Research methodology:**

This study is mainly aimed to find out the role of CRM practices in the process of service
innovation in banking industry by using two modules; stage one is stating quality research by
discussing and interviewing orally with the customers of federal bank, Chennai and its
transformed properly as a statements and stage two is stating that quantity research by collecting
the data from frequent customers from the same bank through structured questionnaire. The sample size of 125 was taken up out of the total population in large group under simple random sampling method. All the data s was considered for analysis by applying appropriate statistical techniques and tools like correlation, ANOVA and chi-square test. The findings were seriously obtained to view accurate suggestion for the betterment of the bank. The feasibility and validity test has been conducted through the classical test (Cronbach's (alpha) value is: 0.64) to justify the quality of my research work. Finally the conclusion has been framed based on the results and finding of analysis, and drawn the area of future research for upcoming researchers.

Role of imperative Innovation at our banking system

Our Indian banking system is always depends and enlighten the technology oriented services to make the services easy and quick for fulfilling the expectation of customers in India. Technology and its growth is recognized and developed by the industry based on trends and systematic innovations [3, 4]. As per my review with the society mainly on the customers of Federal bank, most of the people likes the services that has been offered by federal banks is nice than the others, the reason behind of this is that, this is also the one of the bank which is newly upcoming to compete others with sustainable innovative technology with customer friendly.

<table>
<thead>
<tr>
<th>S. NO</th>
<th>Features of Innovative Technology</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Easily Understandable</td>
<td>16</td>
</tr>
<tr>
<td>2</td>
<td>User friendly</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Flexible operation</td>
<td>22</td>
</tr>
<tr>
<td>4</td>
<td>Reducing errors</td>
<td>18</td>
</tr>
<tr>
<td>5</td>
<td>Time saving</td>
<td>19</td>
</tr>
<tr>
<td>6</td>
<td>Security in transaction</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>125</td>
</tr>
</tbody>
</table>

**Source: Primary, Table 1.1:** Showing features of Innovative technology.

The table and charts shows the features in innovative technology that has been identifies through effective CRM progress in federal bank, Chennai. Sometimes, the customers will enforce particular mode of technology and they demand based on their wish, monitor the changes in their routine life in order to safety and secure.
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![Mode of Innovation](chart)

<table>
<thead>
<tr>
<th>S. NO</th>
<th>Mode of Innovation</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>e-Customer care</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>Transparent work</td>
<td>19</td>
</tr>
<tr>
<td>3</td>
<td>Mobile APP</td>
<td>35</td>
</tr>
<tr>
<td>4</td>
<td>Safety process</td>
<td>18</td>
</tr>
<tr>
<td>5</td>
<td>Loyalty cards</td>
<td>17</td>
</tr>
<tr>
<td>6</td>
<td>scam free operation</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>125</strong></td>
</tr>
</tbody>
</table>

**Source: Primary, Table 1.2: Showing Mode of Innovation in banking**

A group of people will always stick with particular type of service by bank, even they experienced different tools. The above table shows the mode of innovation in banking service that has been provided by a customer. Based on the report maximum no of people adopting the concept of friendly nature in all kind of changes and also preferred mobile app which could be the most reliable and acceptable tools in maintaining best CRM tactics in our banking system.

**Impact of technology in CRM at our Federal bank:**

In the modern era, a technology has played the major role in retaining the customer and wins back the lost customer from us; for sustaining in the industry for long time and vie others in the business perspective. This table shows the need of technology in CRM at our bank.

![Need of Technology in CRM](chart)

<table>
<thead>
<tr>
<th>S. NO</th>
<th>Need of Technology in CRM</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Service feedback</td>
<td>23</td>
</tr>
<tr>
<td>2</td>
<td>Customer expectation</td>
<td>21</td>
</tr>
<tr>
<td>3</td>
<td>Predict the product design</td>
<td>19</td>
</tr>
<tr>
<td>4</td>
<td>Educate the service</td>
<td>20</td>
</tr>
<tr>
<td>5</td>
<td>Brand the tag</td>
<td>22</td>
</tr>
<tr>
<td>6</td>
<td>Trend setting</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>125</strong></td>
</tr>
</tbody>
</table>

**Source: Primary, Table 2.1: Showing Need of technology in CRM**

Most percentage of respondents was taken the service feedback as a major impact by using this CRM concept in our bank due to enhance the quality of operation and standardized service to the end customers.
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<table>
<thead>
<tr>
<th>S. NO</th>
<th>Acceptance of Innovation</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Highly Satisfied</td>
<td>29</td>
</tr>
<tr>
<td>2</td>
<td>Satisfied</td>
<td>21</td>
</tr>
<tr>
<td>3</td>
<td>Medium</td>
<td>26</td>
</tr>
<tr>
<td>4</td>
<td>Not Satisfied</td>
<td>21</td>
</tr>
<tr>
<td>5</td>
<td>Highly not satisfied</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>125</td>
</tr>
</tbody>
</table>

Source: Primary, Table 2.2: Acceptance of Innovation in Banking services.

Sometimes this could be considered for predict the product and service design in channel of banking services. The changes and modification in normal services has been accepted by the customers in high amount of percentage to make the bank in the right direction to work for successful progress.

Analysis and Findings:

In view of my investigation, most (65%) of the clients from government bank were very much aware of our CRM practices and they distinguish (32%), support (28%), recognize(30%) and control (10%) us for the best benefits with great measure of imaginative creation on it. This will help significantly (72%) to hold the reliable individuals with us; make them to mark our name to the general public effectively.

The connection test were made between kinds of development in the financial administrations and the degree of consumer loyalty; the estimation of relationship is r = 0.72 shows nearer connection that demonstrates the solid connection between two factors. The second examination of methods of CRM rehearses and Innovative innovation in our bank were tried by Pearson's connection strategy and the worth is r=0.69; demonstrates nearer relationship that shows the solid connection between two factors. The chi square test were determined with the factors like significance of mechanical development in administration and the sexual orientation of the respondent to distinguish the acknowledgment of relationship; the outcome were discovered that p>0.05 which means we can acknowledge the invalid speculation expressing that there is an immediate connection between these variables. From this point by point investigation and testing, we could locate the substantial reaction on administration advancement and innovative improvement as an apparatus of CRM execution in our financial framework. The greater part of the individuals (79%) need direct correspondence with the leaders of the banks to...
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take care of their issues through successful client care work area. Around 68% respondents were picked that Innovation ought to be the ceaseless procedure up to the worldwide change.

Conclusion and Future area of research:

Every single piece of banking exchange was improved step by step to make the clients feel better and hold them as their level best for fruitful development. A large portion of the associations with clients will arrive at end at the season of ill-advised administration, non refreshed innovation, and absence of creative procedure of working, absence of modernization and protect sentiments among the clients. These things could be effectively recognized and observed effectively through successful CRM channel and defeat these issues to support client's riches; which encourages the banks to liven up their quality activity in all the course to expand their standard. When the modules of innovation that has more extension and is being distinguished by the clients and banks; there is a huge interest for development in administration of banks to prevail with full measure of dependability client's reinforcement. In this examination, we test all sort of inquiries and factors effectively to make the idea unmistakable to get a handle on the extent of administration development and mechanical headway. We could emphatically report that CRM would be an ideal instrument and precise motor for making administration advancement in our financial industry.

This investigation moreover call attention to some significant push zone of research and light the degree for further work in similar zones like phases of innovation and advancement toward the part of the bargain cycles; administration development in other industry, the issues looked by the banks to change or present development with prepared representatives in leaving administration modules and what is its misfortune or cost, traps of the administration arrangement to roll out the improvements effectively in nationalized banks and the effect of cost control and cost the executives framework while propelling developments in administration.

References: