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# CrM Practices In Hdfc Bank

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## Abstract

The goal of complaint management under CRM is to strengthen the customer loyalty as well as quality assurance. In the present banking system, excellence in customer service is the most important for sustained business growth. Customer complaints are part of a business life in corporate entity. Customer retention is an important factor to consider in dealing with customers and conducting business to satisfy customers. When companies deploy customer complaint logbooks, the process of complaint resolution is further enhanced. The customer complaint log book serves as a record of the complaints and recommendations of customers that when factored into policy decisions, can improve the company's customer service operations and public image. The objective of the study was to assess the effectiveness of customer complaint handling procedures and its impact on customer retention using HDFC Bank Limited. The study therefore conducted an extensive review of related literature to put the study in a strong theoretical position and through a detailed analysis of primary data, findings and recommendations was made for adoption by the various stakeholders in the banking industry.

## INTRODUCTION

The goal of complaint management is to strengthen the customer loyalty as well as quality assurance. A complaint is a communication received by the bank through any means (oral/written/mail/e-mail) which expresses dissatisfaction about any aspect of the Bank's Products, Services, Employee behaviour/attitude, processes, systems, etc. In the present banking system, excellence in customer service is the most important for sustained business growth. Customer complaints are part of an business life of a corporate entity. This is more so far because they are service organizations. Customer service satisfaction should be the prime concern of any bank. The bank believes that providing prompt and efficient service is essential only to attract new customers, it also retains existing ones. However , banks minimize instances of customers complaints and grievances through proper service delivery and review mechanisms and to ensure prompt redress of customer complaints and

grievances. The review mechanism will be helpful in identifying shortcomings of product features and service delivery. Customer dissatisfaction will ruin the name and image of a bank. The customer has the right to register his complaint if he didn't satisfied with the service provided by the bank. If the customer's complaint is not resolved within a given time or if he didn't get satisfied with the solution provided by the bank, he should approach the 'banking ombudsman' with the complaints or legal avenues for grievances redress.

## **CUSTOMER COMPLAINT HANDLING STEPS**

### **1. Listen to the complaint**

Thank the customer for bringing the matter to your attention. Apologise and accept ownership, don't blame others and remain courteous.

### **2. Record details of the complaint**

Go through the complaint in detail so you can understand exactly what the problem is. Keep records of all complaints in one central place or register. This will help you identify any trends or issues.

### **3. Get all the facts**

Check that you have understood and recorded the details of the complaint correctly. Ask questions if necessary.

### **4. Discuss options for fixing the problem**

Ask the customer what response they are seeking; it could be a repair, replacement, refund or apology. Decide if the request is reasonable.

### **5. Act quickly**

Aim to resolve the complaint quickly. If you take a long time they tend to escalate.

### **6. Keep your promises**

Keep the customer informed if there are any delays in resolving their request. Don't promise things that you can't deliver.

### **7. Follow up**

Contact the customer to find out if they were satisfied with how their complaint was handled. Let them know what you are doing to avoid the problem in the future. Make sure your staff are trained to follow your procedure when handling complaints and that they have the power to resolve issues as quickly as possible. Encourage your customers to provide feedback and complaints so that they let you know when there is a problem and

give you the opportunity to resolve it.

### **TO REDUCE CUSTOMER COMPLAINTS**

- 1.** Use advanced technology to keep on top of safety issues
- 2.** Provide exceptional customer service
- 3.** Be sure to deliver on promised standards
- 4.** Ask for feedback
- 5.** Find the root of the problem

### **REVIEW OF LITERATURE**

**RUPALI GUPTA, BABITA KUMAR, GAGANDEEP BANGA, (2020).** The paper attempts to analyze the customers and bankers perception and behaviour towards complaint management of HDFC Bank. Banks do not provide much information about the complaint management system resulting in most of the customers not complaining about the problems faced by the customers and complaints received by the bankers.

**ROHIT GAVVAL, VADLAMANI RAVI, KALAVALA REVANTH HARSHAL, (2019).** In this paper, we propose a descriptive analytics framework for the customer complaints and customer feedback data which was valuable applications to Customer Relationship Management (CRM). The efficacy of the proposed model has been demonstrated on the customer complaints data regarding the products and services of HDFC Bank.

**KOMUNDA (2013)** carried out a research on customer complaints behaviour, this study is on the relationship between customer complaints behaviour, complaint handling mechanisms and customer loyalty. The dependent variable is behavioural intentions while the independent variable is customer complaint behaviour. Customer retention refers to actions that a selling organization undertakes in order to reduce customer defection.

**TRONVOLL (2012),** Customer complaints behaviour (CCB) has often in marketing been seen as either a static and post-purchase activity or as a dynamic adjustment process. This issue is still debated. A complaint provides an opportunity for service recovery followed by a chance to educate the customer, strengthen loyalty and evoke positive Word of Mouth (WOM) comments.

**GELBRICH & ROSCHK, (2010)**, Interactional justice refers to how customers perceive the way they are treated; treatment is perceived as fair when complainants assume that information is exchanged and outcomes are communicated in a polite and respectful manner. A complainant procedure is considered fair when it is allegedly easy to access, provides the complainant with some control over the disposition, is flexible and is concluded in a convenient and timely manner.

### **NEED FOR THE STUDY**

In the retail banking sector, customers are the target and icon of the business which significantly focus on a full range of products & services and customer banking requirements. This study tries to improve customer dissatisfaction and focus on reducing the count of complaints towards services and products offered to them. To analyze the perception of customers towards HDFC Bank. To study the problems faced by the existing customers and current customers.

### **OBJECTIVES OF THE STUDY**

- To examine the time taken by HDFC bank to resolve the complaints.
- To assess if there are clear policies and procedures in handling customer complaints.
- Note what to expect from customers when they make complaints.
- Learn strategies to redeem yourself when the company has failed in providing the level of expected service.

### **RESEARCH DESIGN**

A research design is a plan that specifies the objectives of the study, method to be adopted in the data collection, tools in data analysis and hypothesis to be framed. The data collection method used for the project was the survey method. The survey method collecting data involves questioning customers for their responses. The customers were asked questions in the form of statements to which they agreed, disagreed or were neutral based on the 5 choice Likert scale. They were asked a variety of questions regarding their attitudes, intentions and preferences in the light of situations and circumstances given in the statements. The questionnaire designed for this project also consisted of a multiple choice question to ascertain the factor that motivated the customers the most. Primary data are in the form of "Raw material" to which statistical methods are applied for the purpose of analysis and interpretation. The primary data source is discussion with employees and data collected through questionnaires. Secondary data was collected from the company records and websites. The samples are collected from the respondent by using simple random sampling. The sample size is 120. The sample size was suggested by the organization and the list of 120 customers was collected from the customers of HDFC Bank.

## **TOOLS AND TECHNIQUES**

The tools which have been used for analyzing the collected data are as follows:

- Correlation
- Chi-square test

## **LIMITATION OF THE STUDY:**

- ❖ The study conducted relates to the complaint management, so the result which we gather is only applicable for the HDFC Bank customers.
- ❖ Another limitation was the relatively short period and within which this research was carried out.
- ❖ Questionnaire's methods are used only for data collection and limitation of the questionnaire method is applicable to the study.

## **Interpretation and Analysis**

### **CHI-SQUARE**

NULL HYPOTHESIS (Ho): There is no significant relationship between gender and customers bank products.

ALTERNATIVE HYPOTHESIS (H1): There is a significant relationship between gender and customers bank products.

## **RELATIONSHIP BETWEEN GENDER \* CUSTOMERS BANK PRODUCTS CROSS TABULATION**



THERE IS SIGNIFICANT RELATIONSHIP BETWEEN THE GENDER AND CUSTOMERS BANK PRODUCTS

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	87.983 <sup>a</sup>	6	<.001
Likelihood Ratio	121.585	6	<.001
Linear-by-Linear Association	72.405	1	<.001
N of Valid Cases	120		

a. 8 cells (57.1%) have expected count less than 5. The minimum expected count is .47.

Ho is rejected

**INTERPRETATION**

Since P value is less than 0.5 we rejected Ho. Therefore, an alternative hypothesis is accepted. There is a significant difference between the gender and customer bank products.

AGE \* CUSTOMERS BANK PRODUCTS CROSS TABULATION

Count		customers bank product							Total
		savings account deposits	fixed account deposits	loan advances	electronic money transfer	salary processiong	payment of bills	security for variable	
age	below 25	27	0	0	0	0	0	0	27
	25 to 30	13	0	0	0	0	0	0	13
	30 to 45	1	32	6	8	0	0	0	47
	above 45	0	0	0	26	5	1	1	33
Total		41	32	6	34	5	1	1	120

THERE IS SIGNIFICANT RELATIONSHIP BETWEEN THE AGE AND CUSTOMERS BANK PRODUCTS

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	196.717 <sup>a</sup>	18	<.001
Likelihood Ratio	214.701	18	<.001
Linear-by-Linear Association	82.676	1	<.001
N of Valid Cases	120		

a. 19 cells (67.9%) have expected count less than 5. The minimum expected count is .11.

H0 is rejected

### INTERPRETATION

Since p value is less than 0.5 we rejected H0. Therefore an alternative hypothesis is accepted. There is a significant difference between the gender and customers bank products.

### MONTHLY INCOME \* CUSTOMERS BANK PRODUCTS CROSS TABULATION



**THERE IS SIGNIFICANT RELATIONSHIP BETWEEN THE MONTHLY INCOME AND CUSTOMERS BANK PRODUCT**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	177.654 <sup>a</sup>	18	<.001
Likelihood Ratio	202.397	18	<.001
Linear-by-Linear Association	75.849	1	<.001
N of Valid Cases	120		

a. 19 cells (67.9%) have expected count less than 5. The minimum expected count is .11.

H0 is rejected

**INTERPRETATION**

Since p value is less than 0.5 we rejected H0. Therefore alternative hypothesis is accepted. There is significant difference between the monthly income and customer bank products.

**CORRELATION**

**Ho:** There is no significant difference between the complaint of bank services and customer feedback satisfaction.

**H1:** There is a significant difference between the complaint of bank services and customer feedback satisfaction.



## THE COMPLAINT OF BANK SERVICES AND CUSTOMER SATISFACTION

Correlations			
		complaint of bank services	customer feedback satisfaction
complaint of bank services	Pearson Correlation	1	.604**
	Sig. (2-tailed)		<.001
	N	120	120
customer feedback satisfaction	Pearson Correlation	.604**	1
	Sig. (2-tailed)	<.001	
	N	120	120

\*\* . Correlation is significant at the 0.01 level (2-tailed).

### INTERPRETATION

Since correlation value is **.604 (positive)**. There exists a positive relationship between the complaint of bank services and customer feedback satisfaction.

## THE RECOMMENDATION OF HDFC BANK SERVICE TO OTHERS AND CUSTOMER FEEDBACK SATISFACTION

Correlations			
		recommendat ion of hdfc bank service to oters	customer feedback satisfaction
recommendation of hdfc bank service to oters	Pearson Correlation	1	.505**
	Sig. (2-tailed)		<.001
	N	120	120
customer feedback satisfaction	Pearson Correlation	.505**	1
	Sig. (2-tailed)	<.001	
	N	120	120

\*\* . Correlation is significant at the 0.01 level (2-tailed).

## INTERPRETATION

Since correlation value is **.505 (positive)**. There exists a positive relationship between the recommendation of hdfc bank service to others and customer feedback satisfaction.

## FULFILMENT OF PROMISES MADE AND CUSTOMER FEEDBACK SATISFACTION

Correlations			
		fulfilment of promises made	customer feedback satisfaction
fulfilment of promises made	Pearson Correlation	1	.790**
	Sig. (2-tailed)		<.001
	N	120	120
customer feedback satisfaction	Pearson Correlation	.790**	1
	Sig. (2-tailed)	<.001	
	N	120	120

\*\* . Correlation is significant at the 0.01 level (2-tailed).

## INTERPRETATION

Since correlation value is **.790 (positive)**. There exists a positive relationship between the fulfilment of promises made and customer feedback satisfaction.

## SUGGESTIONS

- The study found that most complaints were about ATM machine malfunctions and deficiencies. Complaints about such deficiencies can only be forwarded to the bank during the day when the bank is open. Customer complaints become impossible when ATM service is deficient at night and the client cannot make it to the bank during the daytime to make a complaint. This may not only deny the bank a chance to address its customer needs but also a chance to implement critical service improvements. Owing to this fact, the study recommends that banks institute mechanisms to take complaints at night or during off hours.
- The study recommends that a complaint box be posted besides ATM stations physically to take complaints. Another way would be to factor complaint services into ATM services such that complaints can be made electronically by just pressing a button. This would relieve customers of some frustrations that go with poor service

at the time it is encountered and positively influence retention.

- The study samples were found to have made complaints about automatic teller machine (ATM) failures and totally defective ATM machines, unfair deductions on their accounts, excessive delays at the banking halls and loan deduction anomalies. The study recommends total organization focus to significantly improve these services to enhance product offerings and customer service.

## CONCLUSIONS

At some point in their operations, every organization has to deal with dissatisfied customers, some of whom may make complaints. How the company handles the complaint resolution process would determine whether the customer is retained by the company or not. Customer retention is an important factor to consider in dealing with customers and conducting business to satisfy customers. When companies deploy customer complaint logbooks, the process of complaint resolution is further enhanced. The customer complaint log book serves as a record of the complaints and recommendations of customers that when factored into policy decisions, can improve the company's customer service operations and public image. The objective of the study was to assess the effectiveness of customer complaint handling procedures and its impact on customer retention using HDFC Bank Limited. The study therefore conducted an extensive review of related literature to put the study in a strong theoretical position and through a detailed analysis of primary data, findings and recommendations was made for adoption by the various stakeholders in the banking industry.

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