

A STUDY ON VIPS' (VISUALLY IMPAIRED PERSON) PERCEPTION OF CRM EFFORTS OF THE BANKS IN INDIA

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Abstract

The CRM in Indian Banking industry is becoming very critical with its large number of players. The banks concentrate hard on initiating appropriate CRM strategies to attract and retain various customer segments, but will these initiatives please the visually challenged customer segment as their banking behavior and needs might vary from the normal customers. This research proposes to examine the perception of visually challenged customers' perception towards the CRM initiatives & efforts of the banks in India. It is a descriptive research in nature that relied on primary data source using structured questionnaire that was personally administered to VIP (visually challenged persons) savings account holders. The study reveals that the VIPs share the unfavorable response towards the effectiveness of the CRM initiatives of the banks and also signifies the importance of different CRM strategies for VIPs.

Key words: CRM, Banks in India, Visually challenged customers.

Introduction:

The post liberalization arena has transformed Indian banking industry, but alongside posed greater challenge to the banks to retain their customers due to intensified competition. With wide range of choice it has become very difficult for banks to retain the customers. The challenge is still significant in for the banks as there is growing demand from the younger Indian population to bank at their will. There is no room for error for banks as it does not take much time for the customers to open a new account in a different bank. Thanks to the technology and innovative

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banking practices that have helped the banks to manage the CRM strategies that helps them to ensure customer retention. Banks are mounting a continuing long-term relationship with their customers and also changing their attention from market share to capture higher mind portion of their customers (Vanisha, Sharmila, Victor & Vinod, 2011). While there is still doubt on whether or not the current CRM initiatives of the bank are effective with normal customers, how does it perform with visually challenged customers? The banks though concentrate hard on bringing up CRM strategies to ensure customer retention, but are these really effective with visually impaired people as their banking patterns are different from normal persons. This paper revolves around the visually challenged customer segment and their perception on CRM initiatives of the Banks operating in India. Appropriate research methodology and data analysis was adopted to ensure effective research outcome. The paper would briefly discuss the critical findings and its implications to create further scope for the research. As the research involves interaction with (special) visually impaired people special efforts were taken to ensure accuracy.

1. Conceptual Background

This section of the paper summarizes the importance of CRM and its relevance to Indian banking industry apart from the significance of banking to the visually challenged customer segments identified from the past literatures and other secondary data sources to recognize the most critical variables that needs to be studied.

1.1 CRM and Indian Banking Industry:

The Indian Banking Industry has transformed in large and has witnessed many developments in the last decade. The new look & liberalized Indian market looked very attractive and motivated many private players and foreign companies into the Indian banking Industry. The technological interventions and service innovativeness has forced the banking industry to new heights that makes it easy for customers from different educational background. The current regulatory systems are looking to device system that can diffuse banking services into all regions and category of customers through its inclusive banking strategies (Vinod & Victor, 2012). Nevertheless, the Mckinsey & Co. depicts that the cost of reaching special customer segments and the rural markets are slightly higher (Mickinsey & Co., 2010).

The new competitive banking market in India has spawned new expectations from the present and potential customers (Vanisha, Sharmila, Victor & Vinod, 2011). The banks are concentrating hard on initiating appropriate CRM strategies to attract and retain the existing and potential customers. There is a strong need for banks to tackle this competition by understanding the significance of the customers and dealing with their requirements using innovative practices complimented by the modern technology. IT has become mandatory for the banks to adopt customer centric approach to be successful in the Indian banking industry.

1.2 Indian Banking Industry and Visually challenged Customer Segment:

The WHO Fact Sheet (2012) reports that there are 285 million visually impaired people around the worldwide and 39 million blind people. The fact sheet also shows that around 90% of them live in developing countries (WHO fact sheet, 2012). India owns around 30 per cent of the world's blind population and more than 20 million visually impaired people. The CII (2010) has noted the importance of the visually impaired persons and their recent developments during the last decade. Some of the researchers have proved that modern the technology has made the visually impaired people highly competitive like normal persons (Williamson, Wright, Schauder, and Amanda, 2001). The large population of VI persons in India clarifies the market size and potential of these special people to consume banking services. The RBI (2008) responded to the developments and demands of VI people by offering guidelines to make banking facilities easily accessible to VC. Study conducted by Vinod & Victor (2012) revealed a gap in the guidelines and perception of the VI persons and showed significant importance to bring in customerised banking services and service components to meet their special needs. The above review of the literatures proves that the VI customer segment has significant portion in the Indian banking industry and to study the perception of VIP of current CRM initiatives of the banks.

2. Research Objective:

The fundamental purpose of this research is to examine the front-end effectiveness of CRM initiatives and efforts to of the Banks operating in India from the visually challenged customers' perspective. This was established through following objectives.

- To explore the visually impaired customers' perception of the CRM initiatives and efforts of their bankers in India.
- To explore the customer intention to stay with the bank for longer period and intention to recommend their banks to others to reveal the effectiveness of the CRM initiatives and efforts of the banks.

3. Research Methodology:

This paper is descriptive by nature and involves empirical study. The researcher used ng source of data for studying the principle objective. Studying the visually impaired people required a special approach and therefore Focus group interview (group of 10 respondents) was conducted at the preliminary phase to ensure designing a most appropriate and effective data collection tool. A personally administered questionnaire was adapted to source core information. The questionnaire consisted 3-parts consisting 5-point likert Scale. Around 100 visually impaired teachers and lecturers holding account in banks in India were included for the survey.

Table 1 Sample Distribution of their Bankers

Indian Banks	Sample Size
Axis Bank	02
ICICI Bank	02
State Bank of India	31
Indian Bank	25
Indian Overseas Bank	21
Andhra Bank	06
Tamilnadu Mercantile Bank	03
Cooperative Banks	10
Total	100

The snow ball sampling technique was used as the samples were hard to trace out, Goodman, L.A. (1961) states that Snowball sampling is the most suitable technique to be used for rare samples. The research includes differential analysis and minor statistical application to establish the relationship and association between significant variables.

4. Data Analysis and Discussion:

The demographic profile of the respondent is shown below for understanding the profile of the customer segment involved in this study.

Table 2: Demographic Profiling of the Respondent

Age of the respondents		Educational Qualification		Occupation		Marital Status	
25 – 30	12	B.Ed/ M.Ed	76	Teachers (school)	78	Single	43
31 – 35	26	M.Phil	24	Teacher (Arts College)	22	Married	57
36 – 40	56						
Above 40	06						

The survey included teachers and lecturers only as it is important to study respondents who are literate and aware of the topic being studied.

The following are the core findings expressed through tables showing standard deviation of the respondents' opinion towards critical variables relating to the CRM interventions of the Indian banking industry.

Table 3: Respondents Perception of the CRM efforts of the banks

<i>Respondents Opinion on the CRM efforts of the Banks</i>	<i>Mean</i>
Bank offers ease and comfort to operate and transact with the bank	1.10
Banks are responsive to customer expectations.	1.43
Customer relationship is valued by the bank.	1.15
Query response time in the bank is satisfactory	4.03
Customer receives adequate details and information about their transactions	4.12
Banking service time is satisfactory	4.16
Banks are reliable and offer correct banking products	2.21
The Information received from the banks are complete and suits the need	2.04
Bankers offer complete information charges and interest rates wherever applicable.	2.90
Always Receive updates and instant information on their accounts.	3.25
A Banks Web is very informative and easy to view information about their services	1.01
Banks consistently send SMS about the service consumption of the customers	4.55
Customers feel that they are part of the bank	1.12
proud and privileged to be a customer of the bank	2.49
Bank is supple and approachable to my special requirements	1.04

The table 3 above shows mixed reactions of the visually impaired customer segment towards the CRM initiatives of the banks in India.

Unfavorable responses:

- They share unfavourable response on the banks offering provisions to operate bank account at ease. This is fundamentally due to the customers' inability to access e-banking and m-banking features, they completely rely on the branch banking which makes them feel so as they have to rely on the guide or the executive to complete the transaction formalities.
- They also are negative about the banks responsiveness. This shows that the executives are reluctant to give time and space to VIs which reflects on this findings. The busy branches might find it very difficult to spare time to the customers due to its customer traffic during banking hours.
- Their responses also reveal that they are not being valued by the banks, and they are also not approachable and amicable to listen to their special needs and requirements for banking may be the bank feels burdened with these customers as they consume more time when compared to the normal customers.
- The VI customers also shared negative response on the information provided in the Banks' Web and easy to view information about their services. Though there are many tools and

software available to support these people to access the Websites, but not many are acquainted to using them which lead to such a poor response.

Favorable Response:

- The respondents shared a favourable response on the time taken by the banks to respond to their queries and their service time. Both the variables relating to timeliness is positive, which is understandable that banks do offer special provision to Visually challenged customers that allows them to break the queue and token numbers and are allowed to directly walk into the tellers counter to transact.
- The VI customers also happy with the level of information about their transactions. But the customers response on the Bankers efforts on providing complete information on charges and interest rates wherever applicable apart from the response on updates and information received about their accounts are moderate. It is very difficult for the bankers to provide all the information in person, but whatever information received by them is clear as the response reveals.
- The banks are also consistent and regular in updating the customers on the transactions and service consumption details through SMS. The RBI has made it mandatory for the banks to send SMS alert on all the transactions and service consumption details as a provision to protect customers.

Below mentioned are the responses relating to the (CSE) Customer service Executives

Table 4: VI Customers perception on the bank officers at counters

<i>Statements on Bank tellers</i>	<i>Mean</i>	<i>SD</i>
They are polite and courteous	4.10	0.900
Prompt in handling the inquiry	4.05	0.642
They are Knowledgeable and Experienced	2.55	1.078
Committed to attaining Customer Satisfaction	2.82	0.941
Trustworthy	2.98	1.058

The above table 4 clarifies on the human dimension of the customer relationship management of the banks and the perception of the visually impaired customers.

The data above reveal that VIPs are happy with bank staffs in terms of politeness and courteous while rendering service at the branch. They also share positive response on the promptness of the bank officers in handling the inquiries. All these positive response are the result of the bank officers being good to these challenged people as they understand their limitations and wanting help them. But the response on the staffs knowledge, experience and commitment towards

rendering services to satisfy the customers are moderate and does not reveal favorable or unfavorable response. The trustworthiness dimension is also moderate.

Table 5 displays data pertaining to the VI customers' intention to continue as the customer in the long run as well as willingness to recommend this bank to their friends and relatives.

Table 5 Customer Intention to bank long run and recommend the bank to others

Customer intention statement	Mean	SD
To Recommend Banking Institution	2.71	.985
Likelihood To Deal With Banking Institution in Next 5 Years	2.11	.942

The table above shows that the Respondents share moderate response on their willingness and intention to continue with this bank in the long run and to recommend this bank to their friends and relatives. In current state of competitive environment it might be difficult for the customers to commit with the bank for longer period but the moderate response to recommend this bank might not make the banks happy. It is very important for banks to retain the customers as it well known fact than getting a new customer is difficult than retaining an old customers. So it is very critical that banks concentrate more on retaining these customers that will obviously make them spread positive word of mouth.

5. Conclusion:

The banks in the current environment do not have separate CRM initiatives for visually challenged customer segment and they adopt common strategy for normal and VI customers, this paper offers movement to know the effectiveness of CRM strategies in Indian banking sector. The findings of this paper shows a definite gap between the existing CRM efforts and its effectiveness to VI customers. This clarifies the importance of having a exclusive CRM strategies for VI customers matching their special needs and wants as their banking behavior is completely different from the normal persons. This paper also offers large scope for further research as the CRM can be discussed from the Bankers perspective. It can be categorized to know the CRM effectiveness between the foreign banks effort and the domestic banks efforts.

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