

A STUDY ON ROLE OF CRM AS A DEVICE IN FACING THE CHALLENGES OF EMERGING MANAGEMENT ISSUES IN BANKING INDUSTRY

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***Abstract:** Challenges and risks are the most impactful variable in human life as well as business prospects. Each and every business was massively affected by the impact of challenges in modern business world. Banking industry also is not exempted from this concept of risk and challenges in our day to day life and business transactions. They are so focused in overcoming these kinds of emerging management issues and its impacts by adopting different kinds of techniques and methods. Even they stepped out in the direction of making a success by facing all types of obstacles and keeping many methods to solve these issues; they could not compromise due to its imperfect solutions. After a long research and observations they derived into outline of CRM which is the most meaningful and valuable device that control all the impacts and support the business to face all kind of issues and disputes in recent business markets. Customers and banks were getting mutual satisfaction and benefits by accepting and following our effective CRM methods as a device to face the challenges of emerging management issues.*

This work has been carried out to find the value of CRM in facing the Emerging management issues in our Indian banking Industry. This study has been conducted by the sample of 135 through questionnaire from various customers of new banks which has incorporated newly like IDFC and Bandhan Bank. The data and variables have been tested by statistical tools and interpretation has drawn based on its result of analysis. Suggestion and conclusion are made to show more tips on strengthening our banking system.

***Keywords:** CRM, Bnaks, Challenges, management, Business, Satisfaction and success.*

I. INTRODUCTION

Business is the modern mantra which controls the entire world in terms of politics, agriculture, research, and administration and why not public through its harmful power for its own survival and profit maximization in the current world. Humanity and religious are getting second priority than modern business due to its dependency

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of public for their survival in optimum economic condition to maintain a smooth life and savings for their future generation and needs. Sometimes the controlling authority of business and common man is the place where they are depending for money; may be it for savings or security with high return is nothing but our 'Banking Industry'. It is the point that used for all kind of transactions and operations in business to make the entire process and progress in positive direction. This could be a major reason for getting different kind of management issues and risk which can be controllable by implementing effective CRM tools in banking industry. The risk cannot be avoidable due to any circumstances in banking transaction and process of work. In this agenda banks were getting full amount of awareness and entered into the path of taking remedies to protest and overcoming all the issues in different manner, mainly by the device of CRM application in Indian banking sector.

II. EMERGING MANAGEMENT ISSUES IN BANKING INDUSTRY

Our Indian banking sector are ensuring to be in best banking system in worldwide in 2025 and it makes India to be proud by keeping our economic condition in excel. But in the span of ten years, it has to come across upcoming issues and queries in our banking system which will create more impact in normal business. The major thrust area of getting issues is globalization where our banks to face lots of competition across the world, service and product innovation where banks should concentrate on changes in delivery and transaction, Technological advancement where the banks to update the innovation in technology, Risk management where the banks has to face the challenges, corporate governance where the banks focus b2b channel with clarity, CRM where the banks can enrich their customer back up, CSR where the banks can develop the society, balance sheet management where the banks could manage their assets and liabilities properly, Brand building management where the banks can establishing their tag to the market competition, Financial inclusion where the banks can develop the proper economic condition in our nation, Forex exposures where the banks can manage export and imports in India. Risk management where the banks will accept the changes, KYC compliance where the banks will update and maintain the forum with correct customers. These could be the important issues that will bring more challenges to our Indian banking system.

III. REVIEW OF LITERATURE

Base work is important in any kind of successful research to map the outline that shows the area of travel in our steps of research. In my work also some of the key notes have given me a direction to enlarge my concept in this topic. Mr. Ganesh.M (2014) Sathyabama University, IJAER "CSR is the most powerful weapon to make changes and brings power to face challenges in any kind of business in current scenario. It is not only the symbol of making brand and also making the business in to the different direction where they can get the success along with development in internal and external parts of a business". Ms. A. Chemmalar (2015) Mammallan Institute of

technology, AIJBSR, "Banking industry in India is a most powerful sector where they have the power to control the economic status of a nation and make the countries to grow with global competitive level to compete others and brings the success in every movement of its business". Dr. Nagarajan (2013) Alagappa University "Managing an issue is not an easy task to do in a single process. It has a major amount of work with systematic approach, forecasting the future, Handle with clear as per its priority, this will help the entire industry to go faster and reach the path of success in the positive way". Mr. Ashok (2015) General Manager, Repco bank, Chennai "CRM is a device of connecting the people in banking system to make the industry in a value based customer network to induce the power of banking system for attaining the goal of each and every banks. This will help the customer to be closer to the bank for make every one as a loyal customer".

IV. OBJECTIVE OF THE STUDY

This study is aimed to attempt the result with a primary objectives of finding the role of CRM as a device in facing the challenges emerging management issues in our Indian banking industry and the secondary objectives of indentifying the impact of different issues in banking industry, Finding the need of CRM to overcome these issues and how it avail the opinion from various customers in new generation banks. Finally try to identify the bird's view of different methods available for control the issues. This frame work will help us to measure the need of CRM practices and how it's helping us to face the changes and challenges that brings more impact in banking industry. This could be the major objective has been consider for this drive to know the outline of Issue management system in baking industry through following effective CRM practice to gives more track to overcome all the risks and problems and make banks are stable in all condition.

V. RESEARCH METHODOLOGY

This study is mainly aimed to find out the role of CRM as a device in facing the challenges emerging management issues in our Indian banking industry by using two stages; stage one is stating quality research done by discussion and interview orally with the customers of IDFC bank and Bandhan bank, Chennai which has been started newly, 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 135 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, ANOVAs 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: 0.61) 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.

VI. ANALYSIS AND INTERPRETATION

The data has been taken from the customers of respective banks has given us a direction to take the further step in our research process. The respondent and their valuable suggestion have given more strength to enumerate the concept in Cristal clear. As per the result of respondent in the area of getting more issues from the industry is that prioritized in ascending order, the rating started with CSR activities (19%) were opted and ended with financial inclusion and product innovation (10%) in the sequential areas of 10 variables.

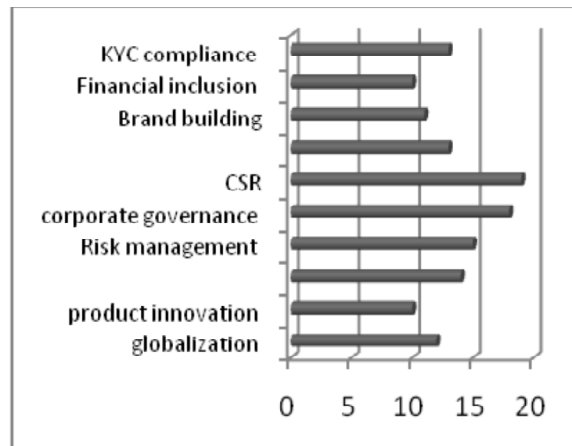
Table 6.1
Table shows the areas of getting issues

S. No.	Areas of getting Issues	Response
1	Globalization	12
2	Product innovation	10
3	Technological advancement	14
4	Risk management	15
5	Corporate governance	18
6	CSR	19
7	Balance sheet management	13
8	Brand building	11
9	Financial inclusion	10
10	KYC compliance	13

Source: Primary

This chart will explain the concept in detail with pictorial representation on the area where normally customers and bankers will get the issues in the banking sector that can be controlled by taking essential steps.

Chart 6.1: Chart shows the areas of getting issues



Source: Primary

Sometime in business transaction, the outcome from the issues will create more impact on banking operation and their routine work. Even though Each and every impact will spoil the business operation in banks, fails in win back strategy (19%) is opted by more respondent and unbalanced compensation has been opted by (15%) minimum no of respondent. De-branding and difficult to manage and control has same response (18%) from the respondent.

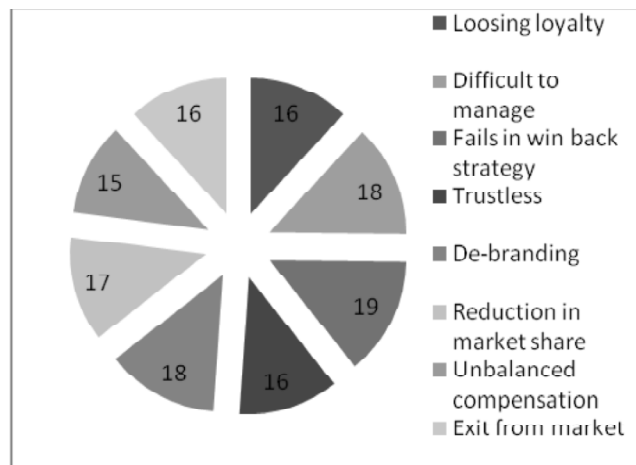
Table 6.2
Table shows the Challenges of issues in banks.

S.No	Challenges of Issues in banks	Response
1	Loosing loyalty	16
2	Difficult to manage	18
3	Fails in win back strategy	19
4	Trustless	16
5	De-branding	18
6	Reduction in market share	17
7	Unbalanced compensation	15
8	Exit from market	16
	Total	135

Source: Primary

The below diagramme also gives more details about how the banks will facing the challenges and how it affected by problems in banking sector. Customers are more sensible factors; they will feel immoral if there is no control in issues and problems in banking sector. Each and every banks are trying to bring more methods to overcome the issues and they do more research and analysis with the consultation of expert in the industry for grasping more cognitive tips from them.

Chart 6.2: Chart shows the Challenges of issues in banks



Source: Primary

There are many methods have been followed to control and overcome the issues which has risen in banking sector now a days. The list of methods is huge, so we were taken up some important methods and consulted with respondent about its suitability to current situation. As per the respondent opinion the concept of CRM is getting more votes (15%) to control and overcome the issues and followed by trust with the banks (14%) and least response (11%) goes to value based cost reduction.

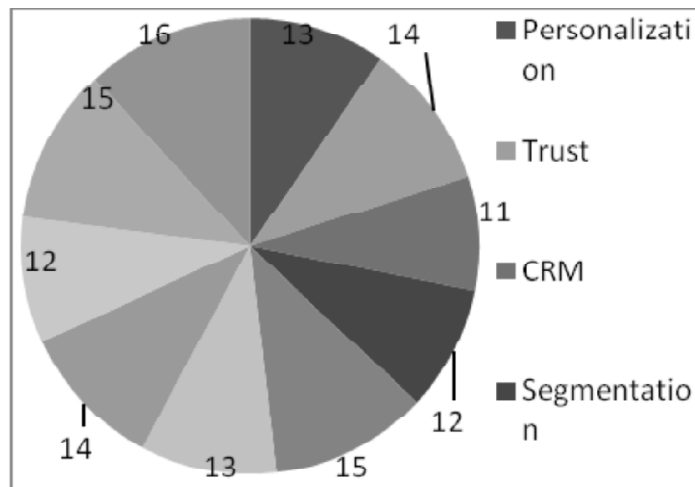
Table 6.3
Table shows the Methods of overcoming issues in banks

S.No	Method of overcoming issues	Response
1	Personalization	13
2	Trust	14
3	CRM	15
4	Segmentation	12
5	Service Innovation	12
6	Technology updation	13
7	Cyber technology	14
8	Value based cost reduction	11
9	Transparency in work	15
10	Digital channels	16
	Total	135

Source: Primary

Always the image will gives more idea and detail to explain the concept will, like wise this methods also will gives more ratings from the various respondent in my research work. As we discussed already the concept of CRM plays major role in solving the problems and issues directly or indirectly and make the customer to be more loyal

Chart 6.3: Chart shows the Methods of overcoming issues in banks



Source: Primary

towards to respective banks. Image and success of a banks will determined by a strong network customer rather than capital and other resources.

Risks and results were majorly depends on the methods what we are using in the process of controlling issues. Even the customer’s acre having more option in banking, they stick with them under the particular bank due its strong CCRM process which has a valid elements and factors on it. The most no of respondent were opted the major components of core offer, Geographical target and Intelligent competitiveness (18%) followed by others elements like share of wallet (17%) and last place is goes to Successful coalition as per the respondent of respective banks.

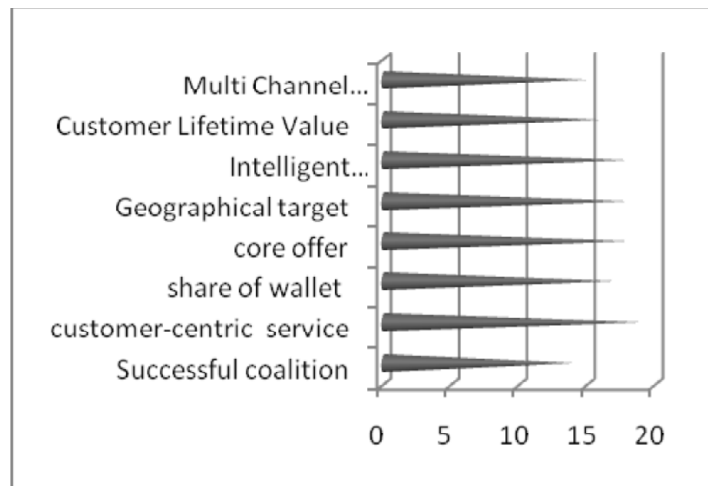
Table 6.4
Table shows the Elements of effective CRM

S.No	Elements of effective CRM	Response
1	Successful coalition	14
2	customer-centric service	19
3	share of wallet	17
4	core offer	18
5	Geographical target	18
6	Intelligent competitiveness	18
7	Customer Lifetime Value	16
8	Multi Channel communication	15
	Total	135

Source: Primary

The core value and discipline of each and every element is playing a vital role in the part of making CRM is more effective. The below diagramme will explain well

Chart 6.4: Chart shows the Elements of effective CRM



Source: Primary

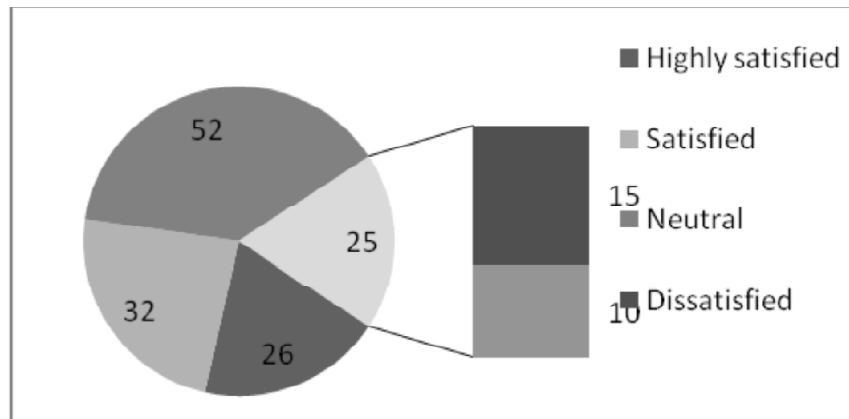
about the major and minor elements in making the CRM is more effective. This helps the banking industry to enlarge their scope.

At last the test and my research work could not be completed without examining the current CRM practice in respective banks. The test has made to analyze the satisfaction level of a customer on existing practices of CRM in those banks ,major percentage (52%) people were opted that the practices which is followed is average that means they are not leave the customer beyond the level.

Table & Chart 6.5 Table & Chart shows the Satisfaction level of current CRM practices.

S.No	Satisfaction level of current CRM practices	Response
1	Highly satisfied	26
2	Satisfied	32
3	Neutral	52
4	Dissatisfied	15
5	Highly dissatisfied	10
	Total	135

Source: Primary



Still the banks are concentrating to increase their satisfaction level by their process of work that is why some of the respondent (26%) opted highly satisfied. The minimum no of respondent (10%) were opted highly dissatisfied, may be that part will enter into the family of particular bank newly or still they could make more concentration on those respondent and make them to be happy by fulfilling their need and demand in the banking industry.

VIII. FINDINGS AND RECOMMENDATION

Based on my study, more no of percentage in respondent from the customer of bandhan bank and IDFC bank in Chennai were opted and strongly accepted the method of their current CRM practices in their respective banks. The correlation and regression

test were made with data which have collected from respondents through structured questionnaire on the variable of customer satisfaction level and methods of overcoming the emerging management issues in banking industry, the value of correlation is $r = 0.73$ shows closer relationship in correlation which indicates the respondents are strongly satisfied with the methods followed in banking to overcome the problems and issues. The second comparison were made with reason for getting issues and the methods of overcome it in our banks were tested by Pearson's correlation method and the value is $r = 0.67$; shows closer relationship between two variables.

The chi square test were calculated with the variables like importance of solving the issues in services offered by a bank and the gender of the respondent to identify the acceptance of relationship; the result were found that $p > 0.07$ which means we can accept the null hypothesis stating that there is a direct relationship between these factors. From this detailed analysis and testing, we could find the valid response on methods of solving the issues and the area of getting the issues in banking in our banking system. Most of the customers (70%) want to have better platform or channel of maintaining direct communication with the heads of the banks to solve their problems. Around 65% respondents were opted that focusing the sensible issues and overcoming it should be the continuous process up to the global change. The major part of (72%) respondent were opted the banks should provide the dazzling future for them in their life time relationship with the banks.

IX. CONCLUSION AND FUTURE AREA OF RESEARCH

Risks and problems are the constant one which affects the business and banking transactions often beyond their controlling limits. As per the study which we carried out in the banks of Bandhan and IDFC were maintaining the separate cell for identifying and controlling the most sensible issues and providing optimum solution to control the entire concept impactful issues and brings more channels and outlets to eradicate the outcome which affect the relationship of customers with the banks. Reasons and chances of getting issues are unpredictable due to its technological change ,competition, service delivery, loyalty programmes etc. Now a day's banks are very clear to make the effective forum like best CRM practices through enlarging their service activities in the industry. Banks have strengthened with effective CRM tools which gives more power to face the domestic and global challenges for solving upcoming management issues and problems in process of sustaining in the industry, facing the global competition, service differentiation, forum of loyal customer, branding the image of a banks and being a inspirational one to lead others by the way of their quality, technological, prompt, reliable and transparency in their working process.

In the upcoming researcher can have a focus on identifying the gap of level of customer loyalty and effective promotional tools of a modern banks beyond their routine work, and also they can bring the difficulties of banks to bring back the lost customers from the particular banks along with its reason and impacts. This study is

strongly proved that CRM working as a device to face the challenges for emerging management issues in Indian banking industry.

Acknowledgment

The data and information that has revealed in this study is true, it has been taken as per the primary data were taken from the customers of IDFC banks and bandhan bank though a perfect questionnaire. Above all the findings which I furnish here, has been taken from my research work based on proper analysis and discussion.

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