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**A STUDY ON CUSTOMER RELATIONSHIP MANAGEMENT IN AXIS  
BANK VIJAYAWADA**

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**ABSTRACT**

In India as well as world banking system is the core of all financial activities including lending and depositing money, providing loans to institutions and private players and institutions. Banks are integral part of the service sector in India which went many transformational changes in last few decades due to privatization, technological up gradation, and changing in financial policies and procedures, increased competition etc. All these factors are putting tremendous pressure on the banks to perform better in order to survive in cut throat competition. This paper tried to identify the factors influencing the Customer Relationship Management practices (CRM) in Axis Bank in Vijayawada city. Total 100 samples were taken and correlation and mean scores were calculated to analyze the data. Study reveals that knowledge and attitude of the staff and customer service all have positive relationship with the customer loyalty. Suggestions are offered to improve relationship and maintain loyalty with the bank customers.

**Keywords:** CRM, Customer Loyalty and Satisfaction; Customer Service

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**Introduction**

Axis Bank established in 1993 was the first of the new private banks to have begun operations in 1994 after the Government of India allowed new private banks to be established. Axis Bank Ltd. has been promoted by the largest and the best Financial Institution of the country, UTI. The Bank was set up with a capital of Rs. 115 crore, with UTI contributing Rs. 100 crore, LIC - Rs. 7.5 crore and GIC and its four subsidiaries contributing Rs.1.5 crore each. Axis Bank is one of the first new generation private sector banks to have begun operations in 1994. The Bank was promoted in 1993, jointly by Specified Undertaking of Unit Trust of India (SUUTI) (then known as Unit Trust of India), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), National Insurance Company Ltd., The New India Assurance Company Ltd., The Oriental Insurance Company Ltd. and United India Insurance Company Ltd. The shareholding of Unit Trust of India was subsequently transferred to SUUTI, an entity established in 2003.

Erstwhile Unit Trust of India was set up as a body corporate under the UTI Act, 1963, with a view to encourage savings and investment. In December 2002, the UTI Act, 1963 was repealed with the passage of Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 by the Parliament, paving the way for the bifurcation of UTI into 2 entities, UTI-I and UTI-II with effect from 1st February 2003. In accordance with the Act, the Undertaking specified as UTI I has been transferred and vested in the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI), who manages assured return schemes along with 6.75% US-64 Bonds, 6.60% ARS Bonds with a Unit Capital of over Rs. 14167.59 crores.

**Services offered by the bank:**

- Personal Banking
- Corporate Banking
- NRI Banking
- Priority Banking
- VBV - Online purchases using Credit Card
- VBV / MSC - Online purchases using Debit Card

**Milestones:**

- 2013-Axis Bank voted for Most Trusted Private Sector Bank in the country in the Most Trusted Brands survey 2013 by Brand Equity.
- 2012 -Reached 2 lakh installed EDC machines - the highest for any bank in India Becomes the first Bank in the world to reach \$2 billion loading on prepaid Travel Currency Cards
- 2011- Launches India travel card - India's first and only Indian currency prepaid travel card for foreign nationals
- Nov-10- Axis Bank enters a deal to buy the investment banking and equities units of Enam Securities

**NEED FOR THE STUDY:** CRM in the banking play a prominent role in the banking sector, it will fill the gaps between the customer and to bankers. Most of banks are trying to develop CRM with their customers to increase their customer retention.

**PROBLEM STATEMENT:** With the rapid expanding literature of relationship management, business to business marketing and customer relationship management, there is relatively little attention paid to the value of the organization can get from such business strategies. Neglect in customer relationships has lead to a lot of organization having reducing figure in the count of customers in their customers' data base. This study will look at impact of customer relationship management.

**OBJECTIVES OF THE STUDY**

1. To assess the knowledge of bankers working in axis bank Vijayawada related to customer relationship management.
2. To find out attitude of bankers working in axis bank Vijayawada towards customers.
3. To get the findings and give suitable suggestions to enhance the effective use of customer relationship management.

**OPERATIONAL DEFINITIONS**

- ❖ **KNOWLEDGE:** In this study knowledge refers to a response obtained from bank employees regarding customer relationship management.
- ❖ **ATTITUDE:** A tendency to respond positively or negatively towards customer relationship management.
- ❖ **CRM** has different meanings to different people and it has been defined and conceptualized in several ways, reflecting many viewpoints of different scholars. CRM is considered to be an approach to maximize customer value through differentiating the management of customer

relationships .Therefore, most CRM definitions are based around the collection and use of customer data for specific customer-focused activities.

### **HYPOTHESIS**

**H<sub>0</sub> 1:** There is no relation between demographic variables towards attitude of bank employees working in axis bank Vijayawada regarding customer relationship management.

**H<sub>0</sub> 2:** There is a relation between demographic variables towards attitude of bank employees working in axis bank Vijayawada regarding customer relationship management.

### **ASSUMPTIONS**

- The bank employees working in Axis bank Vijayawada may have less knowledge regarding customer relationship management.
- By giving awareness about CRM to the bank employees in Axis bank Vijayawada may help in drawing the customer attention.

### **LIMITATIONS**

1. There is not much research carried out on customer relationship management and the customer relationship management policies adopted by bank employees working in Axis bank Vijayawada.
2. This study is very much limited to bank employees of Axis bank Vijayawada.

**DELIMITATIONS:** This study is delimited to CRM in Axis bank Vijayawada.

### **Review of literature**

Review of literature serves as the connecting link between the findings of previous research and result of proposed study.

The related literature of the present study is collected, organized and presented as follows.

Dr.A.Vinayagamoorthy & Mr.C.Sankar: Today, many businesses such as banks, insurance companies, and other service providers realize the importance of Customer Relationship Management (CRM) and its potential to help them acquire new customers retain existing ones and maximize their lifetime value. At this point, close relationship with customers will require a strong coordination between IT and marketing departments to provide a long-term retention of selected customers. This paper deals with 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.

Kumar Patwa and Kush Kr. Patwa (2014) in their study regarding Customer Relationship Management (CRM) performance of private sector and public sector bank showed the overlapping on customer retention between the Private and Public sector banks of Uttar Pradesh. Results showed that the Private Banks have been able to implement the CRM practices more effectively rather than public sector.

Semihonutibrahimerdem & bora hosver: Results obtained by extensive usage of customer data to develop and apply Relational Marketing have convinced the Garanti Bank to proceed along the line undertaken. As lists of customers eligible for four very important banking product/services are available, as above described, the following actions are now being deployed:

### **Conceptual frame work**

A conceptual framework in this study is based on Lu and Shang (2007) who identified six CRM dimensions making up of thirty CRM attributes under customer acquisition, customer response, customer knowledge, customer information system, customer value evaluation, and customer information process. In his study, we are going to use the six CRM dimensions to apply in banking sector. Figure 1 show a conceptual framework of CRM practices.

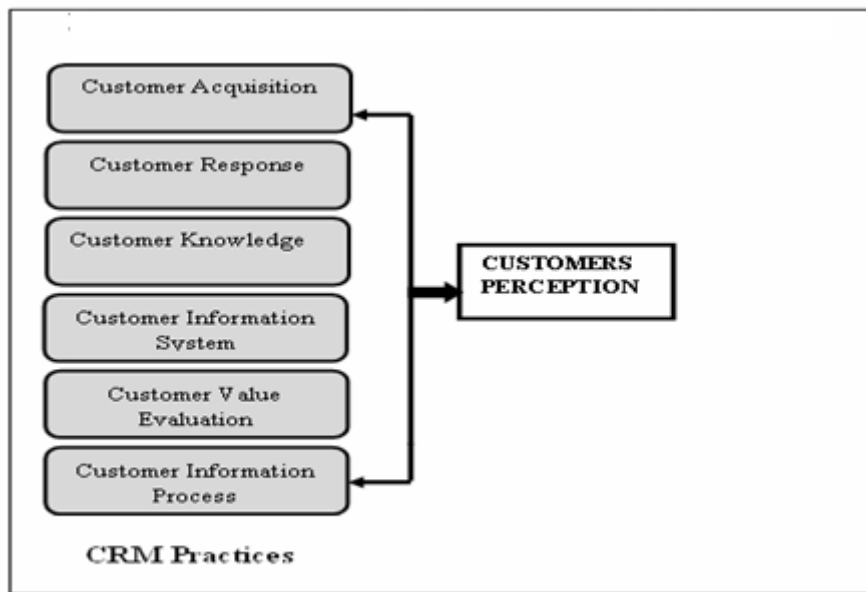


Figure 1: A Conceptual Framework of CRM Practices

## RESEARCH METHODOLOGY

This chapter deals with the methodology adopted for assessing knowledge and attitude of bank employees working in Axis bank Vijayawada regarding customer relationship management. It includes research approach selected for the study, research design, variables under study, setting of study, population, sample and sampling technique, development and description of the tool, procedures for data collection, plan for data analysis.

**Research Approach:** The research approach chosen for the present study is Quantitative research approach.

**Research design:** The research design is concerned with an overall frame work for conducting the study. The research design selected for this study is descriptive design. It is to assess the knowledge and attitude of bank employees working in Axis bank Vijayawada regarding customer relationship management.

**setting for the study:** The setting selected for the study was Vijayawada. The rationale for selection of this setting was availability of adequate sample, familiarity with co-operation, feasibility of conducting study.

In the present study the sample were 100 bank employees working in axis bank, Vijayawada.

**SAMPLE SIZE:** The sample size comprised of 100 bank employees working in axis bank, Vijayawada.

**SAMPLING TECHNIQUE:** The sampling technique used for the study was "Non-probability, convenient sampling technique".

## Variables under STUDY

**Research Study Variables:** In the present study the dependent variables are the knowledge and attitude of bank employees working in Axis bank Vijayawada regarding customer relationship management.

**Demographic variable:** Age, Educational status, Income per month, gender, period of job

**Dependent Variable:** knowledge about customer relationship management and attitude towards customer of bank employees regarding customer relationship management.

**STUDY PERIOD:** The data was collected from bank employees working in axis bank Vijayawada on 10<sup>th</sup> SEP, 2016 to 30<sup>TH</sup> November, 2016.

## CRITERIA FOR SAMPLE SELECTION

**Inclusive criteria:** bank employees working in axis bank Vijayawada.

- Who can understand, read, or write in English and local language.
- Who are available during the time of study.

- Who are willing to participate in study.

**Exclusive Criteria:** bank employees working in axis bank Vijayawada

- Who are not willing to participate in study.

#### **Data collection tools and TECHNIQUES:**

Based on the objectives and conceptual frame work of the study the needed instrument was developed in order to generate the data. After an extensive literature review, and consultation with experts the following tools were constructed. Semi structured questionnaire was used for assessing the knowledge and attitude of bank employees working in axis bank vijayawada.

#### **Development of TOOL:**

Various steps adopted for preparation of Semi structured questionnaire and selection of items includes

Major steps in development of Semi structured questionnaire were,

- Preparation of blue print
- Item construction
- Establishing validity and reliability
- Translation of tool
- Final preparation of tool

#### **Description of data collection tool ON DEMOGRAPHIC DATA:**

5 items to ascertain, demographic data with regard to Age, Educational status, Income per month, working years, gender.

**PLAN FOR DATA ANALYSIS:**Data was planned to analyze by using descriptive and inferential statistics.

**DESCRIPTIVE STATISTICS:** Percentage, Mean, Standard deviation for knowledge and attitude.

**INFERENTIAL STATISTICS:** Karl Pearson coefficient correlation was used to determine the correlation between knowledge and attitude of students. The Chi square test is used to determine the association between knowledge and demographic variables.

#### **DATA ANALYSIS and INTERPRETATION**

Data analysis deals with the statistical analysis of the collected data. The data as analyzed by using descriptive statistics such as Frequency, Percentage, Standard deviation, Mean to assess the knowledge, and as well as attitude and correlation between knowledge and attitude Karl Pearson coefficient correlation test was used. The raw data collected were entered in SPSS and analyzed and interpreted using descriptive statistics. The data are organized and presented under the following sections. Demographic data analysis of bank employees working in axis bank Vijayawada regarding customer relationship management.

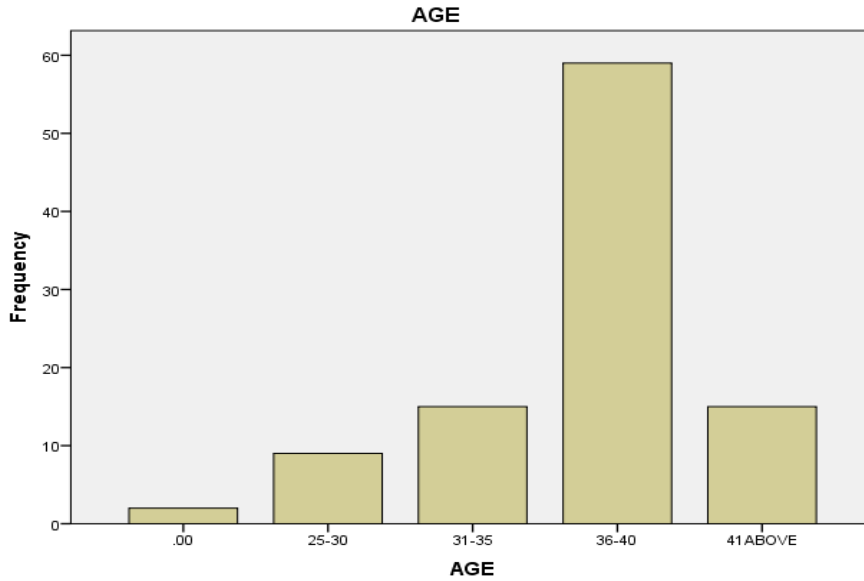
#### **Descriptive of sample Characteristics:**

- The sample was drawn from the bank employees working in Axis bank vijayawada, by "Non - probability sampling, convenient sampling technique. The data obtained were in terms of Age, gender, education, Income per month, period of working.

**TABLE: I FREQUENCY DISTRIBUTION OF BANK EMPLOYEES WORKING IN AXIS BANK VIJAYAWADA ACCORDING TO THEIR DEMOGRAPHIC VARIABLES**

Table -1 Frequency Table

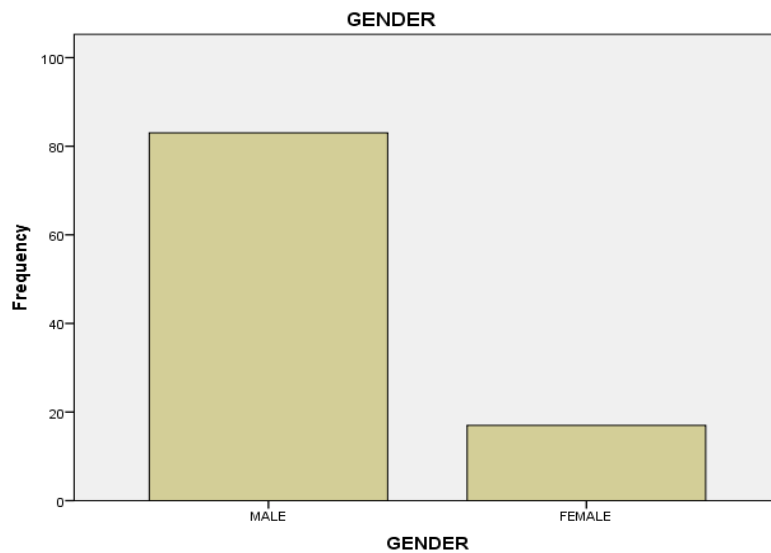
AGE n = 100		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	2	2.0	2.0	2.0
	25-30	9	9.0	9.0	11.0
	31-35	15	15.0	15.0	26.0
	36-40	59	59.0	59.0	85.0
	41 ABOVE	15	15.0	15.0	100.0
	Total	100	100.0	100.0	



As we observe the age group of 36-40 are more in number of 60% and 15% of 41above and 20% of 31-45 and 25-30 are 10%.

**Table -2 GENDER**

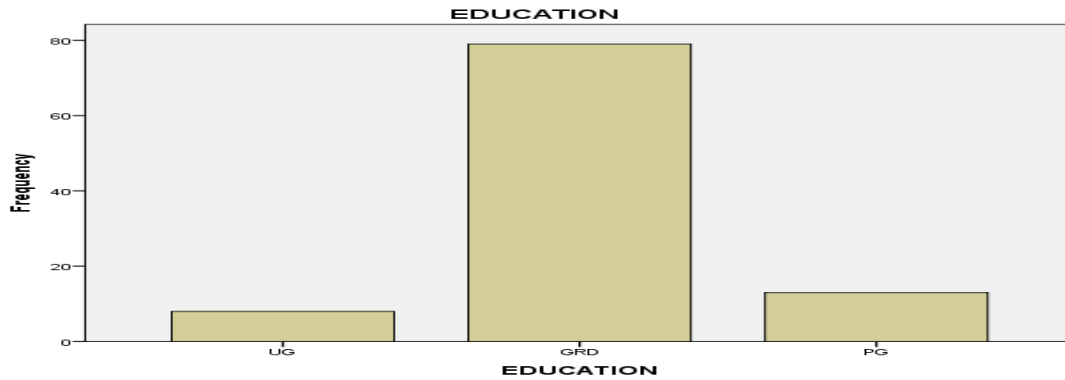
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	83	83.0	83.0	83.0
	FEMALE	17	17.0	17.0	100.0
	Total	100	100.0	100.0	



As we observe the frequencies male having 80% and 20% of female.

**Table- 3 EDUCATION**

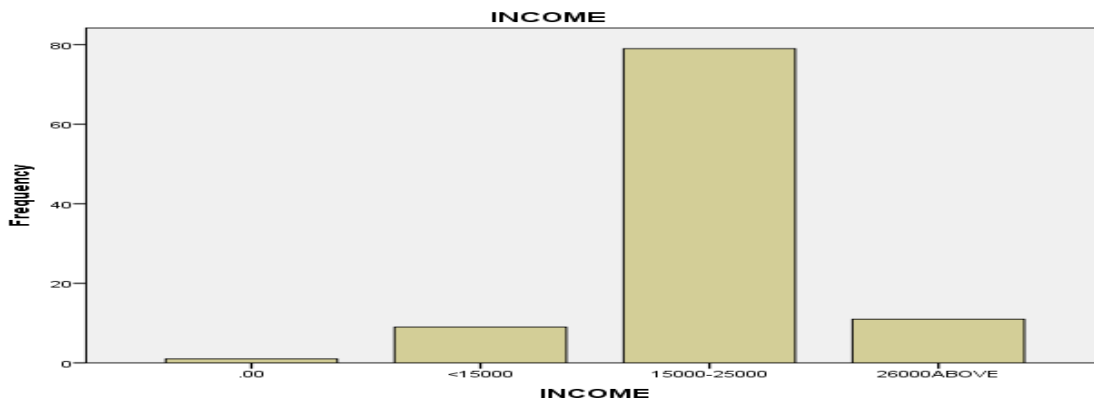
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	UG	8	8.0	8.0	8.0
	GRD	79	79.0	79.0	87.0
	PG	13	13.0	13.0	100.0
	Total	100	100.0	100.0	



As we observe most of the employees are graduate of 80% and below 20% are under graduation and post-graduation

**Table -4 INCOME**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	1	1.0	1.0	1.0
	<15000	9	9.0	9.0	10.0
	15000-25000	79	79.0	79.0	89.0
	26000ABOVE	11	11.0	11.0	100.0
	Total	100	100.0	100.0	



As we observe below 15000 and 26000 are below 20% and 15000 to 25000 are 80%.

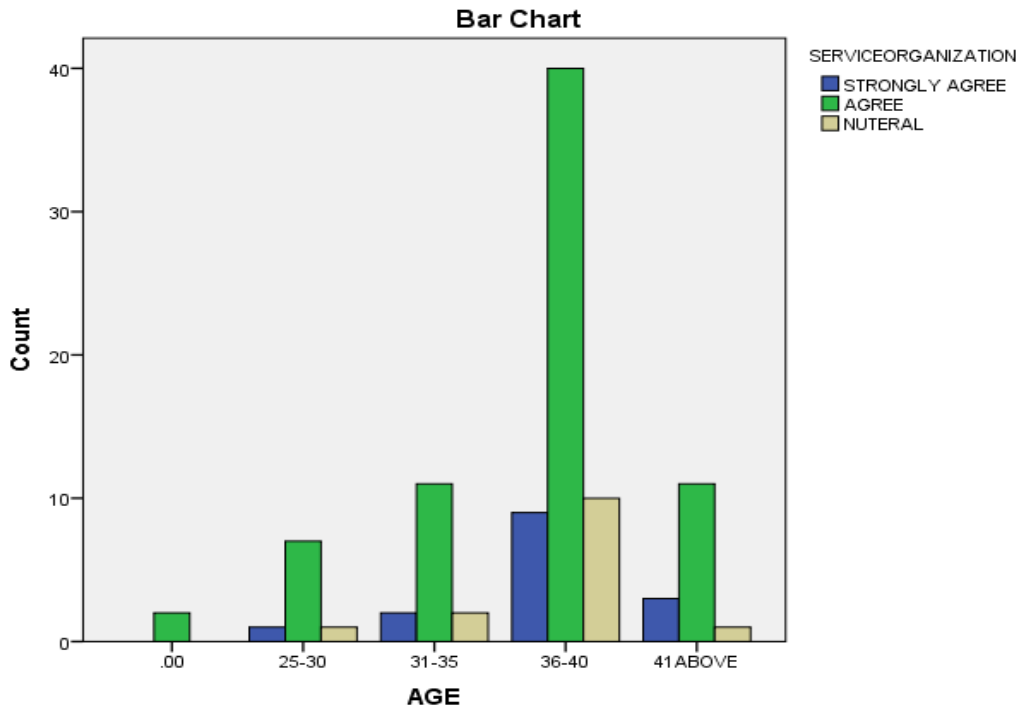
**AGE**

**Table -5 Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.356 <sup>a</sup>	8	.968
Likelihood Ratio	3.015	8	.933
Linear-by-Linear Association	.219	1	.640
N of Valid Cases	100		

a. 9 cells (60.0%) have expected count less than 5. The minimum expected count is .28.





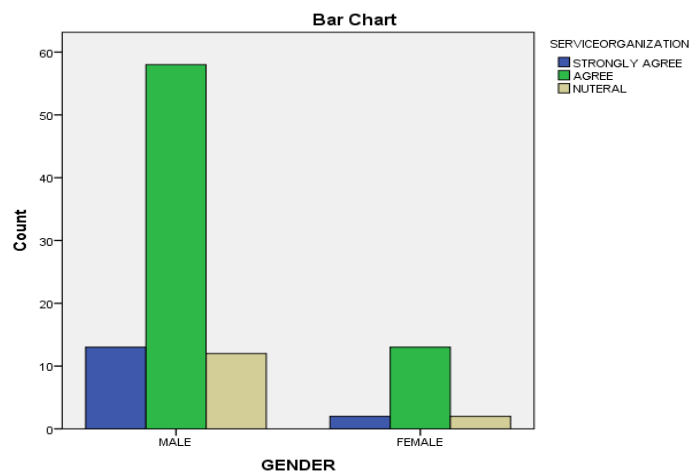
According to the age of the employees working in Axis bank Vijayawada the ATTITUDE of the employees vary.

GENDER

**Table -6 Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.047 <sup>a</sup>	2	.132
Likelihood Ratio	3.427	2	.180
Linear-by-Linear Association	2.407	1	.121
N of Valid Cases	100		

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 2.38.



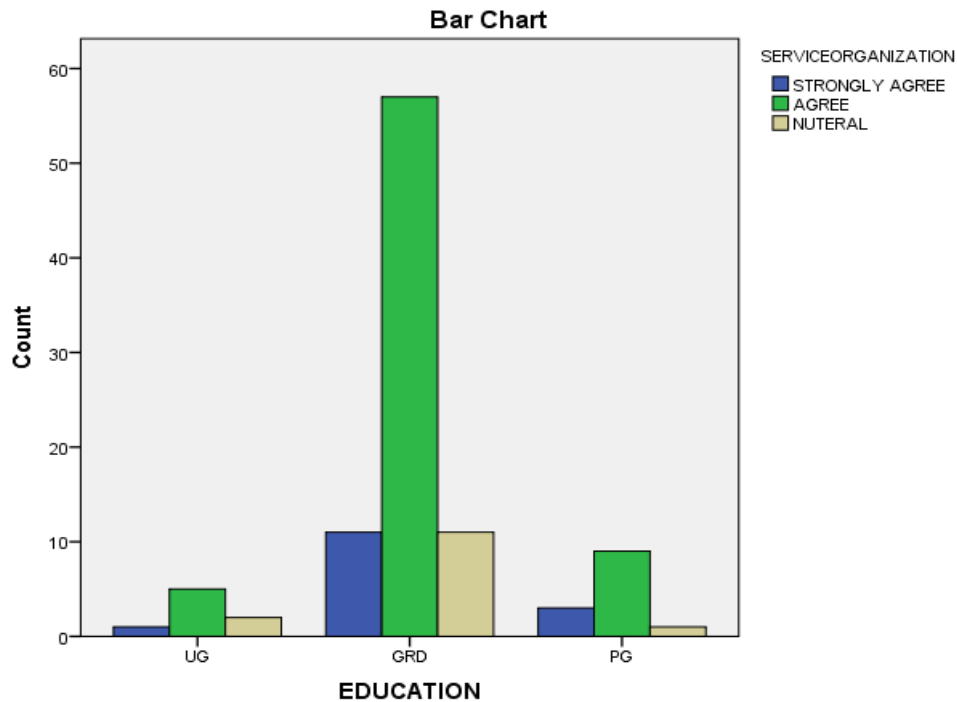
According to the gender most of the male employees attitude is more towards the customers than the female employees.



**EDUCATION****Table -7 Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.823 <sup>a</sup>	4	.768
Likelihood Ratio	1.690	4	.793
Linear-by-Linear Association	1.432	1	.231
N of Valid Cases	100		

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is 1.12.

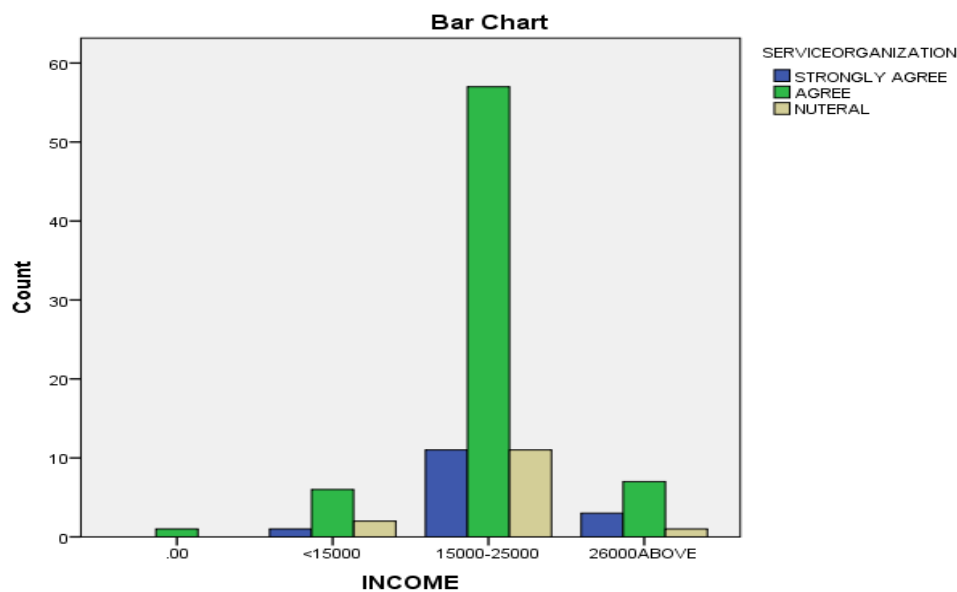


According to the education the employees working in the Axis bank Vijayawada most of the are graduates and the attitude of the employees with post -graduation are more customer oriented than others.

**INCOME****Table -8 Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.412 <sup>a</sup>	6	.878
Likelihood Ratio	2.445	6	.875
Linear-by-Linear Association	1.281	1	.258
N of Valid Cases	100		

a. 7 cells (58.3%) have expected count less than 5. The minimum expected count is .14.



According to analysis most of the employees have income of 15000 to 25000 and in the the employees with high salary range have the attitude of customer favor.

### DISCUSSION

CRM manages the relationships between a firm and its customers. Managing customer relationships requires managing customer knowledge. CRM and knowledge management are directed towards improving and continuously delivering good services to customers. To understand more in customer relationship management, we first need to understand three components which are customer, relationship and their management (Peppers and Rogers, 2004). More often, managers always make mistakes by seeing customers' satisfaction from their eye not from customers' eye (Peppers and Rogers, 2004). Banking sector is a customer-oriented service where the customer is the KEY focus. Research is needed in such sector to understand customers' need and attitude so as to build a long relationship with them. 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

The assessment helps to determine the knowledge and attitude of bank employees working axis bank regarding customer relationship management. The discussion of the study is based on the findings obtained from descriptive and inferential statistical analysis of collected data. It is presented in the view of the objectives of the study.

The objective of the study was to assess the knowledge and attitude regarding customer relationship management among bank employees working axis bank.

- The study results showed that 84 % of the bank employees working axis bank moderate knowledge and 10% of the bank employee working axis bank had inadequate knowledge, and 6% of the bank employees working in axis bank had adequate knowledge. The mean score was , and standard deviation was
- The study results showed that 82% of the bank employees working in axis bank had positive attitude and 18 % of the bank employees working in axis bank had negative attitude. The mean score was and standard deviation was
- There is statistically significant association between knowledge and the demographic variable such as education, income per month, age, gender, and service in organization.

This chapter deals with summary of the study and conclusions drawn. It clarifies the limitations of the study, its implications and recommendation for bank, bank employees.

## Summary

The purpose of study was to focus on customer relationship management. The main purpose was to assess knowledge and attitude of bank employees working axis bank regarding customer relationship management and correlate the knowledge and attitude of bank employee towards customer relationship management.

## FINDINGS

- There is a relation between the knowledge of the employees about CRM and the attitude of the employees towards of the customers.
- Axis bank is trying to give high range of the customer service, by giving sms , e-mail's online and offline banking face to face services updates to the customers .
- In modern time, high costing and time consuming terms are always avoidable. So, banks have to choose communication channels considering these two. But it is not possible always when *Customer is the life of Business*.
- The contacting level with customers for CRM is not fixed for any of the banks. Basically banks contact with their customers as required. But still a minimum contact is maintained for ongoing relationship.

## CONCLUSION:

**The following conclusions were drawn:** To assess the knowledge and attitude regarding customer relationship management in bank employees working in private banking sector. There will be a significant positive correlation between knowledge and attitude of bank employees working in private banking sector regarding customer relationship management. After the analysis of the data there is correlation between the knowledge of the bank employees and attitude of the bank employee. There is a significant association between knowledge of bank employees working in private banking sector regarding customer relationship management with the selected demographic variables.

**RECOMMENDATIONS:** Below here, the recommendation is given based on the research findings of Axis bank performance in CRM practice through they are not applying CRM fully in the branches.

- Bank should always try to train their employees and motivate the employees and give awareness about CRM.
- Full automated system should be applied all over the world.
- Employee engagement needs to be properly designed in order to feed a large

Number of customers retaining satisfaction at the same time.

- Raining scheme should be build up for employee management.
- only not to employee but also to customers to introduce those to the new

Technology and system and services to acquire profit easily.

- Bank top management should start taking employees' perception into consideration when taking decisions regarding the bank's customers, and perhaps schedule regular meetings with staff members in order to be updated with customer preferences and concerns. This is regarded as a calling need rather than just an interesting idea; especially because bank employees get in direct contact with customers on a daily basis, which puts them in a strong position to get the full picture and be able to detect customer problems, while at the same time be able to suggest and perhaps implement solutions to customers' requirements and/or complaints.

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