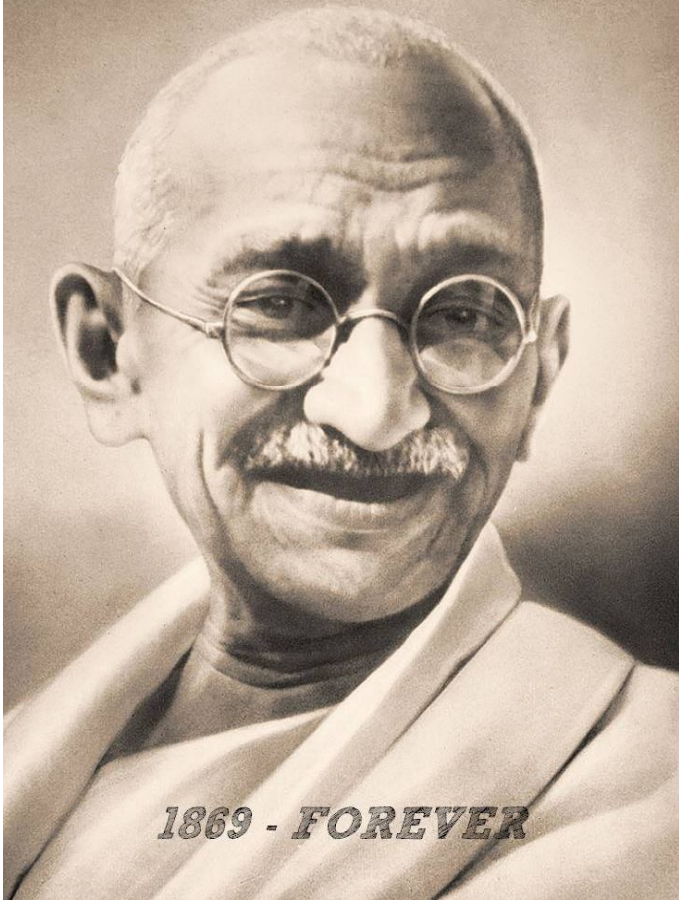




CRM

Customer relationship management

MAHATMA GANDHI



**THE GREATEST MARKETER
OF ALL TIME**

**"A customer is the most important
visitor on our premises.**

**He is not dependent on us. We are
dependent on him. He is not an
interruption in our work. He is the
purpose of it. He is not an outsider in our
business. He is part of it. We are not
doing him a favour by serving him. He is
doing us a favour by giving us an
opportunity to do so."**

www.marketingbyvijay.wordpress.com

https://www.google.co.in/search?q=the+greatest+marketer+of+all+time&biw=1366&bih=635&source=lnms&tbm=isch&sa=X&ved=0ahUKEwik4_WTns_LAhXSxl4KHW8nD_wQ_AUICCGD#imgrc=428OnIDc9KIhM%3A

Agenda

- Shift in Thinking
- Defining CRM
- Customer Behaviour
- Types of CRM
- CRM for Co-operative Bank

Shift in thinking ...

- Mass Marketing → Individual marketing
- Transaction Value → Life time value
- Product Life Cycle → Customer Life Cycle
- Customer Satisfaction → Customer Loyalty
- Product differentiation → Customer differentiation

Defining CRM



- Customer relationship management (CRM) is a **co-ordinate approach** in business to **maintain the relationship** between the **firm** and its **customers** to **satisfy and retain** the firm's customer, in turn helps the firm to **exist** in business and to **attract more customers** by giving promotions and more comfort in doing business with the firm (This Little Piggy, 2012).
- **Customer relationship management (CRM)** is a term that refers to practices, strategies and technologies that companies use to **manage** and analyze **customer** interactions and data throughout the **customer** lifecycle, with the goal of improving business **relationships** with **customers**, assisting in **customer** retention and driving ... (<http://majdol.in/the-crm-customer-relationship-management/>)

Common issues: definitions on CRM

- A process oriented view which looks at the interactions over a period of time.
- Explicitly highlight the collaborative and cooperative nature of the relationship for long term mutual benefit and
- Metrics or relationship performance include enhanced value.

The goal of CRM are:

1. Build long term and profitable relationships with chosen customers.
2. Getting closer to those customers at every point of contact with them.

CRM: Process

I D I C framework : Peppers and Rogers (1993)

- **Identify** - Locate, contact and know customers as much possible.
- **Differentiate** - Differentiate on the basis of revenue contributed by customer, wants.
- **Interact** - Interact to learn more about customers. Interact and learn through, surveys, telephone interactions, call centers, ATMs self service channels like web etc.
- **Customize** - Build upon the learning about customers.

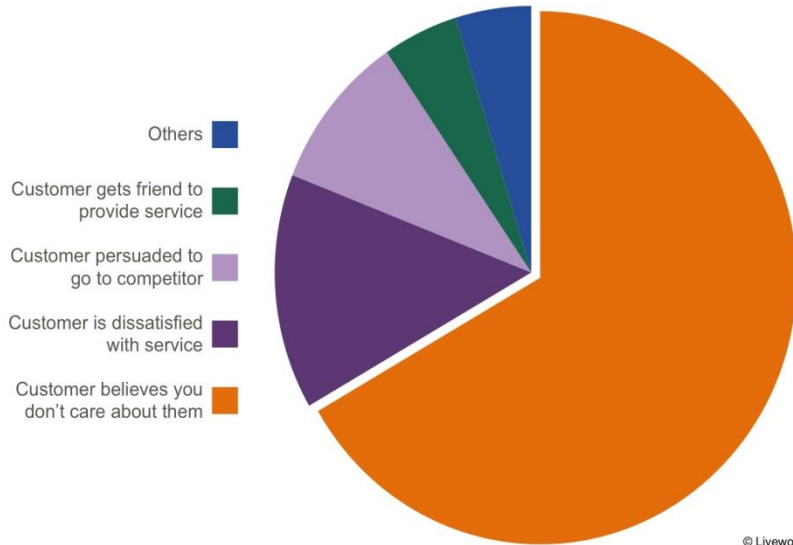
Customer Behaviour

The Ladder of Loyalty



https://www.google.co.in/search?q=the+ladder+of+loyalty&biw=1366&bih=606&source=Inms&tbm=isch&sa=X&ved=0ahUKEwj70aG-n8_LAhXQBo4KHSEcA5wQ_AUIBigB#imgrc=buAV-4gu1r8kiM%3A

Why do customers leave a company?

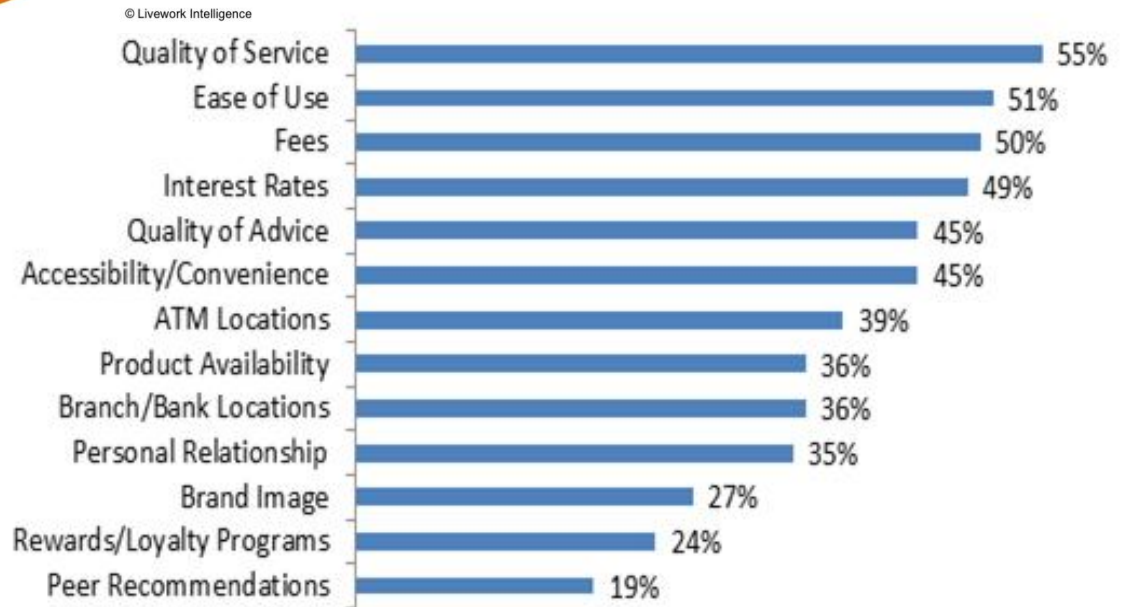


Customer Behaviour

Why customer Leave ?

https://www.google.co.in/search?q=Ministry+Building-customer-relationships-as-strategy-for-retention+01&biw=1366&bih=635&source=Inms&tbm=isch&sa=X&ved=0ahUKEwjRkfejos_LAhWUTI4KHb5xAVUQ_AUICcgD#tbm=isch&q=Ministry_Building-customer-relationships-as-strategy-for-retention_01&imgsrc=dWiqdBrJTA-l2M%3A

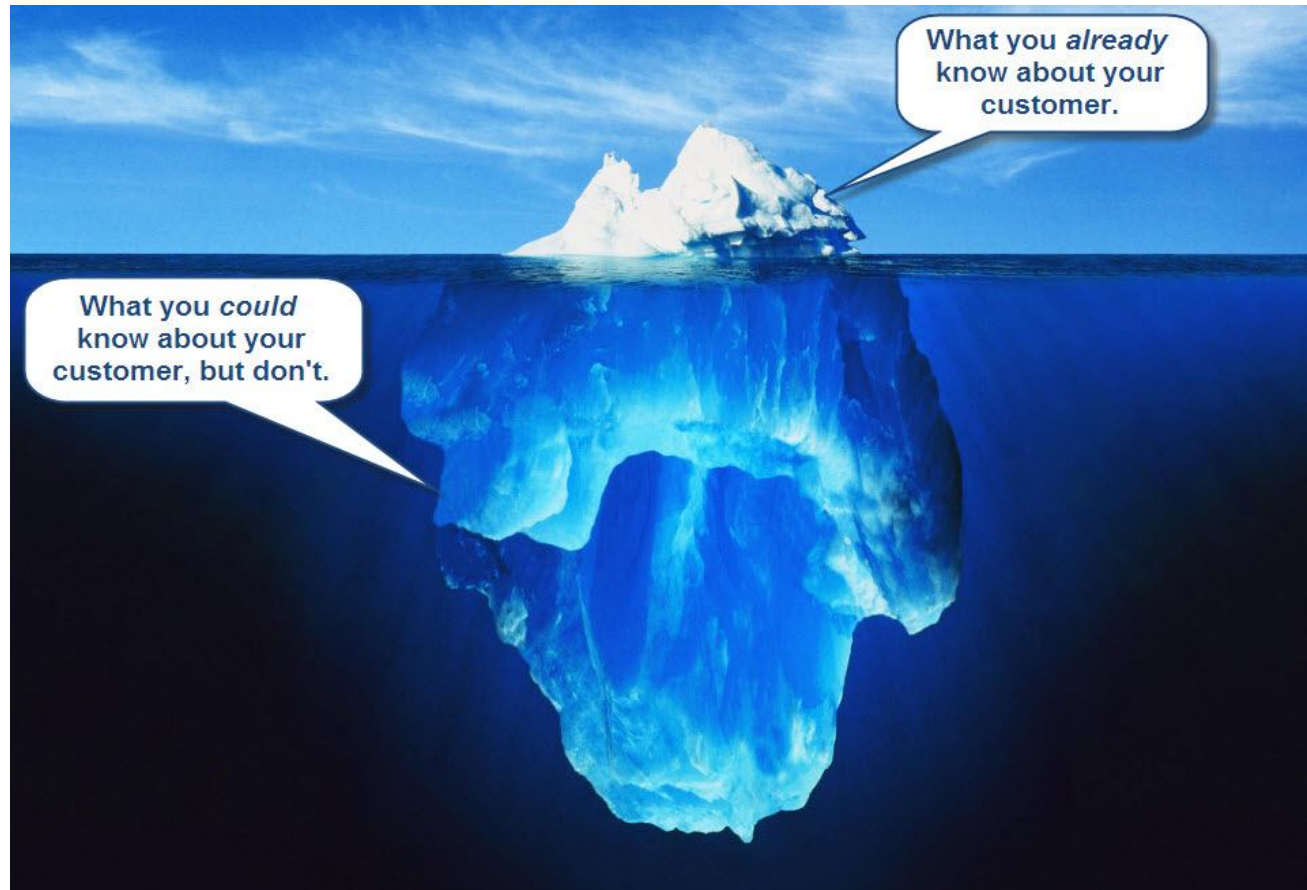
Why Customers Leave a Bank



https://www.google.co.in/search?q=why+customers+leave+a+bank&biw=1366&bih=635&tbm=isch&source=Inms&sa=X&ved=0ahUKEwilyaacoc_LAhWRBI4KHc6OBVUQ_AUIBygC#tbm=isch&q=6a00e54fb34b6f8833017c341b7d7a970b

Customer Behaviour

Complaining Customers: The Tip of the Iceberg



Customer Behaviour

The Customer Complaint Iceberg:

Customer Complaints:

(Business to business)

1 unhappy customer
Complaint made to Management or HQ



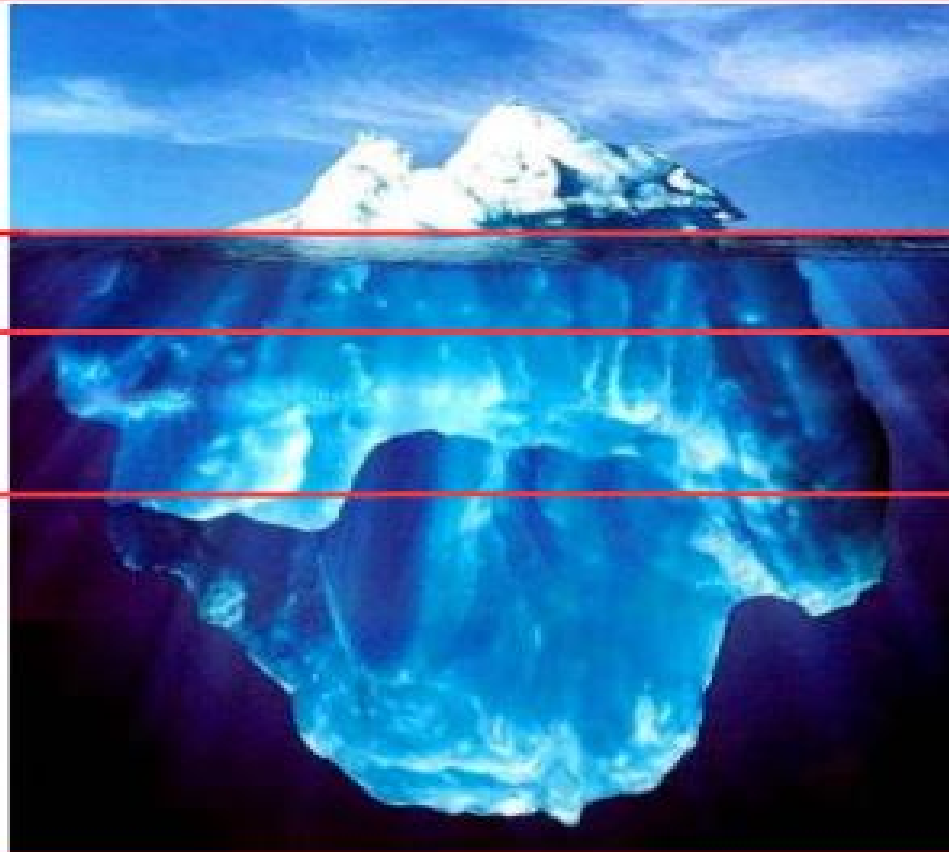
25 unhappy customers
No formal complaint made



Each of the 26 unhappy customers tell an average of 10 people about their experience (260 people in total)



... who in turn each tell an average of 5 more people about what they heard (1,300 people in total)



Source:

- TARP Research, June 1999
- Direct Selling Educational Foundation, 1982

Average number of people who hear about a problem for every one formal complaint to Management: **1,560**

Types of CRM

CRM	Description
Strategic CRM	The aim is to concentrate and enhance knowledge about customers and use this knowledge to improve and customize the interactions with customers to maintain a long-term relationship with them.
Operational CRM	It is mainly focused on automation, improvement and enhancement of business processes which are based on customer-facing or customer supporting.
Analytical CRM	Primary goal is to develop, support and enhance the work and decision making capability of an organization by determining strong patterns and predictions in customer data and information which are gathered from different operational CRM systems.
Collaborative CRM	Incorporate external stakeholders such as suppliers, vendors, and distributors, and share customer information across organizations.

CRM for Co-operative Bank

Strategic CRM

Service Channels

- Primary Channel
- Self Service Channel – ATM

- Firm Banking
- Online Channel
- Mobile Platform

- Social Networking Platform

CRM for Co-operative Bank

Operational CRM

Ground Work ... towards professionalism

- Define vision, mission and quality policy.
- Dress code
- Updating in Customer Stationery
- Enrichments in Tangibilities
- Web site Updations - Marathi and English
- Implement 5 'S'

https://www.google.co.in/search?q=why+customers+leave+a+bank&biw=1366&bih=635&tbm=isch&source=lnms&sa=X&ved=0ahUKewilyaacoc_LAhWRBI4KHc6OBVUQ_AUIBygC#tbm=isch&q=5+s&imgrc=qilQoYcl3ZLhGM%3A



CRM for Co-operative Bank

Operational CRM

Initial Strategies

- Establish Customer Advisory Panel
- Establish Customer Service Panel
- Products Enrichments - tours & travel, plots.
- Citizens Charters - (details on next slide)
- Online Banking –
 - Customer log in
 - Statements Available on Website
 - Balance checking
- Paperless Intimations – schemes, FD renewal,
 - Intimations on E-mail
 - Intimations on cell phone – SMS, Whats APP.
- Reward system to employees and customers

Citizens' Charter

<https://www.rbi.org.in/Scripts/CitiChart.aspx>

II. Deposit Accounts Department

Sr	Description of Service	Time taken for providing service
1	Transfer (of funds from one bank's current account to another bank's current account in RBI)	Immediately once the instrument is received.
2	Clearing	3 days
3	Receipt of Cash	15 minutes (depending on the volume of tender)
4	Withdrawal of Cash	20 minutes (depending on the volume of tender)
5	Issue of Demand Draft	1 hour
6	Issue of cheque books	20 minutes
7	Furnishing of daily statement of accounts	The statements are available instantly for the account holders at their end online either in CBS-E-kuber portal or through Telebanking
8	Refinance facility and disbursement of loans	Same day
	The time frame indicates clear working days.	

CRM for Co-operative Bank

Analytical CRM

- Increase per customer profitability
- Customer life cycle wants
- Customized interest rates – savings balance into semi fixed or FD
- Use of customers demographic data

CRM Challenges

- Strategic Challenges
- Regulatory Challenges
- Operational Efficiency Challenges

Discussion