INTRODUCTION

Customer relationship management is a broad concept for creating, retaining and expanding customer relationships in banking sector. The market became much more clear for customer because of new media. The results are an increasing pressure of competition and demanding customer. Therefore a binding and long-term customer relationship seems to be necessary in banking sector.

In modern era, the ability to maximize customer reliability, consistency and durable relationships is critical in banking sector. As banks strive to create and manage customer relationships, several emerging trends affect to approach and tools. Banks employ to achieve sustainable growth. These trends reflect a fundamental change in the way that banks interact with the customers what they have and those they want to require.

It is said that CRM is not a product or service, it is an overall business strategy that enables organization to effectively manage relationship with their customers. CRM is the business strategy that aims to understand, anticipate, manage and personalize the needs of customers. Today, many businesses such as banks, insurance companies, and other service providers realize the importance of CRM and its potential to help them acquire new customers, retain existing ones and maximize their lifetime value.
DEVELOPMENT IN THE SUBJECT

In current situation of competitive banking world, improvement day-by-day in customer service is the most important tool for their better growth. Customer requirement and complaints are part of their banking business life. This is so more important for banks because banks are service industry. As a service industry, customer service and customer satisfaction are their prime work. We know that providing effective and efficient service is essential not only to attract new customers, but also to retain existing customers. Current banking sector has come up with a lot of initiatives that are oriented to providing a better customer service with the help of new technologies.

CHALLENGES AND OPPORTUNITIES

Today in banking sector customers are more value oriented in their services because they have alternative choices in it. The present times demanded that bank consolidate with moderate and selective expansion in service, social banking with financial possibility, selective upgradation, computerization and innovative mechanization, better customer service, effective managerial culture, adequate profitability, strong organization culture, internal supervision and control. Therefore, banks must be able to provide complete personal service to customers who come with high expectations. For customers who value convenience most, banks must offer the latest product. In shortly, customer value services would be a strong driver of customer retention. The crisis provides an opportunity to the banking sector to reach out to the financially excluded, who have the capability to make productive use of the available financial resources.