Abstract: Customer relationship management is a way on how to manage and help the company to interact with the customers. Customer Relationship Management is a approach for managing company’s relationships and interactions with existing customers and potential customers. In simpler words, customer relationship management refers to the study of needs and demands of the customers and providing them the right solution. It helps to stay connected with customers and improve profitability. This approach mainly uses technology in automating, managing and organizing the service for the customers. Nowadays, many businesses such as banks, insurance companies, and other service providers have realized the importance of Customer Relationship Management (CRM) to acquire new customers, retain existing ones and maximize their lifetime value. Customer Relationship management is the strongest and the most efficient approach in maintaining and creating relationships with customers. Development of this type of relationship with the customers helps the business to new levels of success. CRM is a sound business strategy to identify the most profitable customers and devotes time to expanding relationships with them. On average, businesses spend six times more to acquire customers than they do to keep them. Therefore, many firms are now paying more attention to their relationships with existing customers to retain them and increase their market share. The banking and retail sector is one of the most dynamic and innovative sectors regarding the economic development in India. These sectors are aiming to increase customer profitability with customer retention. This paper aims at exploring the theoretical foundations of customer relationship management with reference to the Indian sectors. In this paper, I have tried to point out the design and implementation for CRM, identify the benefits and challenges, as well as the success factors of the implementation and develop a better understanding of impact of CRM competitiveness. Banks contribute to economic growth of a region. Banking is now basically a business of trust. Banks are able to lend a major portion of their deposits and play the role of an intermediary and also constitute the payment system because of the trust of the people that the banks will honour their commitments. It is observed that banks lose their best clients who are sometimes their High Networth Individuals to competitors due to a variety of reasons. Experts opine inefficient and improper service is one major reason. So Customer relationships are becoming more important for banks as market conditions get harder. Competition is increasing, margins are reducing, customers are becoming more demanding and the life-cycles of products and services are shortening dramatically. All these forces make it necessary for banks and retail sector to improve the relationship with their customers and offer them the services they need through different channels they prefer.

Keywords: Customer Relationship Management, Banking Sector, Relationship Building, Customer.

INTRODUCTION
Customer Relationship Management includes all the marketing activities, which are designed to establish, develop, maintain, and sustain a successful relationship with the target customers. CRM identifies the present and future markets, selects the markets to serve and identifies the progress of existing and new services. Successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organisation’s strategy, people, technology and business processes. Worldwide service organizations have been taking steps in developing customer retention strategies. Banks have relationship managers for selecting customers, airlines have frequent flyer programs to reward loyal customers, credit cards offer redeemable bonus points for increased card usage, telecom service operators provide customised services to their heavy users, and hotels have personalized services for their regular guests. Today, Indian banking industry is one of the largest in the world. CRM in the banking sector is of strategic importance. Customer relationship management (CRM) is a strategy that can help them to build long-lasting relationships with their customers and
increase their profits through the right management system and the application of customer-focused strategies. CRM in the banking sector is of strategic importance. It is the establishment, development, maintenance and optimisation of long term mutually valuable relationships between consumer and the organisations. The effective relationship between customers and banks depends on the understanding of the different needs of customers at different stages. The ability of banks to respond towards the customers’ needs make the customers feel like a valuable individual rather than just part of a large number of customers. A retail business sells goods or services, to attract more consumers by marketing and advertising and seeks customer feedback. With a customer relationship management integration system in, managers and supervisors of retail businesses can set goals, implement processes and measures and achieve them in a more efficient manner. CRM identifies the present and future markets, selects the markets to serve and identifies the progress of existing and new services. CRM is a most important strategy which can help the different sectors to become customer oriented and implement customer-focused strategies, which in turn will help them build long lasting relationships with the customers and hence increase their market share and profits. So CRM is a holistic process of acquiring, retaining, and growing customers. CRM is used to define the process of creating and maintaining relationships with business or customers. Thus in this era of increased competition, in order to prosper, and remain in the market it will be important for the banks and retail sector to develop long lasting relationships with the customers by offering quality services. Developing long lasting relations with the customer depends basically on three dimensions like product quality, service quality and relationship quality. Customer relationship management is one of the most important strategies to manage customer. Managing customer relationships is important and valuable to the business.

Life cycle of a customer relationship management comprises three major components like marketing, sales and service & support. Indeed, Information Technology and Information Systems are the other important components in supporting and maintaining these three functional areas as well as the whole CRM process. So CRM customer life cycle comprising of three phases: (a) acquisition, (b) enhancement, and (c) retention. The CRM services consist of Consulting services, Implementation services, outsourcing services and Training services.

The various technical components of CRM like customer information, sales, marketing trends and marketing efficacy helps to improve relationship between companies and consumers. From a technological perspective, it involves capturing customer related data from across the organization and consolidating all acquired customer-related data in a central database. This data is then analyzed and the results of the analysis are distributed through customer touch points like mobile sales force, call centers, web sites, point-of-sale, email, etc. for use while dealing with customers at these very touch points. The Internet has changed the way business is done and the call centers collect the information, through the Internet and increasingly through mobile devices. India is likely to emerge as a significant player in this segment. India even has a CRM Foundation in New Delhi, founded with the purpose of assessing and improving Customer Relationship Management practices. Many Indian call centers have come up that cater to international market and there are few Indian companies that have actively taken up CRM. The CRM enabled companies include Tata Telecom, Tata InfoTech, Carrier Refrigeration, Tata Teleservices, Satyam Info way, TVS Electronics, HP India, Planet M, and Epicenter Technologies among many others. Now some of the mobile phone companies in India have started to integrate CRM services to increase the consumer satisfaction. Other sectors like Banking and Insurance services are also using CRM solutions. ICICI bank and ICICI prudential insurance along with several other large banking and insurance companies are also adopting CRM solutions and understand the concept of CRM.

**CRM –PROCESS**

CRM processes help to form individualized relationships with customers by improving customer satisfaction and providing the highest level of customer service to the most profitable customers. CRM processes provide employees with the information they need to know their customers' wants, needs, likings and preferences and to build relationships between the company and its customers. So it is a strategy which is used by an organization to manage and administrate its customers and vendors in an efficient manner for achieving excellence in business. Customer relationship management is often thought of as a business strategy that helps businesses to improve in a number of areas. The CRM strategy helps to

- Understand the customer
- Attract new customers and Retain existing customers
To improve customer retention, organizations can use CRM to:

1. **Win new clients and contracts**
2. **Increase sale that leads to profitability**
3. **Decrease customer management costs**

CRM primarily consist of following steps:

- **Customers Needs** - An organization can never estimate with accuracy what actually a customer needs. Hence it is important to interview a customer about all the likes and dislikes so that the actual needs can be ascertained and fulfilled as soon as possible. Without knowing the actual needs it is difficult to serve the customer effectively and maintain a long-term deal. Customers are the assets of every business and it is very important to keep them happy and satisfied for successful functioning of organization and all of this is possible only when one recognize the needs and desires of customers.

- **Customers Response** - Customer response is the reaction by the organization to the queries and complaints of the customer. Dealing with these queries is very important as small misunderstandings could convey wrong perceptions. So the Success of any organisation totally depends on the understanding and interpreting the problems of customers and then working out the best solution. During this situation if the supplier succeeds in satisfy the customer by properly answering to his complaints; he succeeds in maintaining a long lasting relationship with him.

- **Customer Satisfaction** - In today’s competitive business environment, customer satisfaction is a most important factor. Customer satisfaction is the measure of how the needs and responses are collaborated and delivered to excel customer expectation. The more is customer satisfaction then more is the bonding with customer. A satisfied customer is an asset for the business organization. So CRM helps in building a better and long lasting relationship with the customers.

- **Customer Loyalty** - Customer loyalty is the tendency of the customer to remain in touch with a particular supplier and buy the products regularly. This is only possible when a customer is very much satisfied by the supplier and re-visits the organization for buying the products or availing the services. To continue the customer loyalty the most important aspect an organization should focus on is customer satisfaction. Hence, customer loyalty is an influencing aspect of CRM and is always most important aspect for business success.

- **Customer Retention** - Customer retention is a strategic process to retain the existing customers and not letting them to turn to other suppliers for business. Usually a loyal customer is tended towards a particular brand or product as far as his basic needs continue to be fulfilled. More is the possibility to retain customers the more is the probability of net growth of business. In order to retain the customers it is required to handle the customers with patience. One should never ever get hyper with the customers. CRM permits businesses to obtain information from their databases to achieve customer retention and to sell new products and services to existing customers.

- **Customers complaints** - A complaint indicates the act of dissatisfaction of the customer. There can be several reasons for a customer to launch a complaint. Convey the customer’s only right information about the product offers. Don’t tell fake stories or try to fool them. Sometime customer is dissatisfied with the product or services being offered but sometimes complaints are raised due to some sort of misunderstanding in analyzing and interpreting the conditions of the deal provided by the supplier regarding any product or service. Handling these complaints for the satisfaction of the customer is most important for any organization and hence it is essential for them to have predefined process in CRM to deal with these complaints and efficiently resolve it in time. In order to maintain good relations with the customers it is required to greet the customers with a smile and try to solve their queries as early ad possible.

- **Customer Service** - In an organization Customer Service is the process of delivering information regarding all the products and brands. Customer satisfaction depends on quality of service provided to him by the supplier. The organization has to elaborate and provide the information regarding the details of the products and services to the customer and also to abide with the conditions as well. If the quality and trend of service go beyond customer’s expectation, the organization is supposed to have a good relationship with customers. Devise customer loyalty programs for them to return to the organization again. Give them bonus points or gifts on every second purchase.
BENEFITS OF CRM
Many companies are turning to customer-relationship management systems to better understand customer wants, needs, likings and dislikes. So CRM applications, are used in combination with data warehousing, e-commerce applications, and call centers that helps the companies to gather and access information about customers' buying histories, preferences, complaints, so that better anticipate what customers will want. Using a CRM system can give a clear overview of customers.

- **CRM Focuses on the Customer**
  
  CRM manages to place the customer at the main point of the organization in order to cater to his needs satisfy him and thus maximize the profits of the organization. Banking CRM understands the needs of the customer and integrates it with people, technology, resources and business processes. It focuses on the existing data available in the organization and uses it to improve its relationship with customers. Banking CRM uses information and analytical tools to secure customer focus. Thus it is completely essential that banks implement CRM in order to secure the information regarding customer. With complete, accurate, centrally held information about clients, sales staff can focus their attention and energy on the right clients.

- **Improve products and services**
  
  A good CRM system will gather information from variety of sources across the business this gives information regarding how customers feel and what they are saying about organizations products, services so all of this helps the business to improve what to offer, spot problems early and rectify them. Companies that implement CRM make better relationships with their customers, achieve loyal customers and a substantial payback, increased revenue and reduced cost.

  - **Satisfied Customers**
    
    It is important to make a customer feel satisfied this will go a long way in satisfying and retaining them. Bankers need a return on investment and it has been proved that increase in customer satisfaction more than contributes a fair share to ROI. The main value of CRM retail sector lies in satisfaction and retention of customers. All of this is possible with the help of well applied CRM system.

  - **Centralized Information**
    
    CRM banking solutions manage to clearly integrate people, processes and technology. CRM banking provides banks with a holistic view of all bank transactions and customer information as well and stores it in a single data warehouse where it can be studied later. With better information one can keep customers happy with providing better service. Happy customers are likely to become repeat customers.

  - **Overall Profitability**
    
    CRM enables banks and retail sector to give employee’s better training that helps them face customers easily. It achieves better infrastructure and ultimately contributes to better overall performance. The byproducts of CRM banking and retail sector solutions are customer acquisition, retention and profitability. Banks and retail sector that don’t implement CRM will find themselves with lesser profitability coupled with a sharp decline in the number of customers. Introducing a CRM has been shown to produce real results. CRM applications have a proven track record of increasing Sales by up to 37%, Sales Productivity by up to 44%, and Forecast accuracy by 48%

  - **Time saving**
    
    CRM will let companies to interact with customers more frequently. Companies can get the personalized message and communication way which can help to better understand their customers and therefore look forward to satisfy their needs on priority basis.

  - **Improve customer knowledge**
Firms can make and improve products and services through the information from tracking through website tracking customer behaviour to customer tastes and needs. CRM could contribute to a competitive advantage in improving firm's ability of customer information collecting to customize products and services according to customer needs.

- Other benefits include
  - Provide faster response to customer inquiries.
  - Increasing efficiency.
  - Having a deeper knowledge of customer's demands.
  - Getting more marketing opportunities.
  - Identifying the most profitable customers.
  - Receiving customer feedback that leads to new and improved products or services.
  - Doing more one-to-one marketing. Obtaining information that can be shared with the company’s business partners.
  - Significant reduction in operational costs through system automation.
  - Low maintenance and expansion costs due to the use of modern administration tools.

**DISADVANTAGES OF CRM**

However, despite the number of advantages of CRM, there are several disadvantages also

- A mistaken tool choice may make CRM more complicated. This is why it is required to consider in advance kind of tools that would be appropriate to the structure of any organisation in order to maintain its relationship with its customers.
- CRM is not easy to put in place; attention must be given to the choice of tools and techniques.
- Effective implementation of CRM process takes a lot of time.

**CONCLUSION**

In nutshell we can conclude that in order to acquire, retain and support customers it is required to stimulate greater investments in CRM. In the banking sector convenience of location, price, recommendations from others and advertising are not important selection criteria for the customers. From customers’ point of view, important criteria are account and transaction accuracy and carefulness, efficiency in correcting mistakes and helpfulness of staff. Like all other IT enabled services, CRM is likely to grow at a rapid pace in India. The key business drivers for investing in CRM solutions are customer retention and loyalty and improving cost efficiencies. Another important reason that emerged for CRM adoption was to make sales force management more effective. Banks who strongly rely on the benefits of relationship for banking as a time tested way of targeting & servicing clients have readily appreciated Customer Relationship Management (CRM), with focus on customer. In brief I would like to conclude that customer relationship management is one of the biggest challenges for the Indian banking and retail sector especially for the public sector banking sector, because the customer satisfaction level in public sector banks are not satisfactory as compared to private sector. CRM has, therefore, become a new mantra in service management, which is both relationship based & information intensive. But we have to understand the reason behind such practices between public sector banks and private sector banks. Therefore, the concept of customer relationship management is not sufficient in itself but the most important thing is that how we are implementing it in an organisation to keep customer happy so that they can retain their customer and make them loyal. Banks need to differentiate themselves by offering value-added service and building long-term relationships with their customers. The CRM program must be promoted by top management and supported with a comprehensive annual CRM plan to ensure organization success.

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