

AN INVESTIGATION INTO THE CUSTOMER RELATIONSHIP MANAGEMENT OF COMMERCIAL BANKS OF BANGLADESH: A COMPARATIVE STUDY AMONG NATIONALIZED, PRIVATE AND FOREIGN BANKS

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Abstract

Globalization and technology improvements have forced into tough competition. In this new era organizations are forcing on managing customer relationships, particularly customer satisfaction, in order to efficiently maximize revenues (Constantions, 2003). Today marketing is not just developing, delivering and selling, it is moving towards developing and mutually long term relationships with customer (Buttle, 1996). In practice, however, the 'Customer markets', with the latest relational concept customer relationship management, CRM, remain the primary focus and, as such, Peek(1999) place them firmly at the center of the six-market model of relationship marketing. Research suggests that customer satisfaction, fundamental concept of relationship marketing, is important in achieving and retaining competitive advantage. Organizations and research studies have discovered that retaining current customers is much less expensive than attracting new ones. (Desatnick, 1988; stone *et al.*, 1996). The best way to retain customers is to keep them satisfied, a number of studies have shown that customer satisfaction can lead to brand loyalty, repurchase intention and repeat sale (Dale et al., 1999), in short customer retention. Customer retention, in turn, seems to be related to profitability (Oliver, 1999). The study focuses on four aspects of CRM; CRM definition & benefits, CRM process, CRM technology and CRM organizational structure & people. Besides within-case analysis the study also focuses a comparative study of CRM among nationalized banks, private banks and foreign banks.

Introduction

Relationship marketing is becoming important in financial services (Zineldin, 1995). If a bank develops and sustains a solid relationship with its customers, its competitors cannot easily replace them and therefore this relationship provides for a sustained competitive advantage (Gilbert, 2003). Moriarty *et al.*, (1983) has suggested relationship concept in the banking sector which states that banks can increase their profits by maximizing the profitability of the total customer relationship over time, instead of seeking to get more profit from any single transaction. Perrien (1992) observed severe competitive pressures that forces financial institutions to restructure their marketing strategies by developing into long-term relationship with customers.

Background

In year 1990, many organizations were focusing on how to perform their transactions with the customers and how they are going to address their strategies for sales promotion effectively. But after 1990 it was found that many companies have diverted their attention toward how organizations can maintain positive and long lasting relationship with customers. At the same time how to raise loyalty of customers. Thus strategies of organization have shifted towards customer-oriented strategies. Important factors like providing added services, recognizing the needs of customers are termed as factors to decide the fate of companies. Organizations investigations have put light on importance of retaining customer is not a great deal than of attracting new ones (Desatnick, 1998, Massy *et al.*, 2001). Relationship marketing has turned out to become important factor in financial services. (Zineldin 1995).

Statement of the problem

In this Internet age, when the customer is having access to a variety of products and services it is becoming very difficult for banks to survive. In this situation, when customer inquiries are not met easily or transactions are complicated, the customer will asks for new levels services, and only chose those institutions

who are making a real effort to provide a high level of quality, fast and efficient service through a the bank's touch points, call centers, ATMs, voice response systems, internet and branches (Puccinelli, 1999).

Managers really need to look at areas where opportunities lie because industry consolidation, virtual delivery channels and the ability to move money around at the click of a mouse are making it easier for customers to pack their bags and a bye to the bank. Of course, only depending on technological capabilities can't ensure customer service. Company need to analysis the business situation and understand the real requirements for automation (Xu, 2002).

In this difficult situation CRM is an opportunity that banks can avail to rise above minor advantages by developing actual relationships with their customers (Bose, 2002). Company committed to CRM must continuously invest in its relationship with its customers, because it is the only competitive advantage remaining to an organization. Often companies have to change their internal business processes, and exploit human and organizational resources, in order to manage good relationship with their customers. Institutional success lies in the secret of successfully delivering customer oriented product or service to the customer (Bose, 2002)

Objectives of the study:

- To explore how different kinds of banks define CRM
- To understand how different kinds of banks get benefit from CRM
- To evaluate the CRM process in different kinds of banks
- To explore the CRM technologies that is used by different kinds of banks
- To evaluate CRM organizational structure and people in different kinds of banks

Methodology of the study:

Population: Commercial banks operating in Bangladesh

Sampling method: In order to suite research purpose, purposive sampling method has been used in selecting banks. At first population is divided into three strata according to their ownership status-NCBs, PCBs and FCBs. Then from each stratum some commercial banks have been selected that are concerned with their customers to build long term relationship.

Sample size: Eight private commercial banks, two nationalized commercial banks and three foreign commercial banks.

Data collection: Both primary data and secondary data are used in the study. Questionnaire, personal and telephonic interviews were the source of primary data, and web site data was the source of secondary data. The primary data can be considered as qualitative data since the respondent's opinions and point of view had a great importance of the outcome of this study. The data is also based on meaning expressed through words and not derived from numbers. The personal interviews lasted between 50 to 60 minutes and were conducted in English. Free response interview with open ended questions are used so that interviewee has the free choice of words and can express about the phenomenon freely.

Data analysis method: In this research both within case analysis and cross case analysis are conducted. First each case are analyzed separately and compared with previous theory. This analysis will follow the same structure as the frame of reference. Second, the three single cases are compared with each other in a cross case analysis, following the same structure as the frame of reference. Matrices, in the form of tables are used in order to visualize the collected data for a better understanding for the reader, as recommended by Miles and Huberman (1994).

Literature Review

According to Newell the real value to a company lies in the value they create for their customers and in the value the customers deliver back to the company. Accordingly, it is

technology. The value lies in the customer knowledge and in how the company uses that knowledge to manage their customer relationships. Knowledge is the soul of CRM. Unfortunately, few companies are transforming the information to customer knowledge and therefore they miss the opportunity to provide value to their customer. However, applied in the right way, CRM is the tool that contributes to profit. If companies are transforming the customer data into knowledge and then uses that knowledge to build relationship it will create loyalty, followed by profit (Newell, 2000). The benefits of CRM are lower cost of recruiting customers, reduced cost of sales, higher customer profitability, increased customer retention and loyalty and evaluation of customer profitability. According to Budwani(2002) all the customers are not beneficial/; if the customers are taking company's time, energy and resources without generating enough business, they are dangerous customers. Newell(2000) describes that the company must use CRM where they can get good profitable customers.

Existing research states that relationships are the foundation to the effective development and adaptation of new business philosophy, although businesses have taken care of relationships with their customers for many centuries (Gronroos, 1994). Relationships necessitate much more than mere transactions. Rather, they represent strategic and tactical issues based on a new philosophical shift that is geared towards long-term organizational survival (Sheth and Parvatiyar, 1995). At the strategic level, organizations are encouraged to define themselves as service organizations, and do their business from a process-management perspective that develops partnerships, alliances and networks. Relationship marketing got popular in 1990s but has a long history under different names. In its beginning, one-to-one marketing appeared in the mid-1990s, which changed into CRM (Customer Relationship Management) as the No. one business buzzword at the turn of the millennium (Storbacka, 1994). Today, CRM is the dominating factor and the same has generally been used.

Bose, (2002) described the customer relationship management (CRM), essential and vital function of customer oriented marketing is to further and accumulate related information about customers in order to provide effective services. CRM involves attainment analysis and use of customer's knowledge in order to sell goods and services. Companies have come to realize that in order to develop long-term, successful relationships with their customers, they need to focus on "economically valuable" customers while eliminating "economically invaluable" ones (Romano, 2000). Instead of treating all customers equally, it is better to develop customer-oriented strategies. Customer satisfaction is made certain by allocating, scheduling and dispatching the right person, with right parts, at the right time. (Xu, 2002). Shaw has defined CRM, as "*an interactive process for achieving the optimum balance between corporate investments and the satisfaction of customer needs to generate the maximum profit.*" Jill Dyche, (2001) describes that e-CRM is combination of software, hardware, application and management commitment. He considers e-CRM as a means of selling, serving or communicating with customer through web. An e-CRM system provides financial institutions with the opportunity to establish individual and need oriented customer relationships-CRM enables the financial institutions to provide the right financial product at the right time (Sascha, 2003). According to peck (1999), value is created for customers and consumers through "process". Processes are "the way to do things". It means they are linked sets of activities that enables market demand to be satisfied (Peck, 1999). According to Egan (2001) sometimes it takes a lot of time and effort to develop relationships. Dwyer and Tanner (2001) talked about the same phenomenon and developed marriage metaphor using business examples to illustrate the concept from interpersonal relationship research. Doyle (2002) described buyer seller relationship in different relationship development stages, which are shown in the following figure.

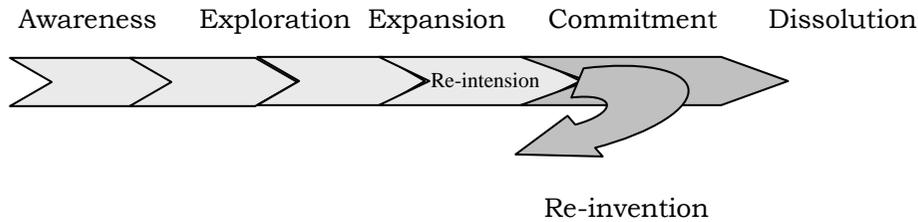


Figure: Evolution of relationship
Source: Based on Doyle 2002

CRM is a process designed to collect data related to customer, to grasp features of customers, and to apply those qualities in specific marketing activities (Swift 2001). Further Swift (2001) looks it as recursive process, changing customer information into customer relationship through use of and learning from the information. He further mentioned that CRM starts from building customer knowledge and results in high impact customer interaction. Business and government agencies establish manage long term, resource – manageable, profitable customer relationship by using this process, Swift (2001) divides this process into four stages:

- a) Knowledge discover,
- b) Market planning,
- c) Customer interaction,
- d) Analysis & Refinement

Banks are highly focusing on CRM for the last five years that is expected to continue (Foss, 2002). According to Foss (2002) most of the financial services industries are trying to use CRM techniques to achieve varieties of outcomes. These areas are:

- Creating consumer - centric culture and organization;
- Securing customer relationships;
- Maximizing customer profitability;
- Aligning effort and resource behind most valuable customer groups.

The bank would need a complete view of its customers across the various systems that contain their data. If the bank could track customer behaviors, executives can have a better understanding a predicting future behaviors and customer preferences. The data and applications can help the bank manage its customer its customer relationship continue to grow and evolve (Dyche 2001). Egan (2001) agrees that IT, if effectively used, has enormous potential for relation building. Advancements in IT allow a relationship oriented management to store and manipulate information of their customers to provide those customers a better service. Foss (2002) says that a lot of factors have conspired to result in the improvement of IT and the business in the financial sector such as bank system. The frame of reference of this research work is schematically shown in figure 3.1.

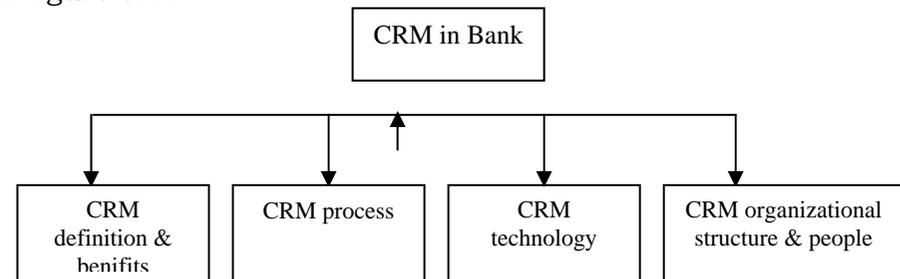


Figure 3.1 Emerged frame of reference

Data Analysis and findings:

Within Case Analysis of NCBS

In the following part we discuss the views of nationalized banks about CRM by comparing those theories present in previous chapters.

CRM Definition and Benefits in Banks:

Nationalized banks look at CRM as marketing, sales and support system supported by Swan et al. (1989) looking CRM as integrating the activities of marketing, sales and service to achieve a common goal. Nationalized banks apply CRM from customer to customer base by offering the right service to the customers. According to nationalized banks, it not only looks into its internal environment, which includes its management goals, but also closely monitors its external environment, competitors, multi-channel environment (new technologies) and level of customer satisfaction which is theoretically explained by Sehrif (2002) *to compete with newly increasing competitive pressures, financial institutions must recognize the need of balancing their performance by achieving their strategic goals and meeting the continuous volatile customer needs and requirements*. Nationalized banks look towards its goals by having long-term relationships and satisfying customers supported by Sherif (2002) by saying *focus on managing customer relationships, and in particular customer satisfaction, in order to efficiently maximize revenues*.

CRM Process in Banks:

NCBs have two major activities while dealing with its customer base, *Firstly* at the central level by collecting customer information, analyzing and forming new and modifying old strategies to enhance customer relationship and satisfaction level with customer. *Secondly* NCBs get knowledge about customers at the branch level. When it comes to customer offers, the NCBs offer most of its services to all the customers but there are some unique offers which the bank provides only to the selected customers by using channels, the bank feels that different customers have different business setup and it is good to exploit different channels to bring most of the customer segment into the bank's umbrella. But NCBs are not following any process to build relationship with customers as described by Doyle (2002).

CRM Technology in Banks

We know that NCBs are still behind in using technologies. By using IT, NCBs are facilitating and enhancing its relationship with customers by providing various customized offers. By using NCBs' web site organizations can get access to various information. NCBs are using different type of computer applications at different levels. At a small extent, they are now using the database to store customer information for future use. NCBs are using technologies to interact with its customers. The banks view CRM technology as customer-centric process and it helps the banks to automate the whole processes otherwise it is impossible to handle all the information manually. NCBs believe that without technology is very crucial to be the customer-centric.

CRM Organizational Structure and People

NCBs' organizational structure is centralized. When making the strategy the head office is independent. But when dealing with the local customers, branches have somewhat authorities according to their circumstances. Local branch looks into the customer's different needs and presents it to the head office. The CRM organization of NCBs is described in table 6.7 People in NCBs do not share a process to complete the activities and tasks required for success which is not in accord with Swift (2001). The banks use training programs, called sales and strategy, to enhance its staff's skills, the training program includes the CRM segment designed for the staff in the marketing, advertising and CRM departments. Paid to attracting, training and motivating employees are the significant attention in NCBs which is supported by Peck (1999). This is also in line with Foss (2002) "enough resources must be allocated to the training, coaching and measurement" Galbraith (1997).

Within Case Analysis of PCBs

At the following stage we discuss the PCBs' views about CRM by comparing CRM theories.

CRM definition and Benefits in PCBs

PCBs define CRM as personal interaction with its customers. Greenberg (2003) has the same view about CRM by saying ‘a business strategy, supported by a system and a technology, designed to improve human interactions’. PCBs look towards its customers by segmenting into sizes, small, middle and big. According to PCBs Small and big organizations are saved providing them standard products, but big organizations are the one who need extra attention therefore we have to create distinguished products for them. PCBs look towards customer retention and loyalty, they believe that a retained and loyal customer will decrease their handling cost and increase profitability theoretically Crosby (2002) supports it by saying ‘long term customers are costly to serve and more profitable’.

CRM Process in PCBs

Knowledge discovery: Before accessing customer, PCBs check the bank’s database system to gather information and search the public information. Within the appropriate business context, PCBs familiarize itself with the customer’s financial standing, experience and objectives. PCBs provide understandable information on the services provided. This is in accord with what Swift (2001) says about Knowledge discovery “enables marketing personnel better analysis of the detailed customer information of historical information and customer characteristics for better decision-making”.

Market planning: After gathering the customer’s information the bank decides who the right customers are, and when to deal with them. Most of the PCBs offer their business customers tailor-made solutions, and when to deal with them. PCBs offer their business customers tailor-made solutions, focusing on the customers’ needs. Banks views its customers as its focal point and aims to provide knowledge and advice based on customer needs-at the operational, tactical or strategic level. The process enables the development of strategic communications plans or programs and put the knowledge gained into action (Swift, 2001).

Customer interaction: Customer interaction must map the connections to customers (Swift, 2001). According to the respondents of Habib bank, HSBC and SCB use all the channels, according the customer’s needs. They consider face to face distinguishing features better than other channels because in face to face discussion they gain a better understanding of the customers’ desires.

Analysis & Refinement: This stage is continued to learn from customer dialogues (Swift, 2001). Most of the PCBs have procedures for the processing of complaints, and provides instructions on how to file a complaint and responds to them within a reasonable time. Survey about the customer’s satisfaction is done every year. They send their questionnaires to their customers’ satisfactions level or not.

Awareness: PCBs are in line with Doyle’s (2002) awareness stage by getting into face to face with its customers. At this stage PCBs just get introduce itself with the new customers.

Exploration: PCBs find awareness a good opportunity and starts collecting information about the prospective customer using different methods. Doyle (2002) agrees with this.

Expansion: Doyle (2002) says at this stage there must be some initial contracts, which we practically saw in PCBs.

Commitment: Until reaching this stage PCBs have gone into strong and long-term relationship with its customers by providing them unique offers. Communication channels are also agreed upon and repeating transactions are Doyle (2002) has same view.

Dissolution: In few cases a customer plans of quitting PCBs. In this case some PCBs arrange meetings with its customer and try to reach some offers which can let the customer stay with them, but possibility of quitting is sometimes there.

CRM Technology in PCBs

In Bangladesh private commercial banks offer a wide range of concepts and Internet-based tools to support and enhance customer decision-making processes. Their concepts and services are constantly developed and refined to meet the changing needs of their customers. By using CRM technology, banks are providing customers more knowledgeable products. The respondents agree that, CRM technology not only save time and money, makes the job easier but improves the customer experience.

Organizational Structure and People

The CRM organizations of some private commercial banks include sales department and corporate relationship managers. Corporate sales department is responsible for the whole CRM process and will guide the corporate relationship managers. Corporate relationship managers identify the right customers and the investment opportunities and decide when the offer shall be introduced to the customers and interact with the customers.

PCBs have their own unique Trainee Program. The PCBs Trainee Program acquaints the employee with the Group's strategies, customs and business areas. PCBs offer the best up-to-date mixed learning approaches available. A variety of ways to learn are available including on-the-job learning, traditional classroom work, workshops, and work supervision and mentoring, self-studies, and network based learning. PCBs believe that employees will strengthen banks reputation and contribute to the goal of being the leading financial services groups. Peck et al (1999), Galbraith. 1997 and Foss (2002) has same opinion.

With-in Case Analysis of Foreign Banks

In the following part we analysis the collected data of foreign banks. We will compare the situation with theories presented in frame of reference.

CRM Definition & Benefits in foreign bank

SCB has re-structured its business philosophy by putting its customers at the middle and all its banking activities around it (Kowsar Ahmed Tipu).SCB has developed customer-oriented strategy that is supported by Xu (2002) by saying instead of training all the customers equally; it is better to develop customer-oriented strategies. While, being a customer-oriented philosophy, HSBC looks customers as a key to success and treats every customer as individual. In the re-structuring process management recognized the branch importance; branch is the one sitting in front of the customers. Management gave branches enough to make decisions according to customer needs, which enhanced customer orientation approach, because while treating every customer branches offers different set of services to every individual customer according to customer's business requirements. We observed that '*in few case*' the banks are not following what Romano (2000) and Varehoef & Donkers (2001) said 'focus on economically-valuable' customers while eliminating 'economically-invaluable' customers. Banks argue that long-term relationship will turn these customers into more profitable by reducing the handling cost and more transactions. Foreign banks look long-term relationship as success and survival in the market that is theoretically supported by Bose (2002), Gronroos (1994), Crosby (2002) by saying long-term relationships are less costly and less resource hungry.

CRM Process in Foreign Banks

Foreign banks of Bangladesh have a very strong view of branch level. Central management forms highly flexible strategies and delivers it to branches, branches in view of these strategies forms its policies according to their local external environment. Foreign banks feel that branches are the one sitting in front of the customer and know very well about their customer requirements and local competition; it is good to give enough independence to branches to take decisions and mold strategies according to their local needs.

Knowledge Discovery: Foreign banks are applying the Swift (2001) process cycle by collecting, segmenting and predicting new or old corporate customer's information by using different channels.

Market Planning: Banks are following market planning by preparing customer offers in a technical way, banks don't provide every service to every customer; banks deeply study each customer's requirements to design a very unique service for every individual customer's business requirement. Before introducing any new service, banks plan it well and offer it to selected customers who will really benefit from it. This stage is in accord with the Swift's (2001) CRM process planning.

Customer Interaction: Following the Swift's (2001) interaction stage banks help its customers to plan their business by getting into different credit or other contracts at the right time or the when customer needs it. Banks use different channels to establish relationship with its customers. Customer selects the most suitable channel of communication for it. From a variety of channels banks feel that branch is the strongest channels because the bank and the customer physically get together and discuss problems and opportunities. Foreign banks feel that mutual-trust is the first step towards long term relationships, and to develop this mutual trust banks contact with its and competitor's customers and discusses about the market position and the customer's business needs or requirements, in the same way sometimes customers contacts with the banks and tells them their problems and asks for the solution. To maintain this confidence environment, banks gradually prepare and present new offers to different customers. (Fahmida Sadik,BSSM,SCB)

Analysis and Refinement: In accordance with the Swift's (2001) analysis and refinement stage, banks keep on tracking the challenges the customers are facing at the moment and while preparing new offers, keep all those challenges in mind. Banks also track its customers and refine its offers, if it is required.

Awareness: Foreign banks collect information about different prospective customer. On the other hand some also comes to banks to take some information. This is in accordance with Doyle (2002) relationship evolution process.

Exploration: Foreign banks collect information using customer's website, newspapers, meeting or from any other source. At this stage relationship is at its early stage and is also weak Doyle agrees with this (2002).

Expansion: We saw Doyle's (2002) this stage when banks enter into some contracts with its new customers. In banks this contracts can be from an account opening or with some credit deal.

Commitment: In line with Doyle's (2002) commitment, foreign banks of Bangladesh enhance their co-operation with its customers, offer them different communication channels according to their needs and enter into big and repeating contracts. At this stage relationships are grown up and are getting strong.

Dissolution: Sometimes there are few customers who prefer to quit foreign banks, but banks keeps on tracking these types of customers and look into their problems and present them new offers with the purpose of re-intention. It is in line with Doyle (2002).

CRM Technology in Foreign Banks

At foreign banks customers can assist themselves by using bank's website from anywhere, any time. Customers can get information, personalized help; use online banking for checking accounts, paying bills, transferring money Reynolds (2002) has same words. The bank has also introduced electronic payment cards by using which business to business transactions are getting very easy. All the online services are interactive and take place at the same time the customer wants. In Bangladesh foreign banks are using these types of software to interact with

its customers. The banks are also using database-enabled software to keep record of all the customers meeting, decisions. The notes are gradually updated by keeping in touch with the customer. Foreign banks look technology as Customer-Centric Processes. By using which the customer can contact with the bank very quickly, can get better information and help. And by using technology organizations and the bank can have win-win situation.

CRM Organizational Structure and People

Foreign banks’ organizational structure is decentralized and somewhere centralized. The branch has direct interaction with the customers and working on customer oriented business strategy. The branch manager and the assistant branch managers are responsible for all the activities. From the table above, we can see that the branch manager is responsible for the entire CRM process, and the branch managers, assistant branch managers and CSOs are responsible for all the activities including: Identification of right customers and investment opportunities, Development of right customer offer, Decisions about the time of new customer offerings, Customer interaction. The roles of foreign banks are according with Swifts model (2001). Foreign banks arrange training programs within the branch and between the branches; practical experience in the branch is the main source of educating the staff. It is accordance with (Peck et al, 1999).

Cross-Case Analysis

At this part of the chapter, cross-case analysis, by using data of NCBs, PCBs and FCBs will be done to looks at the tendencies in the banks’ working. This part will also help to form some possible outcomes.

CRM Definition and Benefits in Banks

Table-1 How different banks define CRM

CRM (Definition/ View)	Personal Interaction	Customer Oriented Approach	Marketing, Sales & Support
NCBs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PCBs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
FCBs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

= Agree

Source: Author’s own construction based on survey August2011

Table-2 How banks look at the benefits CRM

Why/Benefits of CRM	NCBs	PCBs	FCBs
Long-term relationship	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Reduced Handling / transactions cost	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Successes & survival in market	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Higher customer profitability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Customer retention & loyalty	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Customer satisfaction	<input checked="" type="checkbox"/>		

= Agree

Source: Author’s own construction based on survey August 2011

In the table 1, 2, we have shown the findings of each case study to show the similarities and differences in how the companies are defining CRM and theirs’ benefits. It is very interesting to see the definition part, and suddenly META group research (quoted by Greenberg, 2004) comes in mind ‘CRM as 360-degree view of the customer’. Since every bank is defining the same phenomenon in a very different way. Even every bank is correct and is theoretically supported but within the same banking industry every bank has its different view towards the same phenomenon--- -the CRM. When comes to CRM benefits, it is even more interesting that banks have different views, even there are also some similarities, like NCBs and FCBs use the term long-term relationship while PCBs used the same

phenomenon by calling it customer retention and loyalty. But the other hand all the banks have different view about benefits. NCBs look long-term relationships and customer satisfaction, PCBs toward higher customer profitability and customer retention and loyalty while FCBs toward long-term relationships, reduced handling and transactional cost and also take CRM as success and survival in the market place.

CRM process in Banks

Table-3 (Swift's CRM process, 2002)

Bank	Knowledge Discovery	Market Planning	Customer Interaction	Analysis & Refinement
NCBs	N/A	N/A	N/A	N/A
PCBs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
FCBs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

= Agree

Source: Author's own construction based on survey August 2011

At the second stage we were discovering about CRM process, and we used Swift (2001) four stages of CRM process. We found that PCBs and FCBs are doing in accordance with the Swift's process cycle. As shown in table 3, PCBs and FCBs are totally agreeing with each other on this issue. Nationalized Banks are not following such process.

Table-4 Relationship evolution process in banks (Doyle's Relationship evolution process, 2002)

Relation-ship Evolution	Awareness	Explor a-tion	Expan -sion	Commitment	Dissolution/ Re- interaction
NCBs	N/A	N/A	N/A	N/A	N/A
PCBs	<input checked="" type="checkbox"/>				
FCBs	<input checked="" type="checkbox"/>				

= Agree

Source: Author's own construction based on survey August 2011

While analyzing the banks with Doyle's (2002) relationship evolution process, we saw that PCBs and FCBs are in line with Dwyer's process. It is shown in table 4. They are developing and enhancing their relationship in the same way as described by Doyle (2002). NCBs are not following such a process.

CRM Technology in Banks

At the technology side, we found that most of the private and foreign banks are fully utilizing the benefits of IT by providing interactive website; the customers can use the respective bank's website and can perform transactions. We also found that banks are offering electronic payment card to its customers, by using it, customers can make quick transactions.

Table 5 comparison of technology usage at banks

CRM applications Usage	NCBs	PCBs	FCBs
Call Center Automation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Campaign Management		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Contact Management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Data Warehousing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Email Management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Field Service Automation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Knowledge Management		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Marketing Automation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Personalization		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sales Force Automation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

= Agree

Source: Author's own construction based on survey August 2011

As can be seen in table 5, the banks are using partly different technologies to reach their customers. FCBs are utilizing most of these technologies. We found in the discussion that banks are using these technologies according to their customer's needs more than according to their own.

CRM Organizational Structure and People

After with-in analysis of the three types of banks, we found that all of the organizations not align around the key communication process. The difference with Swift (2001) is that the same person may be responsible for all the communication process, including recognizing the right customer, relate the right offer, schedule the offer at the right time, and interact with customers across the right channel. The comparison of the three types of banks is shown in table 6.

Table 6

Bank Roles	CRM organization of NCBs	CRM organization of FCBs	CRM organization of PCBs
Coordinates the entire CRM process	No Specific person	Manager	Corporate sales department
Identify the right customers	No Specific person	Customer Service managers	Corporate relationship managers
Develop the right offer	Head office	Customer Service managers	Corporate relationship managers
Decide the right time	Branch Manager	Customer Service managers	Corporate relationship managers
Interact with customers using the right channels	Related officer and Managers	Assistant managers	Corporate relationship managers

Source: Author's own construction based on survey August 2011

NCBs arrange training programs within the branch and between the branches. Practical experience in the branch is the main source of educating the staff. PCBs also use training program to enhance its staff's skill's, FCBs trainee program acquaints the employee with the Group's strategies, customs and business and business areas. Table 7 shows the peoples situation in the three types of banks.

Table 7

Bank Roles	NCBs	PCBs	FCBs
Training	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Listen to the staff	N/A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Achievement:	N/A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Emotional expect	N/A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Good team work	N/A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

= Agree

Source: Author's own construction based on survey August 2011

From above, we can see that not all the three company pay to attract, train and motivate employees (Peck et al, 1999). PCBs and FCBs know that the key to organizational effectiveness is to find capable people and get them into right place (Galbraith 1997) Marketing managers in these banks work more effectively as team players. This is in line with Foss (2002): Listen to the staff and ensure that enough resources are allocated to the training, coaching and measurement. But the opposite features in NCBs, employees are totally dissatisfied because they don't get any reward for works and so no motivation.

Recommendations for Banks

- *Success factor:* Bank must realize the term CRM in its broader term. No doubt personal interaction, marketing and sales are the right view of CRM but CRM includes a lot more than that. In its vital sense CRM includes personal interaction, marketing and sales, IT, customer knowledge, people, process and technology. There can also be some

other dimensions of CRM. Banks not only just concentrate on one segment of CRM, but by using a mix of different elements they can get a real customer oriented services, with a long term relationships.

- *Continuous learning process:* Customer needs and requirements are very much volatile, it is recommended to keep one foot ahead of the customer. Banks must know what is going to happen in future so that they can prepare offers according to the changing environment. Customers also want to stay where they can find innovative ideas. In changing environment, it is good to look forward by anticipating future.
- *Customer information:* Customer is only loyal when the bank has the thorough understanding of the customer's requirements, if banks don't have enough information about customer, it is impossible to understand customer's business problems. It is recommended to keep on tracing the customer and get through knowledge about customer's problems.
- *Organizational Structure:* CRM is not just a technology or some of requirement to buy and implement it, it is a total philosophy. To implement the sole of CRM it is recommended to make changes in each and every department and from top to bottom management. The whole organization organized according to CRM requirement.
- *Clear goal and objectives:* Every one working in the organization must have a very clear goal in mind; the whole organization must be working as a single unit. It is not affordable that the higher management is looking CRM as marketing and sales and middle management looking towards personal interactions and so on. At every level CRM definition must be very clear, here definition does not mean by few written words, but it's sole. Why we are sitting in the market. Who are our customers? Why to make contact with them? How to make contact? How to make it long? How to make customer satisfied? How this satisfied customer's making to come again and again? These and other questions must clear in every one working in the bank.

Conclusions

It is found that all the three types of banks have their different definitions of CRM; however, the definitions used by the banks in the study are supported by theory due to disagreements in theoretical definitions of the concept. It is also interesting that banks have different views about CRM benefits, but they all believe that long term customer relationship will create value for them. About CRM process, it is found that all the three types of banks are not following the theory presented by Swift (2001) & Doyle (2002). It is seen that banks that banks are applying customer oriented relationship management and struggling for long term relationships. Clearly stating It is found that most of the PCBs and FCBs have applied the CRM process which is a condition for handling customers as individuals not as part of a segment. Banks are clearly implementing customer centric approach. On the other hand, the NCBs are not following any process for CRM. Looking at the conclusions about technology, it is found that all the three types of banks fully understand the need of technology. PCBs and FCBs are using most popular and easily accessible channels for customer interactions. It is interesting that all these banks are following the technology in almost the same way by need identification, personalized offers, most profitable customer identification and providing them standardized customer care. Foreign banks are fully using the technology which Reynolds (2002) described as integrated CRM Solutions. In regard of technology the condition of NCBs are really very bad, still they are using ancient technology to provide services. It is also found that organization like PCBs and FCBs' people activate their skills to complete the activities and tasks required for success. Study revealed that the same person may have the responsibility for all the communication process in bank, including recognizes the right customer, relate the right offer, schedule the offer at the right time, and interact with customers across the right channel. It is the differences with Swift (2001). Compared to this, the scenario of NCBs are different; people are dissatisfied and de-motivated with their works, organization environment and customers. At the people side, banks pay attention to the training of people, though they use different training programs. They recognize that "people are the brand" (Peck 1999).

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