LITERATURE REVIEW

Leonard L. Berry (1995) stresses that attracting new customers should be viewed only as an intermediate step in the marketing process. Developing close relationships with these customers and turning them into loyal ones are equal aspects of marketing. Thus he proposed relationship marketing as attracting, maintaining and in multi service organizations- enhancing customer relationships.

E.J.Beckett-Camarata and M.R.Camarata (1998) have noted that managing relationships with their customers, especially with employees, channel partners and strategic alliance partners, was critical to the firm’s long-term success. It was also emphasized that customer relationship management based on social exchange and equity significantly assists the firm in developing collaborative, cooperative and profitable long-term relationships.

Joe Peppard (2000) many financial services organisations are rushing to become more customer focused. A key component of many initiatives is the implementation of Customer Relationship Management software. Our research has highlighted that most institutions take a rather narrow view of CRM and as such, benefits have been limited. While second generation CRM has emerged to embrace the total organisation, success in general has still not been widespread. Thus author designed a framework which is based on incorporating ebusiness activities, channel management, relationship management and back-office/front-office integration within a customer centric strategy.
D. Gopalakrishna (2001) expressed his views that Customer relationship is not an outside element which started exerting its influence on the business. It is an integral part of management and of late, it has occupied an important and indispensable central place in today’s business.

L. Ryals and A. Payne (2001) CRM, which is becoming a topic of increasing importance in marketing, is concerned with using information technology in implementing relationship marketing strategies.

L. Ryals and S. Knox (2001) have identified the three main issues that can enable the development of Customer Relationship Management in the service sector; the organizational issues of culture and communication, management metrics and cross-functional integration especially between marketing and information technology.

P. Furness (2001) CRM can be viewed as a process geared towards increasing the value of customers over their lifetime as customers. The author highlighted that the essential part of CRM process is the application of decision analytics to understand and predict customer behaviour.

G. Mihelis (2001) explained implementation of CRM in banking sector. They focused on the evaluation of the critical satisfaction dimensions and the determination of customer groups with distinctive preferences and expectations in the private bank sector.
S.T.Yuan and W.L.Chang (2001) have presented a mixed-initiative synthesized learning approach for better understanding of customers and the provision of clues for improving customer relationships based on different sources of web customer data. They have also hierarchically segmented data sources into clusters, automatically labeled the features of the clusters, discovered the characteristics of normal, defected and possibly defected clusters of customers, and provided clues for gaining customer retention.

R.K.Mittal and Rajeev Kumra (2001) E-CRM, which is the latest buzzword in the corporate sector, is perceived as one of the effective tool in this direction by the banks. Therefore he analyse the concept of e-CRM in Indian banks from its various dimensions covering specifically its need, process, present status and future prospects. The concept of CRM when seen in the context of e-business or transactions over an electronic medium, it translates in to e-CRM, which essentially deals with managing customer interactions over the web.

M.P.Jaisawal and Anajli Kaushik (2002) E-CRM is a combination of business process and technology that seeds to understand a company’s customer from a multifaceted perspective. E-CRM system has been recently adopted in the industry. Selecting an E-CRM system is a part of the Customer Relationship Strategy.

Semith Onut and Bora Hosver (2002) explain the role of Customer Relationship Management in banking sector and the need for Customer
Relationship Management to increase customer value by using some analytical methods in CRM applications. CRM is a sound business strategy to identify the bank’s most profitable customers and prospects, and devotes time and attention to expanding account relationships with those customers through individualized marketing, repricing, discretionary decision making, and customized service—all delivered through the various sales channels that the bank uses.

Jonghyeok Kim, Euiho Suh and Hyunseok Hwang (2003) Customer relationship management has become one of the leading business strategies in the new millennium. CRM is a broad term for managing business interactions with customers. The effectiveness of CRM can be measured as a satisfaction level achieved by CRM activities. Although CRM has emerged as a major business strategy for e-commerce, little research has been conducted in evaluating the effectiveness of CRM. Because it is difficult to demonstrate tangible returns on the resources expanded to plan, develop, implement, and operate CRM therefore author measure the intangible attributes of these benefits, such as value enhancement, effectiveness, innovation, and service improvement.

Wong Lau K and Liu C M (2003) The challenge before the banks is not only to obtain updated information for each customer, but also to use the information to determine the best time to offer the most relevant products.

T.K.Panda (2003) Customer relationship management in financial services industry is a cyclical process which starts with definition of
customer actions. The author described customer expectations are difficult to manage but are often the cause of dissonance which results in loss of existing customer base. So understanding of customer expectations with regard to service delivery levels and product quality is essential for establishing a long term symbolic value relationship.

S.B. Sachdev and H.V.Verma (2004) In todays competition in Indian banking industry, customers have to make a choice among various service providers by making a trade-off between relationships and economies, trust and products, or service and efficiency.

H.Peeru Mohamed and A.Sagadevan (2005) Managing relationship with customer and making them delighted has become a necessity in the wake of globalisation, where customer delight is the only key to success and to the very existence of the company.

Chunqing Li and Yinfeng Xu (2005) explained a dynamic customer relationship management model and investigate the relationship between customer utility and purchasing frequency. Also applied to some non-seasonal products in a local supermarket, find the model is suitable and far superior to the one-stage model commonly used. They said that dynamic model gives the optimal marketing mix strategies in different customer states.

Nils Merkel (2005) stated the expectations from companies in the banking sector and requirement of a successful implementation of CRM. For a successful implementation, there must be a common sense that the
implementation will affect all parts of the company and that there might be server changes to get positive results. Due to that the project must be supported by the management from the very beginning.

Bill Karakostas and Dimitris Kardaras (2005) expressed that organisations have begun to realise the importance of knowing their customers better. Customer relationship management is an approach to managing customer related knowledge of increasing strategic significance. The successful adoption of IT-enabled CRM redefines the traditional models of interaction between businesses and their customers, both nationally and globally. It is regarded as a source for competitive advantage because it enables organisations to explore and use knowledge of their customers and to foster profitable and long-lasting one-to-one relationships.

Umesh C. Patnaik and Basudev Chhatoi (2006) Customer Services will be better understood if we define it from the customer’s angle. Customer service is the perception of a customer regarding the services he gets from his bank. It is found that retaining customer is often cheaper than finding a new customer. Customer is viewed as a long-term relationship.

Ricardo Chalmeta (2006) customer relationship management is a customer-focused business strategy that dynamically integrates sales, marketing and customer care service in order to create and add value for the company and its customers. This change towards a customer-focused strategy is leading to a strong demand for CRM solutions by companies. However, in spite of companies interest in this new
management model, many CRM implementations fail. One of the main reasons for this lack of success is that the existing methodologies being used to approach a CRM project are not adequate, since they do not satisfactorily integrate and complement the strategic and technological aspects of CRM.

Ray B (2007) It is also important to understand that if customers bring in profits for the bank, it becomes imperative for the bank to provide excellent services to those customers, otherwise they switch to other banks.

Michael Haenlein and Andreas M.Kaplan (2007) the retail banking industry started to face a set of radically new challenges that had an overall negative impact on industry margin and profitability. In response to these challenges, more and more retail banks have focused on increasing the scale of their operations, which has led to a rising importance of mergers and acquisitions. The author provides a contribution in this area by presenting a customer valuation model that we developed in cooperation with a leading German retail bank, which takes account of the specific requirements of this industry.

R.K.Uppal (2008) CRM in the Indian banking system is fundamental to building a customer-centric organization. CRM systems link customer data into a single and logical customer repository. CRM in banking is a key element that allows a bank to develop its customer base and sales capacity. The goal of CRM is to manage all aspects of customer
interactions in a manner that enables banks to maximize profitability from every customer.

Keith A. Richards and Eli Jones (2008) despite significant interest from both academicians and practitioners, customer relationship management remains a huge investment with little measured payback. And suggests that increased management of customer relationships should improve business performance, but this intuition has only inconsistent empirical or real world support. The author identified a core group of expected CRM benefits and examines their ability to increase a firm's value equity, brand equity and relationship equity which are components of customer equity. Ten propositions explore the anticipated effects of these drivers and form an agenda for future research. These propositions establish a framework for measuring CRM and supporting the link between CRM and performance.

Graham Roberts-Phelps (2008) explains that there are three elements to consider when aligning your business towards a customer relationship format. These are retention, customer potential and de-selection of customer. He also mentioned four steps if CRM i.e. Segmentation, Analysing, Developing strategy and Behaviour maintenance.

Madhu Jasola and Shivani Kapoor (2008) Customer Relationship Management has emerged as a popular business strategy in today’s competitive environment. It is a discipline which enables the companies to identify and target their most profitable customers. CRM involves new and advance marketing strategies which not only retain the existing
customers but also acquire new customers. It has been invented as a unique technique capable of remarkable changes in total output of companies.

Manoj Patwardhan (2009) CRM is no longer a new term but a reality for many organisations. Banking is a prime candidate for CRM transformation, as competition in this sector increases; an excellence in service becomes a critical success factor.

Iftikhar Hussain, Mazhar Hussain and Shahid Hussain (2009) Customer relationship management is a strategy that can help them to build long-lasting relationships with their customers and increase their revenues and profits. CRM in the banking sector is of greater importance. The author explore and analyze the strategic implementation of CRM in selected banks, identify the benefits, the problems, as well as the success and failure factors of the implementation and develop a better understanding of CRM impact on banking competitiveness as well as provide a greater understanding of what constitutes good CRM practices.

Kallol Das, Jitesh Parmar and Vijaykumar Sadanand (2009) finds that there is no perfect bank, as yet, across the three bank types, which has deployed all the 29 CRM best practices to the fullest extent. The results of literal and theoretical replication done by using pattern matching technique indicates no strong association between deployment of CRM best practices in scheduled commercial banks and loyalty levels of both high and medium relationship value retail customers. Therefore
develops a list of 29 CRM best practices, which may be helpful to the organizations toward achieving comprehensive CRM deployment. The results also imply that going for CRM deployment may not be a profitable strategy for retail banks, particularly in the Indian context.

Reeti Agrawal and Sanjay Rastogi (2009) determined factors affecting customer perception and attitude towards and satisfaction with e-banking is an essential part of a bank’s strategy formulation process in an emerging economy like India. To gain this understanding in respect of Indian customers, the study was conducted on respondents taken from the northern part of India. The major findings depict that customers are influenced in their usage of e-banking services by the kind of account they hold, their age and profession, attach highest degree of usefulness to balance enquiry service among e-banking services, consider security & trust most important in affecting their satisfaction level and find slow transaction speed the most frequently faced problem while using e-banking.

Dinesh Bhakkad (2010) Computerised bank saves a lot of time. This is the increasing achievement of banking. Bank is ready to help the customer on every step easily through online banking computers. Technology has demonstrated potential to change methods of marketing, advertising, designing, pricing and distributing financial products and services and cost saving in the form of an electronic, self-service product-delivery channel. These challenges call for a new, more dynamic, aggressive and challenging work culture to meet the demand of customer relationships, product differentiation, brand values,
reputation, corporate governance and regulatory prescriptions. Computer holds the key to the future success of Banks.

Christopher Bull (2010) Customer Relationship Management systems continues to evolve, there is still much to learn. This paper offers some relatively rare insights on the use of CRM systems and the strategic impact on the processes of intermediation and disintermediation in order to improve customer service. The author conducted case study from April 2007 to 2008 using an interpretative approach. The research highlights some design characteristics and philosophical insights regarding CRM system approaches and also offers some useful practical insights on the impact of CRM in changes to the deployment of some intermediaries.

Bhisham Ramkelawon (2010) expressed that one of the approaches which are creating the buzz in the banking sector is Customer Relationship Management. Banks are realising that the magical formulae for attaining success in such a competitive environment is to focus on maintaining relationship with customers leading to customer loyalty and retention. In fact customer relationship management involves organising activities around the sole customer which can ensure differentiation at each point of sales by creating a unique customer experience to customer.

R.K.Uppal and Bishnupriya Mishra (2011) he analyzes the widening gap between desirability and availability regarding reliability, accuracy, confidentiality, flexibility, e-channels, high attention to customers, low
service charges and overall satisfaction of customers in three bank
groups i.e. public sector banks, Indian private sector banks and foreign
banks. Also recommends some measures to bridge this gap between the
D/A of service quality parameters in the banking sector in the emerging
competition. Banks should reliable to win the confidence of potential
customers and to retain the old ones. The various procedures of banks
should be transparent and accurate e.g. working of bank employees with
computers should also be displayed to customers sitting on front chair
and money counting machines should be available for customers also.

Phavaphan Sivarasks and Donyaprueth Krairit (2011) examines and
measures the outcomes of electronic customer relationship management
system implementation in the with banking industry from customers'
perspectives. Though most e-CRM implementations cannot be directly
seen or recognised by customers, a literature review and interviews with
experts in banking industry were used to develop a new construct called
customer-based service attributes’ to measure e-CRM outcomes from
customers' perspectives. The e-CRM implementation has a statistically
significant positive relationship with customer-based service attributes
and with the quality and outcome of customer–bank relationships as
well as an indirect effect on relationship quality and outcome through
customer-based service attributes.

Deepak Salve and Anil Adsule (2011) Consumers are the focal point in
the development of successful marketing strategy. Marketing strategies
both influence and are influenced by consumers affect and cognition,
behavior, and environment. Marketing strategy from customer point of
view is a set of stimuli placed to influence them. Banking institutions today face several challenges like global competition for deposits, loans and underwriting fees, increasing customer demands, shrinking profit margins, the need to cope with new technologies. Banks need to be careful when they spend CRM budget on smart, fast and focused initiatives that will satisfy more customers, more of the time.

Uma Sankar Mishra, Bibhuti B.Mishra and Swagat Praharaj (2011) Indian banking sector faces enormous challenges of attracting and retaining customers. The author revealed that the public banks are ahead of the private banks in attracting and retaining customers because of good personal relationship with the customers. Reasons for opening accounts with a bank by the customers are factors like convenient location, overall reputation, etc.

Babin Pokharel (2011) Many banks already practice private banking and priority banking but in order to incorporate CRM to the highest, it should be strong player in private market. One of the main aim and ultimate goal of CRM is to retain and acquire must profitable customers, which affect overall the profitability of bank. To attract more private banking customers, banks must offer more individualize and attractive products and services to these customers. And its advertisement and packing must be done well.