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Research Article

CRM-A TOOL FOR CUSTOMER CLASSIFICATION (A STUDY WITH SPECIAL REFERENCE TO BANKING INDUSTRY)

Gayathry S*

SRM B School SRM University Vadapalani Chennai-600 026 India

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ABSTRACT

The essence of the information technology revolution and, in particular, the World Wide Web (www) is the opportunity to build better relationships with customers than has been previously possible in the offline world. CRM is a fundamental business of every enterprise and it requires a holistic strategy and process to make it successful. Relationship building with customers is now accepted as over-riding goal of marketing and of the business as a whole. In service industries, the goal is especially emphasized since a repeat customer is believed to cost merely a fraction of what needs to be spent in servicing a new customer in a service transaction. Indian banking industry has witnessed rapid development in recent past with the initiation of financial sector reforms. The thrust of financial sector reforms was to improve efficiency, competitiveness and productivity of the financial system. Entry of new generation private sector banks which provided technology aided services like Internet Banking, Mobile Banking and Inter Branch Network has electrified the banking environment in India and has added new dimensions to automation in Indian banking. Banking industry is undergoing tremendous changes; the focus is towards the customer service. The customer is aware of technology and the various service options. Due to these factors, there is heavy competition between banks. Increased competition in the market in the past few years propelled retail banks to focus greatly on maintaining and increasing their customer base while improving customer service quality. The present study concentrates on using CRM as a tool to classify the customers of the bank. The banks are facing lot of difficulties in acquiring new customers and in retaining the existing customers. As a result of the advancement of banking technology and computerization and networking of bank branches, the customers are becoming more and more dynamic and less loyal in their behaviour. The present study has made an earnest attempt to explore the usage of CRM for classification of customers.

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INTRODUCTION

Customer Relationship Management

The essence of the information technology revolution and, in particular, the World Wide Web (www) is the opportunity to build better relationships with customers than has been previously possible in the offline world.

Traditionally, marketers have been trained to acquire customers, either new ones who have not bought the product category before or those who are currently competitors' customers. This has required heavy doses of mass advertising and price-oriented promotions to customers and channel members. Today, the tone of the conversation has changed from customer acquisition to retention. This is a different issue and requires different strategies and new set of tools.

CRM is a fundamental business of every enterprise and it requires a holistic strategy and process to make it successful. (Jagdish N Sheth 2001)¹

Customer Relationship Management in Service Industry

Relationship building with customers is now accepted as over-riding goal of marketing and of the business as a whole. In service industries, the goal is especially emphasized since a repeat customer is believed to cost merely a fraction of what needs to be spent in servicing a new customer in a service transaction. It is believed that relationships flourish when marketers play by the book, meet customers' core expectations and exceed in respect of other features of their total offering.

¹ (Jagdish N Sheth, Atul Parvatiyar, Shainesh G (2001), "Customer Relationship Management- Emerging Concepts Tools and Applications", Tata Mc Graw Hill Publishing Company Limited. New Delhi)

*Corresponding author: **Gayathry S**

SRM B School SRM University Vadapalani Chennai-600 026 India

Service firms have been the pioneers in adopting CRM practices. (Shainesh and Ramneesh 2001)²

A competitive environment has always made business to change and improve their process of working. After Manufacturing Resource Planning (MRP), Total Quality Management (TQM), Quality Function Deployment (QFD), Electronic Data Exchange (EDE), Business Process Re-engineering (BPR), Enterprise Resource Planning (ERP), Supply Chain Management (SCM), the next three letter mantra which has rewritten the marketing lexicon by driving for a paradigm shift from a traditional transactional marketing to web enabled interactive relationship marketing is Customer Relationship Management. (CRM)

In recent years, the use of CRM solutions as a Knowledge Management (KM) tool has fast become prevalent in sectors such as the telecommunication, finance and banking industries. (Andrew)³

Customer Relationship Management in Banks

Indian banking industry has witnessed rapid development in recent past with the initiation of financial sector reforms. The thrust of financial sector reforms was to improve efficiency, competitiveness and productivity of the financial system. Entry of new generation private sector banks which provided technology aided services like Internet Banking, Mobile Banking and Inter Branch Network has electrified the banking environment in India and has added new dimensions to automation in Indian banking. CRM is a vital factor to improve the performance of the banks. (Sugnathi 2003)⁴. Banks also need to identify customers and products that would be most profitable and target customers with products that are most appropriate to their needs and serve the customers with greater cost efficiency. Banks also need to find out the avenues for increased customer satisfaction, which leads to increased customer loyalty.

Statement of the Problem

Banking industry is undergoing tremendous changes; the focus is towards the customer service. The customer is aware of technology and the various service options. Due to these factors, there is heavy competition between banks. Increased competition in the market in the past few years propelled retail banks to focus greatly on maintaining and increasing their customer base while improving customer service quality. In other words CRM has become a major focus for the banks. CRM is a strategy that can help banks 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. (Evangelia and Michalis 2006)⁵. The CRM has a massive influence in banking services. It has

resulted in much hyped gains in the banking sector. The forces of de-regulation, globalization and advancing technology have greatly increased the competitive pressures in the banking industry. The last decade has seen many changes taking place in the structure of banking and also in the way the banking sector has opened up. De-regulation and entry of new players are changing the banking scene. The future belongs to the player who keeps in touch with the time, who moves along with the time and is able to respond to the emerging needs of the customers.

Need and Importance of the Study

The present study concentrates on using CRM as a tool to classify the customers of the bank. The banks are facing lot of difficulties in acquiring new customers and in retaining the existing customers. As a result of the advancement of banking technology and computerization and networking of bank branches, the customers are becoming more and more dynamic and less loyal in their behaviour.

Most of the banks are concentrating more on retaining the existing customers. Lot of research studies have been carried out about servicing the existing customers and customer retention. Implementation of CRM poses a greater challenge to the banks after acquiring the customers. The various ways and means through which CRM is implemented by the banks determine the success or failure of the entire concept. Retail banks need to focus more strongly on components of their CRM strategy that will generate customer affective commitment and lead to an increase in customer retention, share of wallet, and advocacy. Many research articles have identified a number of approaches towards implementation of CRM. Any concept which is implemented would yield better results only when the same is maintained over a period of time. CRM is not an exception to this rule. Previous researchers have suggested a number of policies for proper maintenance of CRM. Committed customers are profitable to an organization for the long term. Customer commitment forms when a customer's expectation is satisfied and the customer realizes fair value from his/her relationship with the organization.

The success of the entire concept of CRM depends on its ability to generate customer satisfaction. A highly satisfied customer will continue to find ways to strengthen the relationship with the banks. Such satisfied customers would ever cherish their association with the bank. Many researchers have highlighted the importance of customer satisfaction in general through their exploratory studies. The pinnacle of success of CRM applications would be reached if the bank is able to generate customer loyalty. Loyalty is considered to be the ultimatum as far as CRM is concerned. Customer loyalty would make the customers to approach their bank for all their financial needs. This would lead to increased number of transactions. Customer loyalty as a concept has been accepted by many researchers as the vital outcome of CRM submissions. The present study has made an earnest attempt to explore the usage of CRM for classification of customers.

Objectives of the Study

- To identify the various CRM practices followed by banks.
- To utilize the CRM technique to classify the customers.

² (Shainesh G and Ramneesh Mohan (2001), "Status of Customer Relationship Management in India: A survey of Service Firms", Customer Relationship Management: Emerging Concepts, Tools and Applications Section V Chapter 38 Pg 349-358 Tata McGraw-Hill Publishing Company Limited New Delhi)

³ (Andrew L H Goh, "A Diagnostic Methodology of Evaluating Customer Relationship Management Solutions", International Journal of Applied Operations Research, Volume 1 Issue 1)

⁴ (Sugnathi R K (2003) "Customer Relationship Management", New Age International Publishers, Pg 23, New Delhi)

⁵ (Evangelia Blerly and Michalis Michalakopoulos (2006), "Customer Relationship Management-A Case Study of a Greek Bank", Journal of Financial Services Marketing Volume 11, 116-124)

METHODOLOGY

The research design is empirical in nature since the study is conducted using both analytical and diagnostic type of research.

Sources of Data

Primary data has been collected from the Customers of the Public Sector, New Private Sector, Old Private Sector and Foreign Banks in the city of Chennai.

Secondary data is collected from various published and unpublished sources including Journals, Magazines, Publications, Reports, Books, Dailies, Periodicals, Articles, Research Papers, Websites, Bank Publications, Manuals, and Booklets.

Sampling Technique

Simple Random Sampling Method is adopted to collect the primary data. The respondents for the purpose of the study are selected systematically

Cluster Analysis

This procedure attempts to identify relatively homogeneous groups of cases based on selected characteristics using an algorithm that can handle large number of cases. (Cox 1999)⁶ However, the algorithm has to specify the number of clusters. It allows the researcher to analyse the existence of different perceptions of the respondents. The number of clusters may be derived by trial and error method or by computing the large scale differences among co-efficient obtained from hierarchal clusters. This technique is considered appropriate, whenever the research is concerned with a comparison of mean scores, especially in the case of experimental study, involving manipulations such as in the case of this thesis. (Bray and Maxwell 1988)⁷ (Townend 2002)⁸ The basic assumptions of cluster analysis are that the variables should be quantitative at the interval or ratio level. The distances are computed using simple Euclidean distance among the appropriate variables. In the case of this thesis, clusters are formed with respect to the factors obtained through factor analysis.

REVIEW OF RELATED LITERATURE

An attempt has been made to review case studies and the work of individual researchers, magazines, journals, articles pertaining to CRM in Banks. A wide range of academic literature on CRM has been reviewed for the purpose of this study. A range of online databases have been searched to provide a comprehensive listing of journal articles on CRM.

Research Studies on Customer Relationship Management

Monica, Theresa and Wong (2003)⁹ The paper highlights that an evolutionary change in the concept of CRM is required. Three key findings have been made. First, customers should be

the major focus, and companies are actually dealing with Customer-Managed Relationships (CMR). Second, it is not just a one-to-one relationship pattern. The linkages with other parties are the cores of the relationships between customers and companies. It should therefore be a one-network-one relationship. Third, a co-creative approach should be used in order to integrate the CRM and CMR concepts to enable customers to participate in corporate strategy formulation and to encourage companies to cooperate with third parties in serving customers. The financial service sector is taken as a major example to illustrate the full concept of CRM and CMR. Managerial implications arising from the implementation of the co-creative approach are explored, which include market share and mind share.

Bhuvan *et al* (2001)¹⁰ This paper tries to synergize the concepts of CRM and Knowledge Management (KM) to give an organisation a strategic advantage in design and implementation of a CRM solution. To effectively implement a CRM solution it is very important to identify real knowledge about different types of customers' viz., Most Valued Customers, Most Growable Customers and Below Growable Customers from plethora of internal and external data, figures and surveys. A straightaway technique is to create a data warehouse, thereafter information which is required to effectively implement principles of CRM, could be mined out of this data warehouse. It is essential to build knowledge architecture instead of accumulating the data from different places. KM has the potential to give an organisation a strategic advantage in designing and implementation of CRM solution.

Rajkumar, Kumar and Timothy (2007)¹¹ The authors have carried out an exploratory study by using Bayesian Decision Theory Model to study the significant challenges faced by the practitioners while using Customer Lifetime Value (CLV) for customer selection. A joint model of purchase timing and quantity that is amendable for selecting customers using CLV has been developed. Customers are considered as a critical element of a firm's marketing assets and the effective management of a customer asset is expected to affect firm's profit directly. (Bolton, Lemon and Verhoef 2004)¹² Conceptually Customer Lifetime Value (CLV) which is the Net Present Value (NPV) of long term cash flows from a customer is regarded as an appropriate measure for customer selection. (Venkatesan and Kumar 2004)¹³ The analysis has been carried out using Model Estimation, Generalised Gamma Distribution and Panel Regression. The study provides guidelines for implementation and illustrates how the proposed customer selection framework can aid managers in enhancing marketing productivity and estimating return on marketing actions.

⁶ (Cox, E. P. (1980), "The Optimal Number of Response Alternatives for a Scale: A Review." *Journal of Marketing Research*, 17(November), Pg.407 - 422)

⁷ (Bray, J. H., and Maxwell, S. E. (1985), "Multivariate Analysis of Variance", Newbury Park: Sage Publications)

⁸ (Townend, J. (2002), "Practical Statistics for Environmental and Biological Scientist", West Sussex, England, John Wiley and Sons Ltd)

⁹ (Monica Law, Theresa Lau and Y H Wong (2003), "From Customer Relationship Management to Customer Managed Relationship: Unraveling the Paradox with a Co-Creative Perspective", *Marketing Intelligence and Planning* Volume 21 Issue 1 Pg 51-60)

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12 (Bolton, Ruth N, Katherine Lemon, and Peter C. Verhoef (2004), "The Theoretical Underpinnings of Customer Asset Management: A Framework and Propositions for Future Research", *Journal of the Academy of Marketing Science*, 32 (3) 271-292)

13 (Venkatesan, Rajkumar, T.V.Krishnan and V.Kumar (2004), "Evolutionary Estimation of Macro-Level Diffusion Models Using Genetic Algorithms: An Alternative to Non Linear Least Squares", *Marketing Science*, 23(13) 451-64)

Murali, Kristin and Rajdeep (2007)¹⁴ In this article, the authors focus on identifying which category of customers are vulnerable to defection despite their stated high levels of satisfaction. Building on the Judgement Uncertainty and Magnitude Parameters (JUMP) model, the authors decompose customers' stated satisfaction into two related but independent facets-satisfaction level and satisfaction strength and then examine the role of satisfaction strength in the translation of satisfaction into loyalty. The resulting dynamics from the service provider's point of view can be best characterized as customer attrition, or the slow destruction of the relationship.

Customers' Perception Level and Their Classification

Customers perceived the concepts of CRM in banking industry through various aspects. Their frequency of interaction and their exploitation of different banking services perceived certain level of notions about CRM. It is essential to determine and quantify their level of perceptions and the involvement of CRM concepts. In this juncture, a multivariate tool K-Means cluster analysis is applied to classify the customers based on their perceptions.

Cluster analysis computes the mean values of the scores marked by the customers in Likerts Five Point Scale. It classifies the customers with homogeneous views and dumps them in a heterogeneous cluster. These clusters exhibit significant difference among them and act as entirely uncorrelated objects with certain amount of frequency percentage of customers.

Classification of Customers of Banks With Respect To Factors of Customer Acquisition

The element of customer acquisition triggers the implementation of CRM process in the banking and other industries. In this research, customer acquisition exhibited three factors viz., Optimistic Relationship, Operational Flexibility and Convenience. The K-Means cluster analysis is applied on these three factors and the following results are obtained:

Table 1 Final Cluster Centers-Customer Acquisition

	Cluster		
	1	2	3
Optimistic Relationship	4.15 (Strong)	3.10 (Moderate)	4.27 (More Strong)
Operational Flexibility	4.15 (Strong)	3.38 (Moderate)	4.23 (More Strong)
Convenience	4.44 (Strong)	2.54 (Weak)	2.94 (Moderately Weak)
Frequency	195(36%)	131 (24%)	214 (40%)
Total		540	

From the above table, it is identified that the first cluster consisting of 36% of the customers are strong in optimistic relationship, operational flexibility and convenience. So this group can be named as "Imbided Customers". The second group consisting of 24% of customers possess weak qualities of convenience. So, the group can be names as "Unsaturated Customers". The third cluster comprising of 40% of customers are stronger in optimistic relationship and operational flexibility of the banks. Therefore the group is called as "Well-Acquainted Customers".

14 (Murali Chandrashekar, Kristin Rotte, Stephen S Tax and Rajdeep Grewal (2007), "Satisfaction Strength and Customer Loyalty", Journal of Marketing Research Volume XLIV February 2007 Pg 153-163)

The cluster analysis revealed that the fact that there are three types of customers prevailing in the banking industry. Some of them are well acquainted with all the CRM concepts and exploit all the services of the banks for their personal development. A significant group of customers are not yet satisfied with the customer acquisition process of the different types of banks.

Classification of Customers of Banks With Respect To Factors of Implementation of CRM

Implementation of CRM is the gateway through which banks can introduce this specialized concept to their customers. In this research, implementation of CRM presented four factors viz., Campaign Management, Contact Management, Propagation and Technology Adherence. The K-Means cluster analysis is applied on these four factors and the following results are obtained:

Table 2 Final Cluster Centers-Implementation of CRM

	Cluster			
	1	2	3	4
Campaign Management	2.30 (Weak)	2.04 (Weak)	2.35 (Weak)	3.96 (Moderate)
Contact Management	3.36 (Moderate)	2.30 (Weak)	3.85 (Moderate)	4.25 (Strong)
Propagation	3.20 (Moderate)	2.76 (Moderately Weak)	3.73 (Moderate)	4.05 (Strong)
Technology Adherence	2.58 (Moderately Weak)	3.85 (Moderate)	4.09 (Strong)	4.08 (Strong)
Frequency	101(19%)	92 (17%)	192 (35%)	155 (29%)
Total		540		

From the above table, it is recognized that the first cluster consisting of 19 % of customers are weak in campaign management. Hence, the group can be called as "Introvert Customers". The second group consisting of 17 % of customers are weak in campaign management and contact management. So, this group can be called as "Biased Customers". The third cluster comprising of 35% of customers are strong in technology adherence. Thus this group can be called as "Tech-Savvy Customers". The fourth cluster consisting of 29% of customers are strong in contact management, propagation and technology adherence. So, this group can be called as "Enthusiastic Customers".

The cluster analysis revealed the fact that there are four types of customers prevailing in the banking industry. Some of the customers remain aloof from the banks, while some of them do not evince interest towards the concept of CRM. A sizeable number of customers are very enthusiastic in accepting the technology driven approach of CRM.

Classification of Customers of Banks With Respect To Maintaining CRM through General Policies

The general policies adopted by the banks in maintaining customer relationship play a crucial role in the process of CRM. In this research, maintaining CRM through general policies revealed seven factors viz., Physical Layout, Meticulous Mechanism, Prompt Service, Ambience and Amenities, Grievance Redressal, Customer Enlightenment and Best Practices. The K-Means cluster analysis is applied on these seven factors and the following results are obtained:

Table 3 Final Cluster Centers-Maintaining CRM through General Policies

	Cluster			
	1	2	3	4
Physical Layout	3.92 (Moderate)	3.11 (Moderate)	4.17 (Strong)	4.28 (More Strong)
Meticulous Mechanism	2.81 (Moderately Weak)	2.41 (Weak)	3.22 (Moderate)	3.93 (Moderate)
Prompt Service	3.79 (Moderate)	3.40 (Moderate)	4.32 (Strong)	4.56 (More Strong)
Ambience and Amenities	3.83 (Moderate)	2.52 (Weak)	4.05 (Strong)	4.29 (More Strong)
Grievance Redressal	3.35 (Moderate)	3.01 (Moderate)	3.54 (Moderate)	4.19 (Strong)
Customer Enlightenment	3.18 (Moderate)	2.52 (Weak)	2.97 (Weak)	4.12 (Strong)
Best Practices	2.55 (Weak)	2.58 (Moderately Weak)	3.63 (Moderate)	3.93 (Moderate)
Frequency Total	153 (28%)	76 (14%)	140 (26%)	171 (32%)
		540		

From the above table, it is identified that the first cluster consisting of 28 % of customers are weak in best practices and moderately weak in meticulous mechanism. So the group can be called as “Disappointed Customers”. The second cluster comprising of 14 % of customers are weak in meticulous mechanism, ambience and amenities and grievance redressal. Hence, this group can be called as “Apathetic Customers”. The third cluster comprising of 26 % of customers are strong in physical layout, prompt service and customer enlightenment. Hence, this group can be called as “Contented Customers”. The fourth cluster consisting of 32% of customers are stronger in physical layout, prompt service and ambience and amenities. Hence, this group can be called as “Aesthetic Customers”.

The cluster analysis revealed the fact that there are four types of customers prevailing in the banking industry. Two groups of customers are not happy about the manner in which the banks are maintaining CRM and the other two groups are relatively cheerful about the policies adopted by the banks in maintaining CRM.

Classification of Customers of Banks With Respect To Maintaining CRM through Specific Strategies

The specific strategies adopted by the banks in maintaining CRM give a niche for the banks when compared to their counter parts. In this research, maintaining CRM through specific strategies exposed four factors viz., Fund Management, Precision, Personalized Services and Personal Interaction.

Table 4 Final Cluster Centers-Maintaining CRM through Specific Strategies

	Cluster		
	1	2	3
Fund Management	4.21 (Strong)	3.62 (Moderate)	2.24 (Weak)
Precision	4.31 (Strong)	3.92 (Moderate)	3.26 (Moderate)
Personalized Services	3.98 (Moderate)	2.79 (Moderately Weak)	2.01 (Weak)
Personal Interaction	3.60 (Moderate)	2.15 (Weak)	1.83 (Weak)
Frequency Total	116(21%)	210 (39%)	214 (40%)
		540	

The K-Means cluster analysis is applied on these four factors and the following results are obtained:

From the above table, it is recognized that the first cluster consisting of 21 % of customers are strong in fund management and precision. So, this group can be called as “Optimistic Customers”. The second cluster comprising of 39 % of customers are moderately weak in personalized services and weak in personal interaction. Hence, this group can be called as “Detached Customers”. The third cluster consisting of 40 % of customers are moderate in precision. Hence, this group can be called as “Dedicated Customers”.

The cluster analysis revealed the fact that there are three types of customers prevailing in the banking industry. A marginal portion of the customers are very optimistic about the specific innovations and initiatives taken by the banks in establishing enhanced relationship management. Some customers are not very much appreciative about the banks relationship building exercise while a significant group of customers are highly encouraging and helpful to the banks in this process.

Classification of Customers of Banks With Respect To Customer Satisfaction

Customer satisfaction is the quintessence of CRM. In this research, the concept of customer satisfaction exposed four factors viz., Customer-Centric Approach, Perfection, Proactive Banking and Benchmark. The K-Means cluster analysis is applied on these four factors and the following results are obtained:

Table 5 Final Cluster Centers-Customer Satisfaction

	Cluster		
	1	2	3
Customer-Centric Approach	3.65 (Moderate)	2.55 (Weak)	4.40 (Strong)
Perfection	3.67 (Moderate)	2.66 (Weak)	4.43 (Strong)
Proactive Banking	3.69 (Moderate)	2.54 (Weak)	4.41 (Strong)
Benchmark	3.51 (Moderate)	2.53 (Weak)	4.28 (Strong)
Frequency Total	278 (52%)	83 (15%)	179 (33%)
	540		

From the above table, it is identified that the first cluster consisting of 52 % of customers are moderate in customer-centric approach, perfection, proactive banking and benchmark. Hence, this group can be called as “Improvement Seekers”. The second cluster comprising of 15 % of customers are weak in customer-centric approach, perfection, proactive banking and benchmark. Hence, this group can be called as “Critical Customers”. The third cluster comprising of 33 % of customers are strong in customer-centric approach, perfection, proactive banking and benchmark. Hence, this group can be called as “Enriched Customers”.

The cluster analysis revealed the fact that there are three types of customers prevailing in the banking industry. A marginal portion of the customers are not satisfied even after rigorous implementation of CRM. Some customers are extremely pleased about the activities of their bank whereas a significant group of customers are fairly satisfied about their banks.

Classification of Customers of Banks With Respect To Customer Loyalty

Customer loyalty is the ultimatum in the process of CRM. In this research, the concept of customer loyalty exposed four factors viz., Positive Banking Climate, Confidence Building, Customer Delight and Necessity. The K-Means cluster analysis

is applied on these four factors and the following results are obtained:

Table 6 Final Cluster Centers-Customer Loyalty

	Cluster		
	1	2	3
Positive Banking Climate	4.04 (Strong)	3.16 (Moderate)	4.42 (More Strong)
Confidence Building	3.77 (Moderate)	3.08 (Moderate)	4.24 (More Strong)
Customer Delight	3.28 (Moderate)	2.31 (Weak)	4.06 (Strong)
Necessity	2.52 (Weak)	3.56 (Moderate)	4.12 (Strong)
Frequency	180 (33%)	159 (30%)	201 (37%)
Total		540	

From the above table, it is identified that the first cluster consisting of 33 % of customers are weak in necessity. Hence, this group can be called as “Voluntary Customers”. The second cluster comprising of 30 % of customers are weak in customer delight. So, this group can be called as “Alarming Customers”. The third cluster consisting of 37 % of customers are stronger in positive banking climate and confidence building. Hence, this group can be called as “Loyal Customers”.

Implications of the Study

Cluster Analysis classified the customers with homogeneous views and dumped them in a heterogeneous cluster. The results are summarized below:

1. The cluster analysis revealed that three types of customers are prevailing in the banking industry as per the customer acquisition process viz., Imbued Customers, Unsaturated Customers and Well-Acquainted Customers.
2. Implementation of CRM as a vital element grouped the customers into the following four clusters viz., Introvert Customers, Biased Customers, Tech-Savvy Customers and Enthusiastic Customers.
3. Maintaining CRM through general policies grouped them into the following four clusters viz., Disappointed Customers, Apathetic Customers, Contended Customers and Aesthetic Customers.
4. Maintaining CRM through specific strategies grouped them into the following three clusters viz., Optimistic Customers, Detached Customers and Dedicated Customers.
5. Customer satisfaction as the outcome of the process of CRM grouped the customers into the following three clusters viz., Improvement Seekers, Critical Customers and Enriched Customers.
6. Customer loyalty as the ultimatum in the process grouped the customers into the following three clusters viz., Voluntary Customers, Alarming Customers and Loyal Customers.

CONCLUSION

CRM has become an increasingly critical means of developing and maintaining customer loyalty while also helping the business, migrate to low value customer towards greater profitability. Bankers can now manage every single contact with the customer to build lasting relationships and glean information and insights about customer's needs and their buying behaviour to design and develop services, which help create value for the customers as well as the bank.

The cluster analysis revealed the fact that there are three types of customers prevailing in the banking industry. Some customers operate their accounts with their banks on a voluntary basis, while some of them are not that very happy having their account with the bank and some of them are very much happy and proud being the customers of the bank.

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