CRM Practice in Banking Sector

Prime Bank Ltd. vs. EXIM Bank Ltd.

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Subject: *Submission of report*

Dear Sir,

Here is the research paper that you asked us to prepare on CRM practice and its different aspects in Bangladesh financial sector especially on **Prime Bank** and **EXIM Ban**k CRM Practice.

After some interviews and theoretical integration, we are able to make this paper using primary data and historical data both to show the implementation of CRM in banking management in **Prime Bank and EXIM Bank**.

We hope that this report will be up to your expectation and draw your appreciation. If you have any question or inquiry regarding this report, we are available in the department at any time.

Sincerely Yours,

_____
Md. Shohag Ali (ID: 1265)

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Acknowledgement

Report paper is an important part of our education to find the practical implication of the theoretical knowledge of textbook. This Report paper is the result of our hard work with the help of the information provider and the course instructor.

At first, we are very much grateful to the almighty to give us chance to complete the report well.

Respectively we want to give gratitude to the course teacher Mahfuza Khatun to give proper guideline to prepare this report.

We are most thankful to the senior officers of the bank who gave us their important times to provide us information.

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EXECUTIVE SUMMARY

Customer relationship management (CRM) is a foreseeable practice in the banking sector in Bangladesh. For an organization to undertake a CRM program. It needs to consider a multitude of requirements like database for containing customers information, sales force automation, proper sales and marketing strategy etc. the main focus of literature in CRM has been customer centric. The System is a business strategy that uses information technology to provide the enterprise with a comprehensive, reliable and integrated view of its customer base so that all business processes and customer interaction help maintain and expand mutually beneficial relationship. A CRM system brings together lots of pieces of information about customers, customer characteristics, sales transactions, marketing effectiveness, responsiveness and market trends for the purpose of enhancing customer service, improving customer satisfaction, increasing customers referrals, ensuring customer retention by aligning business processes with technology integration.

The finding derived from the research survey is very sorrowful for the authorization of CRM in Banks. From research survey it is found that among sample banks CRM structurally confined in the headquarters of the banks. But in branch CRM is exist without the Organization set up. Both Prime and EXIM Bank have same scenario. When we observed allied the BANK ASIA, this bank also has same scenario. These banks are doing a very good banking with its customers maintaining relationships with both its corporate and individual customers. But the level of CRM is in semi or moderate level with full capabilities of IT support.

Banks are doing their utmost for retaining the customers by valuing them proper method. They mainly focused on new and existing customers both to maximize profit. When their valuation criterion differs from situation as a result, these are now in shortage in liquidity. So, they are putting more emphasis on deposit criteria to measure customer valuation for the bank. They are doing same strategy almost for retaining and in valuation of customers. But their some strategies are different from each other.

Our main focus on Customer retention factors and customer valuation, in this case they are doing best but overall CRM practice have not introduced yet all over the country of bank's branches.

PART ONE
INTRODUCTION

1.1   BACKGROUND

Customer Relationship Marketing or Management (CRM) is an inevitable practice in the banking sector in foreign countries. Recently in Bangladesh many banks are emphasizing on the issue. But for proper knowledge the adoption process hampers to a great extent.

In such comportment, our course teacher has approved the following issue. The issue of the research is **"Customer Relationship in Banking Sector".** And specifically this paper has to work on specific organizations, and mainly selected banks are Prime Bank Ltd. from conventional banking sector and EXIM Bank Ltd. from Islamic banking sector for research when ASIA Bank Ltd. is also researched for better output in decision making of the research paper. These banks are taken to find out how strategically retaining and valuating their customer by which methods and strategies of CRM.

1.2   DEFINING THE RESEARCH ISSUE

Problem definition includes purpose of the study, relevant background information about the issue and overall groundwork about how the study will be accomplished.

Marketing philosophy says it is always important to retain customers then acquisition. But Bangladesh seems to be in the way of activating CRM prospects in some organization. This paper has focused on CRM in Prime Bank Ltd. and EXIM Bank Ltd. which are representative from Both Bangladesh conventional and Islamic banking sector. For an organization to undertake a customer relationship management (CRM) Program it needs to consider a multitude of requirements. Some authors have hinted at viewing CRM within a wider perspective that just customer centric perspective. The aim of this paper is to discuss the domain and conceptualized some the requirements of CRM from Prime bank point of view in comparison with EXIM Bank Ltd. However CRM needs to be identified as the whole organization, including its internal and external environment undertaking CRM in banking industries needs to be preceded by a sequence of stages. An organization needs to develop a roadmap outlining the path to become CRM Centric. Therefore a bank should address, a least consider, at list of those factors of every stage of CRM implementation program, for implementation program effectively. The main focus of literature in CRM has been customer centric. This paper being the first stage of Mass wider research, will focus on the Bank and the initial stage of CRM environment in Bangladesh. This paper will identify information system (IS) and information technology (IT) requirements in organization that integral part of CRM.

1.3   RESEARCH OBJECTIVES

Major Objectives
o To identify the customer's relationship marketing practices in Bank. as a representative of Bangladesh Banking sector narrowly focused on methods, strategies, and customer retention and customer valuation system.

Allied Objectives
o To identify requirements for having long-term relationships with customers.
o To know customization of services, technologies, products and other specialized needs to increase the share of a customer and strengthen the customer relationship.
o A try to find the percentage of implementation of the theoretical prospects in real life.

1.4   APPROACH TO THE PROBLEM

The approach to the problem depends on the type of information sought. The research issue is based on exploratory qualitative method design. The reason behind exploratory design is it is needed to comprehend the banking undertaking of CRM process, their characteristics, banker's perception, etc. The required information was collected from depth interview of senior bankers of Prime Bank Ltd. and EXIM Bank Ltd. and also from the ASIA Bank executive officer for better output.

Analytical models using different scales are also used to show the relationships among different variables through graphical or mathematical models based on information collected.

1.5   SCOPE OF THE REPORT

In this project work is to find the terms structure of CRM in Prime Bank Ltd. and EXIM bank Ltd. So, includes are —
   o Methods used in CRM
   o Strategies to handle short-term CRM problems and situation
   o Customer retention factors and processes
   o Customer valuation factors and tools

While excludes —
   o CRM practice in other bank sector like Investment Banking sector
   o Detailed focus in CRM methods and strategies, infrastructure, offering system

1.6   METHODOLOGY

1.6.1   RESEARCH DESIGN

Previously mentioned, our research is an exploratory qualitative research to find the CRM process, their characteristics in Prime Bank and EXIM Bank.

1.6.2   SOURCES OF DATA

Only secondary data have been used to prepare the report.

- **Primary Data:** This research is conducted based on primary data collected from senior bankers.
- **Secondary data:** Secondary data comes from different published source like research report, articles on bank customer relationships management and website of Prime bank and EXIM Bank.

1.6.3   DATA COLLECTION

Primary data has collected with a formal questionnaire (Questionnaire Given into Appendix part). Secondary data has collected from different websites and library sources based on proper judgments.

1.6.4   DATA ANALYSIS

Data are presented in tabular form and analyzed with the help of different statistical tools. Then it was explained by researchers' observations.

1.7   LIMITATIONS

Some problems occurred while conducting the report paper. These are given below

- o Due to short time it was not possible to increase the accuracy and acceptance of paper question's solutions
- o Some questions are refused for security.
- o Due to short time important works like comparison among different banks is not possible

PART TWO
CONCEPT OF CRM

2.1 CUSTOMER RELATIONSHIP MANAGEMENT

Customer relationship management or relationship marketing (CRM) system is a business strategy that uses information technology to provide the enterprise with a comprehensive, reliable and integrated view of its customer base so that all business processes and customer interaction help maintain and expand mutually beneficial relationships. CRM systems help organizations improve the profitability of their interactions safer and friendlier through individualization and personalization. CRM is thus a technique or a set of processes designed to collect data and provide information that helps the organization evaluate strategic options. Therefore, Customer relationship management (CRM) is

- A widely implemented strategy
- For managing a company's interactions with customers, clients and sales prospects
- It involves using technology to organize, automate, and synchronize business processes
- Principally sales activities, also for marketing, customers service and technical support
  - o Overall goals are to find, attract, and win new clients,
  - o Nurture and retain those the company already has,
  - o Entice former clients back into the fold, and reduce the costs of marketing and client service.

Customer relationship management describes a company-wide business strategy including customer-interface departments as well as other departments. Measuring and valuing customer relationships is critical to implementing this strategy.

2.2 PURPOSE OF CRM

A CRM system brings together lots of pieces of information about customers, customer characteristics, sales transactions, and marketing effectiveness, responsiveness, and market trends, however the purposes of a CRM system are to:

- Enhance customer service

- Improve customer service

- Identifying the valuable customer of the firms

- Ensure customer retention by aligning business processes with technology integration

Now it is important to emphasize why retention is necessary

- To increase customer share into the market

- Retention increases profitability

- Sales and marketing costs are amortized over a longer customer lifetime

- Customer expenditure often cost less to service

- Satisfied customers provide referrals

- Satisfied customers may be prepared to pay a price premium

Not all of these reasons may apply to a particular business, but overall they represent a significant opportunity for most companies to improve profit. Customer retention also helps predict the profitability of the company and is therefore an excellent management tool for considering the success of quality and customer service programs.

2.3   IDENTIFYING CRM CUSTOMERS

Each customer must be analyzed and potentially treated uniquely. Identifying and expanding relationships with profitable customers is vital. Those customers who possess account in a bank but hardly maintain transactions are not profitable for that bank. Customer relationship management provides the framework for analyzing customer profitability and improving marketing effectiveness. As it is important to comprehend that traditional transactions and relational transactions are not the same. Transactions are discrete events that result in no feeling of relationship and no anticipation of future interactions. Customers oriented to the transaction seek to maximize their own benefit on the current exchange, while those who are committed to the relationship may be more willing to negotiate or compromise to maintain interactions overtime. The overall objective of creating relationship is to build trust and loyalty, which lead to an altered focus for the marketing management process. A table is given in the Next Page for proper comprehension of the differences in traditional selling and relationship selling approach.

Table: 2.1:	Comparing the Traditional Task-Focused Selling and the Trust-Based Relationship Selling Processes
Traditional Transaction Focused Selling[1]	**Trust-Based Relationship Selling[2]**

1. **Making Contact**
   – Finding someone willing to listen
2. **Pitching the Product**
   – Making small talk
   – Relating the importance of salesperson-selling firm
   – Ingratiation and rapport building
   – Delivering standardized pitch purposefully designed to:
     • Get the prospect's attention
     • Push prospect's attention
     • Press prospect to take action
3. **Closing the Sale**
   – Being alert for closing signals
   – Employing trial closes
   – Overcoming objections
   – Closing early and closing often
4. **Following Through**
   – Re-establishing contact
   – Re-selling self, company, product
	1. **Initialing the Relationship**
	   – Strategic prospecting and qualifying
	   – Gathering and studying pre-call information
	   – Determining other buying influences
	   – Planning the initial sales call
	   – Approaching and initiating
	   – Assessing the situation and discovering needs
	   – Demonstrating understanding of customer needs
	   – Illustrating the value of fulfilling needs
	2. **Developing the Relationship**
	   – Selecting the appropriate offering
	   – Planning the proposal and presentation
	   – Customizing the presentation
	   – Linking solution to needs(F-A-B)
	   – Anticipating and negotiating concerns and resistances
	   – Summarizing solutions to confirm benefits
	   – Securing commitment
	3. **Enhancing The Relationship**
	   – Following up to assess Customer satisfaction
	   – Taking action to assure customer satisfaction
	   – Maintaining open, two way communication
	   – encouraging critical encounters
	   – expanding collaborative involvement
	   – working to add value and enhance mutual opportunities

1. Adapted from T.Alessandra, P.Wexler, and R.Barrera, Non-Manipulative Selling, New York: Prentice Hall Press (1987). **2.** Adapted from T.N.Ingram and R.W.LaForge, Sales Management: Analysis and Decision Making (Fort Worth, TX, The Dryden Press, 1992).	
Source: Mid-American Journal of Business, Vol. 11, No.1	

2.4   CUSTOMER RETENTION

Customer Retention is the activity that a selling organization undertakes in order to reduce customer defections.

Exhibit 2.1: Customer Retention

2.5   UNDERSTANDING CUSTOMER LOYALTY

The term loyalty refers to a customer's commitment or attachment to a brand, store, manufacture, service provider or other entity based on favorable attitudes and behavioral responses such as repeat purchases. But repeat purchase behavior alone is not sufficient to prove loyalty. Some repeat purchase decision is considered as spurious loyalty means there is no strong attitudinal influence. People sometimes make purchase decision as their parent used it before, using attitude loyalty and behavior to provide a framework for thinking about customer loyalty yields four categories of customers : NO Loyalty customers have a weak attitude and low repeat patronage behavior: Inertia Loyalty customers are strong on repeat behavior but weak on attitude : Latent Loyalty customers have strong attitudes but repeat purchase is low, and Loyalty customers are high in repeat purchase behavior and strong in attitude. Loyal customers are the most desirable customers because they purchase a large amount of the product and may act as referrals to the organization. Customer's levels of loyalty to an organization can be depicted as a ladder showing the progression of the relationship that customer can have with organization. The ladder gives an understanding of decision about how to approach each level of customers. The elaboration of each level is given with the help of a diagram.
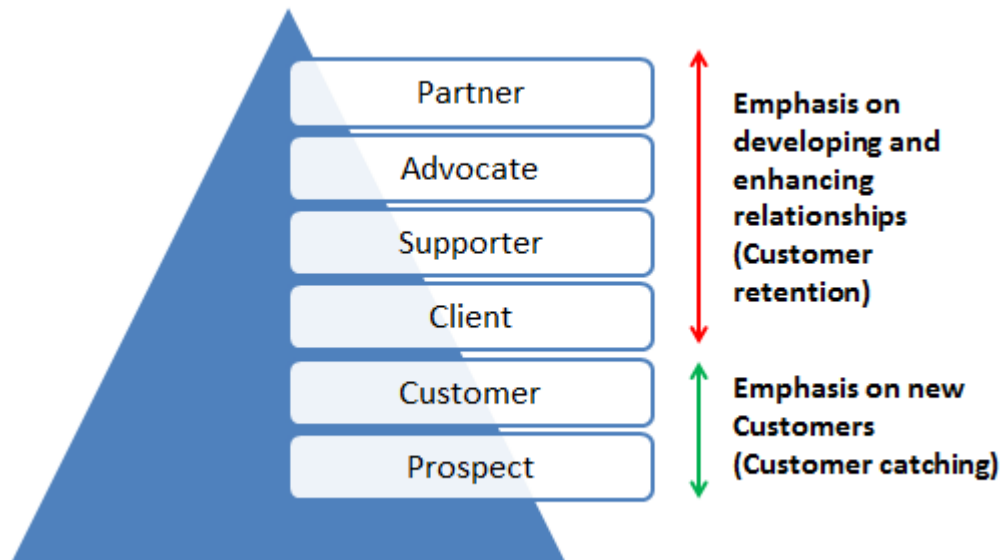
Exhibit 2.2: Customer Loyalty Stages

Prospect: new customers targeted as prospect

Customers: anyone who has done business with organization only once

Client: person doing repeated business

Supporter: someone who is passive and not outspoken about the bank's performance

Advocate: person who is pleased with services rendered and recommends others the same

Partner: person who is very close and having long tern relationship, which is applicable especially in business to business relationship.

While new customers are important, they should not be the only focus on marketing efforts. The marketing ladder illustrate that there are two main marketing tasks: attracting new customers and retaining existing ones. To achieve success it is essential to balance scarce marketing resources between the two in an optima manner. Information technology within a CRM system is a continuous process. The firm recognizes its lack of knowledge and begins to learn about customers segments and their distinct needs before the first sale is made. From purchases databases, mailing lists, e-mail referral, and other sources, organization can acquire mountains of data about potential customers and thus begin to tailor promotional messages, product features, and options. With the forts sale or transaction, a new customer is acquired and a relationship should begin.

2.5.1 FACTORS THAT AFFECT CUSTOMER LOYALTY

o **SATISFACTION**

Customer satisfaction results from a comparison between pre- purchase expectations an actual performance. Dissatisfied customers may cause harm to the goodwill of the organization. For this reason it is necessary to take actions to prevent dissatisfactions. Marketers continue to understand the degree of discrepancy between expectations and actual performance. The level of loyal customers is easy to identify based on the degree on discrepancies. These loyal customers act positively on behalf of the organization. A satisfied customers tells well about the organization to this or her family and then his relatives , friends, colleagues etc. in this way by word of mouth the positive impression is diffused among a biggest number of customers.

o **EMOTIONAL BONDING**

People are by birth sensitive to emotional issues. This emotional bond to many other issues like in case of banking services, customers are expected to get services with a smile and courtesy which is the basis of belief. This belief helps customers to prevent them switch to other banks. Some companies try to connect with their customers while others have more difficulty in accomplishing this level of commitment. CRM must reach beyond the idea of the rational, consumer and strive to establish feelings of closeness, affection, and trust as true emotional bonding is often based on trust and respect. CRM systems attempt to build emotional with customers.
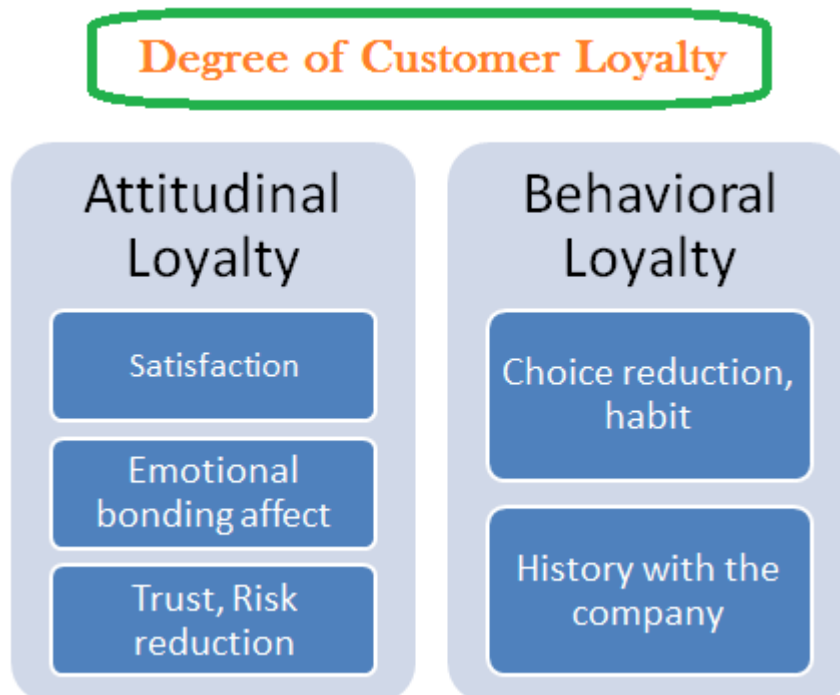
Exhibit 2.3: Degree or factors of Customer Loyalty

o **TRUST**

Trust, the third component of the model, is interrelated with emotional bonding. Trust reduces uncertainty / risk and is viewed as a carefully thought out process, whereas brand affect may be an instantaneous response. In many situations, trust means a customer believes that the marketer is reliable and has integrity. When there is trust in a relationship, all partners believe that none will ant opportunistically. Marketers, especially the marketers of services, establish trust by maintaining open and honest communication and by keeping the promise they make

o **CHOICE REDUCTION AND HABIT**

The fourth component of customer loyalty is choice reduction and habit. In fact , customers like to reduce their choices to a manageable set, usually not more three, people feel comfortable with familiar brands and well known situations that been rewarding. Part of customers may have switching tendency to the unfamiliar, the untried, or the new. There may be a cost in time, money, or, potential risk. There may be perceived performance risk or social risk. The fear of these risk bound customers to stay with one service.

o **HISTORY WITH THE COMPANY**

A final component of customer loyalty involves the customers with the company. CRM is usually more focused on a customer's a actual purchasing history. This is so as those customers who are having long term contract with the company but not making transactions profitability, cannot be considered as CRM customers. The concept of valued customers according to CRM states that those who maintain long term relationship with recordable transaction with the company are CRM customers. For this reason past history of recorded is necessary for initiating relationship marketing

2.5.2   FACTORS THAT LESSENS CUSTOMER LOYALTY

o **COMPETITIVE PARITY**

When the offerings of different organization are not differentiated, competitive parity exists. If customers perceive that brands are identical, perceived risk is low and there is a greater tendency for brand switching as the likelihood of loyalty toward the product declines.

o   **VARIETY SEEKING BEHAVIOR**

As we have already mentioned, people who become bored and have a nerd for variety may engage in variety – seeking behavior. People may simply wait a new experience because of the declining benefits associated with patronage or because they felt energized by the prospect of having a new experience. Organization can benefit from variety seeking behavior by satisfying the need and creating flanker brands, new flavors, or other extension of the basic service. Like some bank provide ATM facility, which can pursue customers to maintain service and enjoy the convenience

o   **LOW INVOLVEMENT**

Low involvement customers often engage in s satisfying behavior in which they make decisions that are 'good enough' and not necessary optimal. If a person has a low interest in a service category, he or she is less likely to be loyal to a particular company brand. Customers who are low in involvement tents to be price sensitive, another factor which lessens loyalty towards the brand or organization

2.6   CUSTOMER LIFE CYCLE

The stage a customer goes through from the time before decline to do business with an organization until he or she decision to stop being a customers is called the customer life cycle, shown in figure 2.3 when a customer make an initial purchase , he or she does so to satisfy a need , want or desire. During the first voluntary transaction, the customers exchange money, or sometimes of value worth the price of the offering for something of value typically eh good or services provides by the organization. In other word, both parties benefit because each gives something up and each receives something. We label this the accusation stage the customer completes the initial transactional exchange. Notice that even at this stage, the life value of the customer is important in that suspects are qualified to be prospects based on an estimated of lifetime value. In some situation, the initial transaction is the only transaction that ever occurs and the customer is a one-time buyer who is then lost. The benefit of CRM system is to track the reason for looking such initial purchases to make correction to win them back.
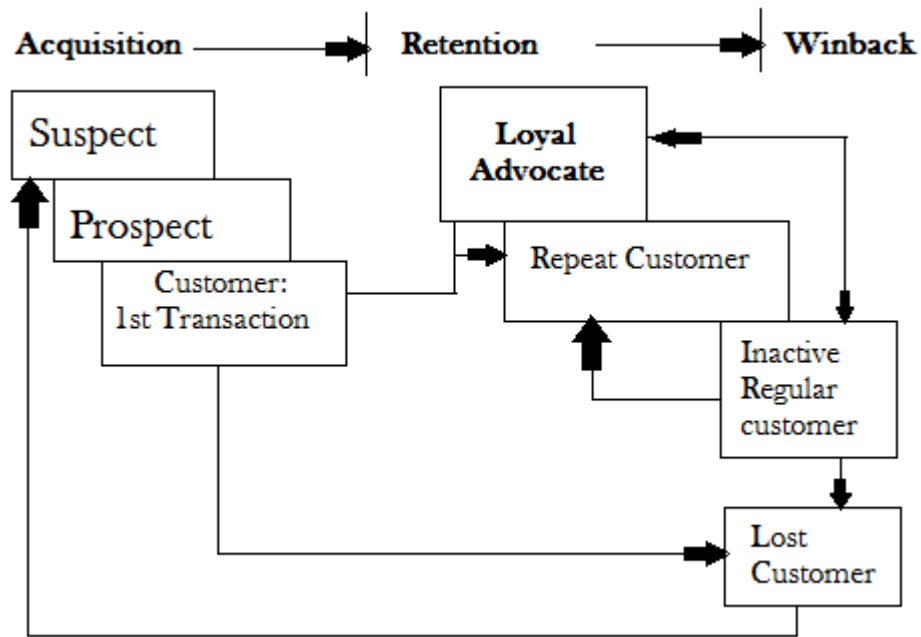
Exhibit 2.4: Customer Lifecycle with Organization

However when an exchange is made CRM system stress understanding customers so that the organization can offer them a better service and thereby generate additional exchanges. Thus the CRM objectives in to retain profitable customers and ultimately have customers choose to become loyal advocate or at least intents to repeat another exchange with the same organization.

2.7   INFORMATION TECHNOLOGY AND CRM

The costs of implementing the CRM system include software, hardware, external consulting, and the internal IT staff. One CRM application that is receiving increased is price optimization , a method in which the organization tailors prices to each customers with the objectives of optimizing overall revenue , innovation in information technology (IT) and data warehousing make this possible. The heart of the CRM system is the data warehouse, and the data warehouse would be impossible without fast, relatively low cost computer storage. Use of data warehouse is essentially a three step process

- o   Data input

- o   Data storage

- o   Data analysis and information delivery

PART THREE
PROJECT WORK

3.1 BANKING AND CRM: PRESENT SCENARIO

From research survey it is found that among sample banks CRM structurally confined in the headquarters of the banks. But in branch CRM is exist without the Organization set up. Both Prime and EXIM Bank have same scenario. When we observed allied the BANK ASIA, this bank also has same scenario. These banks are doing a very good banking with its customers maintaining relationships with both its corporate and individual customers. But the level of CRM is in semi or moderate level with full capabilities of IT support.

3.2 PROPOSED CRM SETUP

A hypothetical organogram is given on the next page for proper CRM accomplishment.

Chart 3.1: Customer Relationship Management SET UP for Corporation

In the organogram it is assumed that there are 2 units at two different places that consist of CRM. The hierarchy is established based on the job responsibility and the extent of work authorization. Suppose, to handle corporate clients the chart starts with Associate Relationship Manager (ARM) as entry level. This is so as corporate clients are supposed to be treated as very important customers of the bank. Each level is responsible for managing and retaining corporate customers and handles a set of customers under supervision. Then the entry staffs reports to their immediate seniors and they are Relationship Manager (RM) in the chart. This reporting phenomenon continues from bottom to top management and ultimately reaches to the CEO. For any sort of problem that may arise from any dissatisfaction of any important clients may be immediately mitigated with the consent of HOCB.

Same system can be initiated for handling individual customers. But the difference is in the consumer client chart the entry –level starts from Relationship officer (RO). It is necessary so as individual clients are needed to be given more personalized time and effort. Each level here also has to handle a number of such as 10 or 15 customers under supervision.
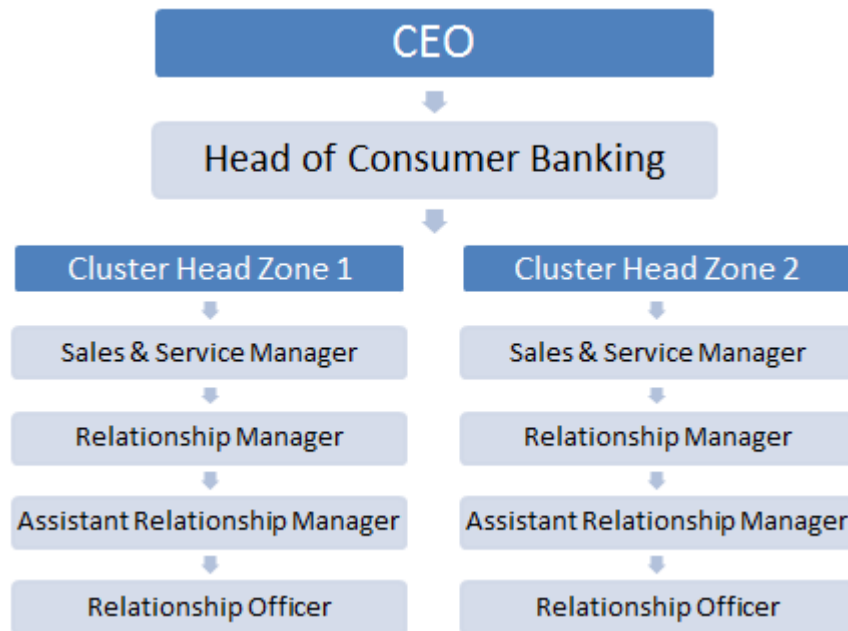
Chart 3.2: Customer Relationship Management SET UP for Consumer

3.3   REASONS FOR ADOPTING CRM

From a purely economic point of view, firms learned that it is less costly to retain a customer than to find a new one.

✓ By Pareto's Principle, it is assumed that 20% of a company's customer generates 80% of its profits.

✓ It is more expensive to acquire a new customer than obtain repeat business from an existing customer. The costs lie with promotional campaign, phone calls, administrative expenses etc. with acquiring new customers.

✓ A typical dissatisfied customer tells 8 to 10 people about his or her experience, which deteriorates company's impression.

✓ An increase in retaining customers translates into more increase in profitability.

- ✓ **From our research findings that in private conventional banking like PBL has 25% growth in customer increase rate than previous year in 2011 in Savar, when they expecting Over 25% growth rate in this year.**

- ✓ **In Islamic Bank like EXIMBL has 10% growth minimum in customer increase rate than previous year in 2011 in Savar.**

3.4 WHY RETENTION IS IMPORTANT

According to the marketing policies of any organization it is always better to retain customers rather emphasizing on traditional acquisition. The reasons are as follow:

A highly satisfied Customer -
- o Stays loyal longer
- o Adopt mire products as the Company introduces new products
- o Talks favorably about the Company and its products
- o Pay less attention to completing brands and advertising.
- o Less sensitive to his/her existing Company
- o Offer idea regarding products or services the Company
- o Cost less to serve than new Customer because transactions are routinized.

3.5 BASIC RULES OF CRM:

- o **CUSTOMER IDENTIFICATION**

To provide value to the customer, the company must know or identify the customer through marketing channels, transactions, and interactions over time.

- o **CUSTOMER DIFFERENTIATION**

For profit maximizing, customer should be differentiated with proper scoring method considering their lifetime value.

- o **CUSTOMER INTERACTION**

Customer demands change over time. Keeping track of customer behavior and needs is an important task of a CRM programs.

- o **CUSTOMIZATION/PERSONALIZED**

"Treat each customer uniquely" in the motto of the entire CRM process. Through the personalized or customization process, the company can increase customer loyalty.

3.6   COST BENEFITS OF CRM IN BANKING

o   **POTENTIAL BENEFITS OF CRM TO BANK**

- One to one marketing enables banks to identify customers by in depth profile.

- Customer retention increases profitability of the organization more than acquisition

- CRM process helps to diffuse impression of the services to others (word of mouth)

- The retention increases share of customers in the total market competitively

- Customization of services helps banks to justify marketing efficiencies.

o   **POTENTIAL COSTS FOR CRM TO THE ORGANIZATION**

- CRM requires a central wide database that contains information about the customer and is used by all members of the bank. This database costs heavily but it is also increase the customer's satisfaction level.

- The major costs associated with CRM are a complete management of information technology (IT) infrastructure.

- Other costs are investment in new technologies, sales force automation, administrative expenses etc.

o   **POTENTIAL BENEFITS OF CRM FOR CUSTOMERS**

- CRM increases customization of goods and personalization of services for customer

  - Enhance the satisfaction level by simplifying the buying process

  - Customers get prompt services without queuing in a line

  - Personalized services enhance satisfaction

  - Less queuing saves loss of customer valuable time
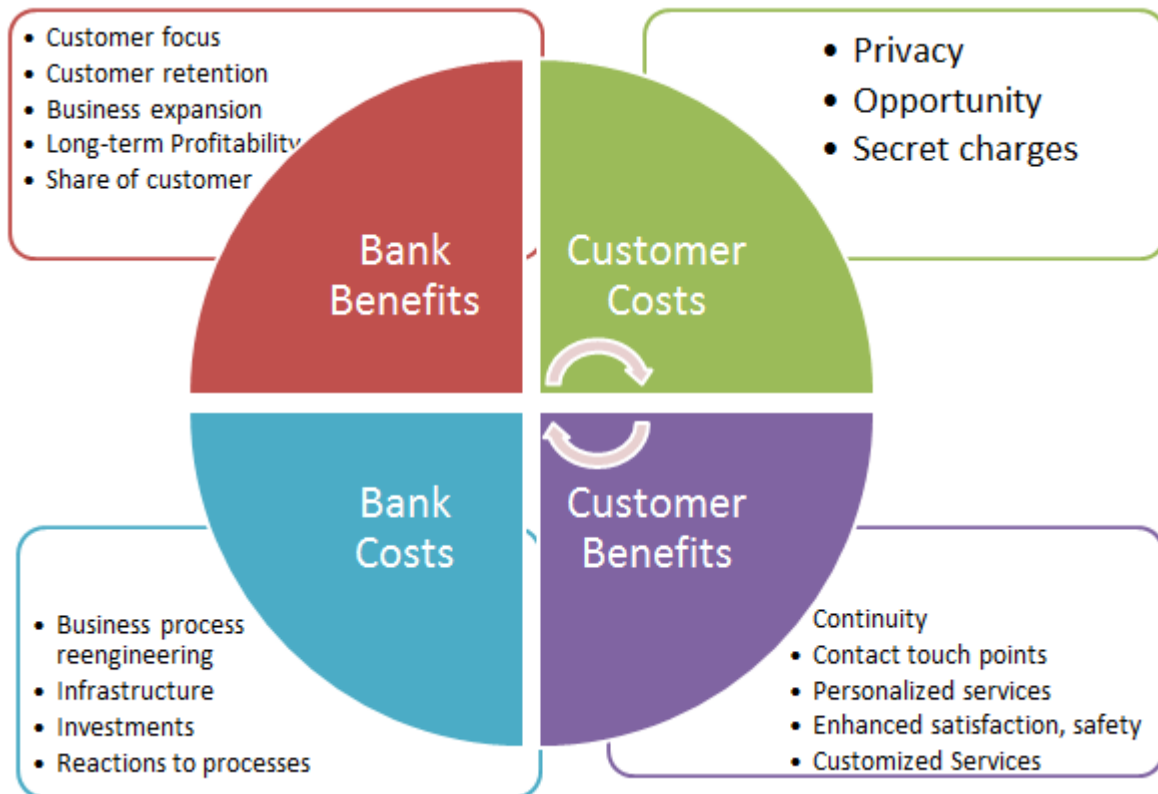
Exhibit 3.1: Cost and Benefits of CRM for bank and Customers

o **POTENTIAL COSTS OF CRM FOR CUSTOMERS**

- The most obvious cost customers it the inevitable loss of privacy of customers.

- Another cost is the opportunity cost that customers might ignore the offers from other competitive sources

- Customers bear more direct and indirect services charges for ongoing relationship

3.7   COST GOALS

MAJOR COST GOALS OF CRM INCLUDE:

o **To Increase revenue growth**

- Increase share of continuous customer's amount in transaction

o **To enhance customer satisfaction**

  - Make the first impression so pleasant that customer returns to the bank for services

o **To reduce costs of sales and distribution**

  - Referral from one pleased customers reduce others new customers advertising cost

  - Use web applications for selling which decrease offline transaction costs

  - Manage customer relationships rather than manage services (a change in marketing)

o **To minimize customer support costs**

  - Make information available for every employee so that they can answer any query.

  - Automate the communication channels for swift access to the customers.

3.8   CUSTOMER VALUATION

In customer relationship management (CRM), customer valuation is a scoring process used to help a company determine which customers the company should target in order to maximize profit. Customer valuation requires that the company evaluate past data to learn which customers purchased recently, which customers purchased frequently, and which customers spent the most money, in hopes that the company can forecast future purchase potential and make sure time and resources are spent only on its best customers.

Customer valuation is based upon the 80/20 rule in marketing, whereby a company spends the majority of its time working with its best customers. There are many software applications on the market to help companies determine a point system relevant to their products or services and combine aggregated data to determine customer valuation.

o **METHODS TO MEASURE CUSTOMER VALUATION:**

  - **Method: 1**

    Customers who deposited or loaned in high amount are given high value comparing to total deposit or loan transaction amount of the bank.

- **Method: 2**

  Customers who do business in high amount are given high value when valuation process is taken in bank comparing to the total amount of transaction of the specific year.

- **Method: 3**

  It is referral system. Numbers of customer who are affected to do business with bank in refer with one pleasant customer is given high value comparing to the total new customers in the year

o **USES AND ADVANTAGES OF CLV**

Lifetime value is typically used to judge the appropriateness of the costs of acquisition of a customer. For example, if a new customer costs $50 to acquire (COCA, or cost of customer acquisition), and their lifetime value is $60, then the customer is judged to be profitable, and acquisition of additional similar customers is acceptable.

o **ADVANTAGES OF CLV:**

- Management of customer relationship as an asset

- Monitoring the impact of management strategies and marketing investments on the value of customer assets

- Determination of the optimal level of investments in marketing and sales activities

- Implementation of sensitivity analysis in order to determinate getting impact by spending extra money on each customer

- Optimal allocation of limited resources for ongoing marketing activities in order to achieve a maximum return

- A good basis for selecting customers and for decision making regarding customer specific communication strategies

- Measurement of customer loyalty (proportion of purchase, probability of purchase and repurchase, purchase frequency and sequence etc.)

PART FOUR

RESEARCH FINDINGS

4.1 RESEARCH FINDINGS

CRM is not practiced heavily in the banking sector of Bangladesh. Only headquarter of banks are involved in CRM with a CRM dept. under relationship division of Research and Development of Banks. There is no single division or department for CRM operations which indicates semi level implementation of CRM in Banks (Mainly in PBL, BAL, and EXIMBL). The reason for terming the banks full and semi level according is elaborated below:

4.1.1   REQUIREMENTS OF CRM

Four things are required for proper implementation of CRM. These are:

1.   CRM strategies

2.   Customer Services

3.   Sufficient Human Resources

4.   Customer Database and Backup

Analyzing the requirements for proper CRM, it can be assumed that all banks which are researched had efficiency in CRM strategies Customer services, customer database and backup but lack in Sufficient Human resources in specific CRM operations.

o   **CRM STRATEGIES**

In case of CRM strategies, Prime Bank mainly focused on the statement **"When others bank only ask the Customer's needs, Customer's Needs Discovered By us."** In these strategies they try to understand the customer position deeply to find out his capacity not only giving his desired services. **As example: Suppose one customer came to take 1,000,000 Taka, but PBL officer tries to understand the actual capabilities of customer, his needs, and his hope about this loan. They assumed a new amount for this customer so that he becomes capable to pay this loan with return for both himself and Bank. When customers realize the benefits of first loan, she or he came against to take services.** In case of EXIM Bank they mainly focus of environment of bank when conversation is going in Bank with customers. And also focus on employee's attitudes towards customers.

o   **CUSTOMER SERVICES**

All banks (Prime bank Ltd. EXIM Bank Ltd. Bank Asia Ltd.) are giving highest satisfaction to the customer through online and offline banking, mobile, fax and face

to face services. These services are helping bank to retain customers throughout the year and the lifetime of customer.

o **DATABASE SYSTEM AND BACKUP**

In case of Database system and Backup all banks are using updated, swift, easy database system for customer relationship management. They are using customer name, address, phone link and other communication web in database system when deposit and other transactions record are also saved in database for different categories of customer. Prime Bank automated in 2006 and EXIM became automated in 2004 with highest capable IT resources. The whole processes of these banks are working in direction of headquarter in a web based system. So, all the managers from every branch in the country are with same knowledge in CRM operations. These requirements help to report a good, detailed and effective summary on CRM operation for these banks. To forecast, analyze customer behavior in the market.

o **SUFFICIENT HUMAN RESOURCES**

The last one is Sufficient human resources for CRM operation, it is true that only headquarter have 4 or 5 officer in relationship management division, the branches have not any dept. of CRM when they have one or two officer who work both their specific works and with this they are playing in CRM operations

The findings at last, banks are aware about CRM but till now in 2012 they don't feel to setup a special dept. in every branch of banks. So, in these criteria all observed banks have same feature, no difference.

4.1.2 IDENTIFYING VALUED CUSTOMERS

The most important task in CRM is to make differentiation between valued and non-valued customers. For example a customer having account for a long time but inactive would not be treated as valued customer. The valued customer as termed in this report is the one who:

- Hold an active account

- Is pleased with the Banking services

- Receiving services for a long time

- Positively outspoken

- Not a defaulter

4.1.3 BY CUSTOMER ACTIVITY

Here below the valued customers is identified by customer activity:

Figure 4.1 (a): Customer Valuation depends on Customers Activity (PBL)

Figure 4.1 (b): Customer Valuation depends on Customers Activity (EXIMBL)

- o A = New customers targeted as prospects;

- o B = Person received banking services only once

- o C = Person doing transactions for a long time

- o D = Person holding positive impression to bank

- o E = Person who hold knowledge and can be treated as particular in decision making

From the graphical representation it is assumed that PBL identifies those as valued customers who are new customers to the bank. Because they want implement the proper retention process in the CRM operations. When second is Person received banking services only once and the third one is Person holding positive impression to bank. So, PBL always search for profit maximizing ways in valuation of Customers. In case of EXIM bank they also search for new customers and one time customers and also for long time customers. The reason is that bank wants more liquidity so they wants as much as numbers of customer to include in the bank operations.

4.1.4 BY CUSTOMER INFORMATION

For proper implementation of CRM in any bank it is very much important to set up criteria based on which valued customers can be selected. In the purpose of this report the following criteria were set such as – Minimum deposit Balance, Credit Information, Monthly transaction records, and length of relationship with the bank. The elaboration of the criteria is given in the table here:

| Table 3.1 : Information Required for identifying Valued Customers	
Minimum Balance	Savings amount
Credit Information	Minimum credit amount, credit policies, repayment system, present and past records, interest offered by competitors etc.
Monthly transaction	The rate of deposit and withdrawal, interest information
Length of relationship with the bank	Short-term or long-term
Others	Referrals, Earning, Types etc.
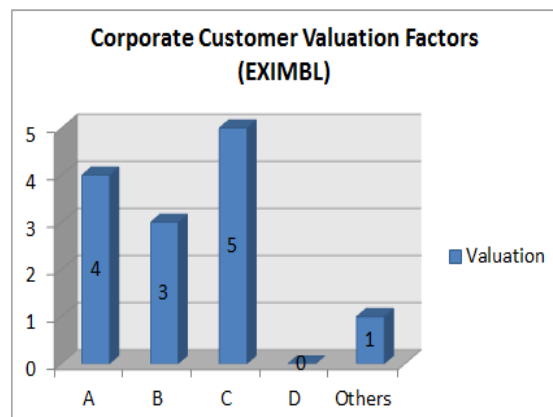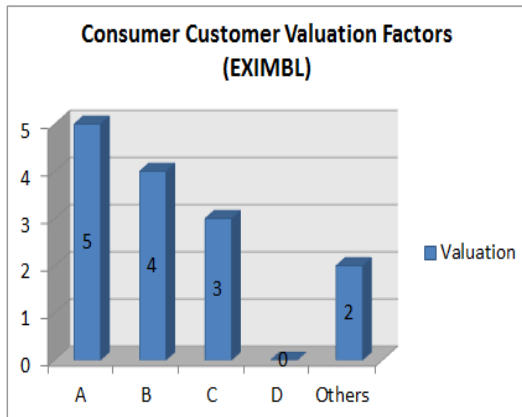
Figure 4.2 (a): Consumer Customer Valuation Factors (EXIMBL)

Figure 4.2 (b): Corporate Customer Valuation Factors (EXIMBL)
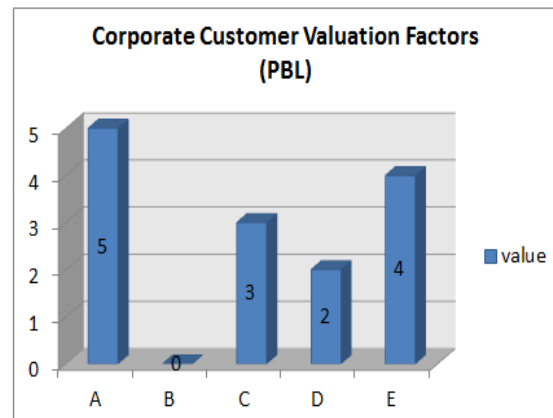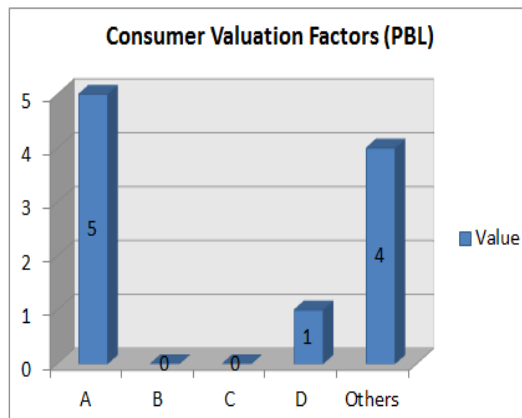

Figure 4.3 (a): Consumer Customer Valuation Factors (PBL)

Figure 4.3 (b): Corporate Customer Valuation Factors (PBL)

A = Deposit   B = Credit Information

C = Monthly Transaction records   D = Loan amount
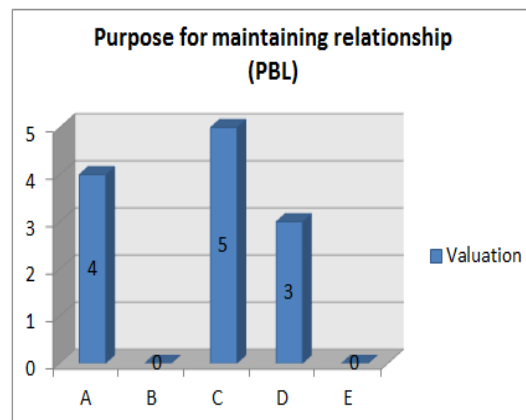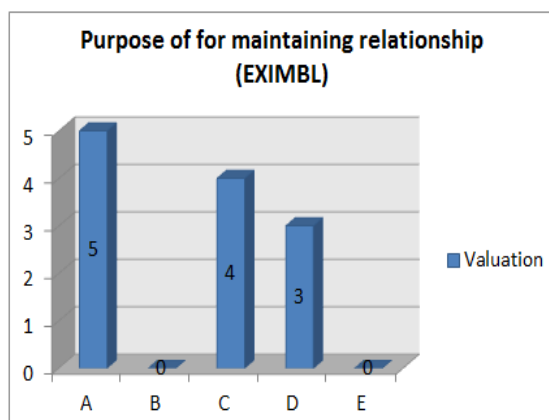
E = Others

From the graphical representation, it is obviously clear that both bank PBL and EXIMBL has the same factors for valuating customers. They are putting more emphasis on Deposit because now Bangladesh banking sector is going in liquidity crisis. And in case of other factors they specially emphasis on referral from one customer to other 10 customers. It will help bank to increase its liquidity. They said customer valuation factors differ from situation of the country.

4.1.5 PURPOSE OF CRM

No decision is taken without purpose. Therefore, adoption of CRM concept in banking also requires some purposes. Though all activities follow the path to profitability but the breakdown of these paths can be elaborated for proper comprehension about how banks plan their activities for maintaining profit, here from graph we can see that according to the practitioners in the Prime Bank main purpose of maintaining relationship is to increase profitability when customer retaining is the second objective of PBL. EXIMBL is implementing CRM relationship management for customer retention firstly because they are imposing on liquidity and they say, if customers returns to bank after first the profitability will increase simply. So, their second purpose is increase profitability. And lowing cost is also an important purpose in maintain relationships.

Figure 4.4 (a): Purpose for Maintaining relationship (EXIMBL)   Figure 4.4 (b): Purpose for Maintaining relationship (PBL)

A = for retaining customers

B = to utilize valued customers as opinion leader

C = to maintain profitability

D = lowing cost

E = others

4.1.6   COMMUNICATION CHANNELS

Most of the banks that believe in CRM use technologies to automate or manage information that is delivered to customers across the following channels:

1. Face-to-Face (Visit)

2. Mail

3. Phone (wired and wireless)

4. Fax

5. Web and e-mail (wired and wireless)

Banks have tended to (and to a great extent still do) optimize their capabilities on a channel-by-channel basis. Banks typically build out the organization and technology capabilities; look at benchmark data and then working towards meeting key single-channel metrics. For example many banks have call centers, which have undergone technological and operational improvements, yielding performance improvements in that channel. Today however, the vast majority of business will call enters have yet to develop superior multi-channel co-ordination capabilities.

With the tremendous internet build out over the past three or four years, history has repeated itself. Nearly all companies with web sites have focused on single-channel excellence and are just now realizing the cross-channel implications, benefits and the concomitant measurement hurdles. For web-based customer interactions, single-channel measures abound and companies struggle to relate these metrics to other channels.

The next part focus on the channels used by the two banks namely Prime Bank and EXIM Bank.
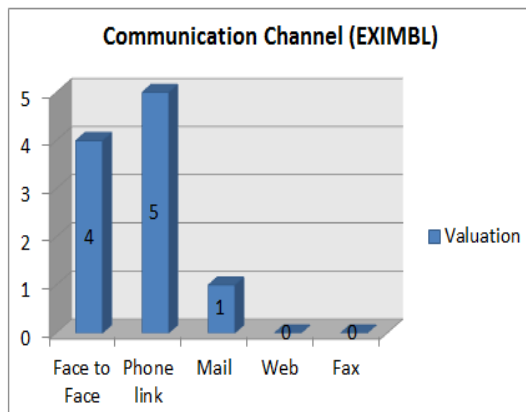
Figure 4.5 (a): Communication Channel (EXIMBL)   Figure 4.5 (b): Communication Channel (PBL)
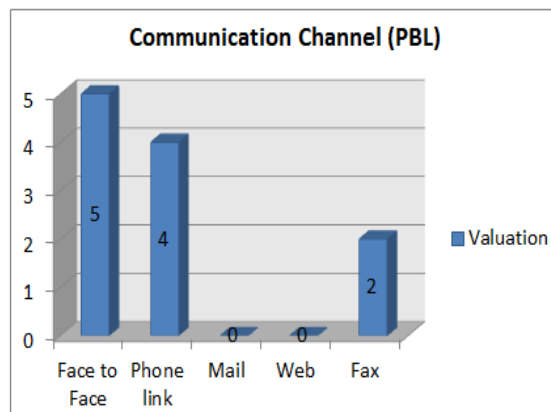
4.1.6.1 FACTORS IN USING CHANNELS

o **LOCATION**

Location has greater role in using channel to communicate with customer. Location like remote place or technically derived, in this case banks have to use more Face to Face or mailing system to communicate. In Savar, Banks used face-to-face or mailing system to communicate local customers.

o **EDUCATION**

Education effects on the selection of communication channel with customers greatly. People like in Savar have lots of money but they are not educated in a vast number of people. Here mailing, online, e-mail channel is completely unused for communication. On the other hand, in Gulshan, Banani, Baridhara people are educated so they focused on online system mainly.

o **COST AND TIME**

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*.

4.1.7   LEVEL OF CONTACT

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.

Table 4.2 (a): Level of Contact (PBL)						
Customer Category	Slot					
	Occasionally	1/15days	1/1 month	1/6 months	daily	Others
Corporate			√		√	
Consumer			√		√	

Table 4.2 (b): Level of Contact (EXIMBL)						
Customer Category	Slot					
	Occasionally	1/15days	1/1 month	1/6 months	daily	Others
Corporate					√	
Consumer			√	√		

4.1.8 LEVEL OF TECHNOLOGY USAGE

Technology is the part and parcel of maintaining relationship. It has been found that the usage level of technology is semi-levelly maintained for Prime Bank's consumer clients in Savar, but moderately maintained for corporate clients. In the Islamic sector, EXIM Bank has strong technology maintenance for corporate groups when it moderate in case of consumers group. The term moderately used as the banks uses technology like phone, database etc. for reaching customers. But do not use web, e-mails to converse with customers, the conversation is kept in to the database for office use only.

4.1.9 IMPORTANCE OF DATABASE

According to the decision maker a database can enhance the satisfaction level of customers to a great extent. For this reason an importance rating of some of the factors was done to identify how the decision makers of banks really evaluate the utility of database maintenance.

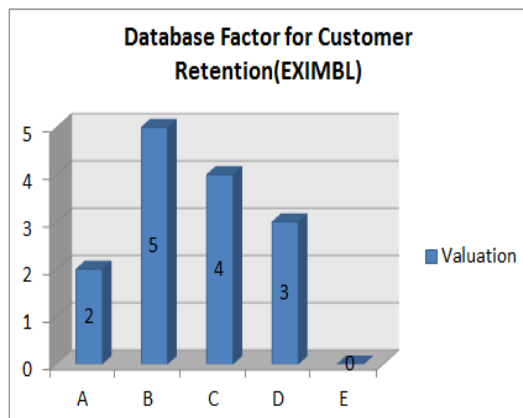Figure 4.6 (a): Database Factor for Customer Retention (EXIMBL)   Figure 4.6 (b): Database Factor for Customer Retention (PBL)
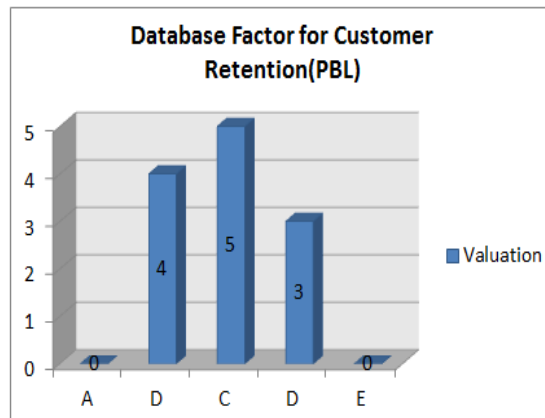
A = Conversation are recorded

B = Update information

C = Frequent of contact with vast information

D = Customer's get prompt

E = others

In PBL database system is important because they can give customer and both employee the update information about customers, services or any queries. The whole becomes more quick, swift and easy when using a best database system. Prime became automated in 2006, since then they are controlling whole database from the center point. So, employee wherever he is situated can access this database system with a browser.

In case of EXIMBL, same importance they feel in using database: update information to the customers and employees, frequent contact, less time and less costing, customers satisfaction all these are the importance of database and backup operations.

4.1.9.1 DATABASE APPLICATION IN BANK

It is surprised event that we are thought in the class that SPSS in best and widely used in banking activities having great features for CRM operations. But when we work in practical research we find our main two banks: PBL and EXIMBL is using

currently **TEMENOS T24** for database application. And EXIMBL's executive officer also said that **TEMENOS T24** is using by most of the Islamic Bank in Bangladesh.

On the contrary, our allied observed Bank, BANK ASIA is using **STELER** for database operation which is developed by BANK ASIA itself. This database or banking software is also used by two banks of Bangladesh: One is Standard Chartered Bank and the other bank's name was not in mind of the respective officer.

Here is a profie for TEMENOS T24 given:

Table 4.3:	Temenos Group AG
Type	Public
Industry	Banking and Computer Software
Founded	Geneva, Switzerland (1993, as Temenos Systems)
Headquarters	18 Place des Philosophes, Geneva, Switzerland
Key people	*Andreas Andreades*, Chairman *Guy Dubois*, CEO *David Arnott*, CFO *Andre Loustau*, CTO *Mark Cullinane*, COO *George Koukis*, Founder and Non-executive director
Products	o TEMENOS T24 o Insight o TEMENOS COREBANKING (TCB) o Insight Risk o ProDB o AML o STeP Payments Repair o ARC Mobile o energycredit
Features of TEMENOS T24	o Easy and quick handling o Vast library for operations work o Accuracy of Result, output are comparatively good o Searching System is very swift o Web-based application have numerous feature to manage CRM operations o Both offline and online work facilities

4.1.10 DEGREE OF EFFORT REQUIRED FOR CUSTOMER MOTIVATION

The degree of effort maintaining relationship marketing is bounded to the different customer level. Each level requires a set of offering to influence customers. This is important as customers at all levels are not the same and do not accept the same way of treatment. Banks thereby employ some strategies to let the customer fell proud to be a member of such a bank. Next part contains the graphical presentation of banking practices for motivating customers and also a table consisting characteristics of loyalty level with activity breakdown for each level.

Table 3.4:	Degree of effort at each loyalty level their characteristics	
Stages	Characteristics	Banking activities
Initial stage: Client	Required emphasis on heavy customer stimulation, more costly.	Mailing offerings, monetary waiver, gifts, handle advice with care, campaigns etc.
2nd stage: Supporter	Required emphasis on motivate, bit less costly then client stage.	Sending special offering, frequent feedback of service, customer week, special discounts etc.
3rd stage: Advocate	Long term relationship, require less emphasis than client stage for motivation, less costly.	Rewarding for best performance, handle advice with great care, inviting to seminars, special discounts etc.
Final stage Partnership	Very long-term relationship, especially applicable in B2B relationship, less emphasis is enough for ongoing relationship	Participation in decision making.
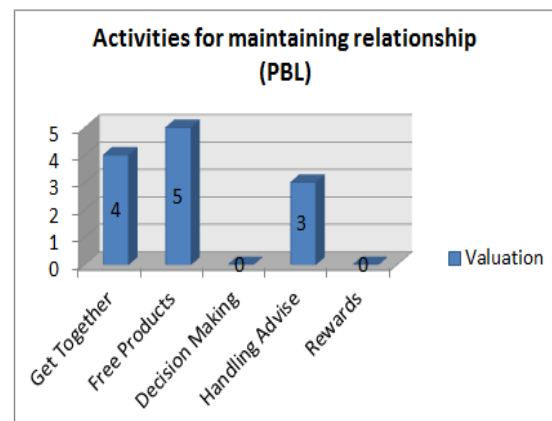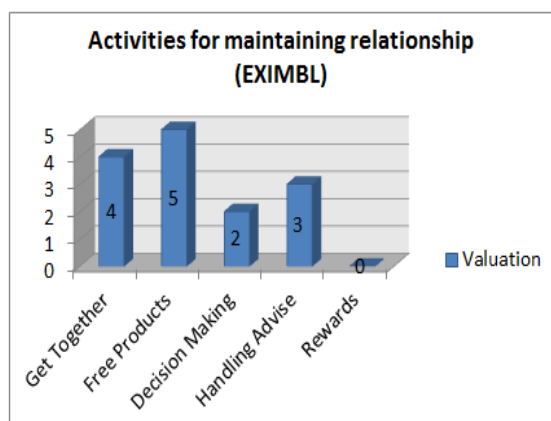
Figure 4.7 (a): Activities for maintaining relationship (EXIMBL)

Figure 4.7 (b): Activities for maintaining relationship (PBL)

To maintain customer relationship EXIMBL and PBL have same activities to the customers. They do get together, provides calendar and free credit card, special care for special customer etc. But they don't provide calendar or free services to anyone, customers who are most profitable and have impact on bank; mostly the corporate customers are the capable to get these free services and products.

They arrange get together occasionally in Ramadan Iftar program, Two after EID get-together program etc. They select beautiful place, beautiful arrangement in these program to satisfy high valued customers. **As Example: EXIMBL is going to make a get-together program for special customers in Savar Golf club from Savar branch office.**

4.1.11 OTHER FINDINGS

In questionnaire there were some statements to ask. These are:

- o **"It is required to maintain long term relationship with customers"**

- o **"Electronic Management can enhance customer satisfaction thereby build strong long term relationship"**

  - Both two banks officers were strongly agreed with above statement. They think long term relationship with customers ensure a continuous profit from customers over his/her lifetime. So, long term relationships is required

  - In case electronic management, they mainly focused on ease and quick of services getting for the customer satisfaction towards bank. It is also time-saving for customers in transaction.

- o **Do they face any problems for maintaining customers?**

  - Both bank clearly said that till now they didn't face any problem.

  - Only prime bank officer said sometimes customer complain against the services system of bank. But they think that it is valueless what's customer complain on employee, quick services etc. because today they talk ill tomorrow they will appreciate same employee's performance.

  - But they carefully solve the complaint when it comes from the customers.

PART FIVE
DECISION, RECOMMENDATION AND CONCLUSION

5.1   RESEARCH DECISION FROM FINDINGS

o   **SIX BUSINESS IMPERATIVES FOR A SUCCESSFUL CRM STRATEGY:**

Any financial institution seeking to adopt a customer relationship model should consider six key business requirements:

- Create a customer focused organization and infrastructure

- Gain an accurate picture of your customer categories

- Accurately assess the life time value of your customers

- Maximize the profitability of each customer relationship

- Understand how to attract and keep your best customers

- Maximize rate of return on marketing campaigns

o   **ESTABLISH A DATA ARCHITECTURE THAT SUPPORTS A SINGLE VIEW OF THE CUSTOMER:**

The core of a successful CRM decision support system is a multidimensional data warehouse that:

- Integrates raw input from multiple sources and platforms, such as credit card, mortgage, and insurance and savings account systems.

- Integrates input from multiple contact point systems, such as ATMs, branch visits, Internet and call center transactions.

- Integrates with popular back-office systems (financial transaction processing, for example) and from office systems (such as sales force automation).

- Transforms this raw data into cleansed validate and structured information.

- Enables a comprehensive, 360-degree view of customers across touch points, products and functional areas.

- Support meaningful analysis to turn data into actionable intelligence.

o **ANALYTIC CAPABILITIES IN A CRM DECISION SUPPORT SYSTEM:**

Advanced analytic techniques enable analysts, with or without statistical backgrounds, to better understand and anticipate customer behavior and thereby build relationship value. A comprehensive CRM decision support system would include the following typical analytics.

1. Customer value modeling: Calculate the total value of keeping customers throughout their lifetime.

2. Customer risk analysis: calculate the risk associated with a given customer, in terms of paying, leaving and so on.

3. Market basket analysis: analyze the mix of products that a given customer purchases, with a view to understanding what other products to sell them.

4. Cross-selling predictions: predict which product to sell to an existing customer next.

5. Customer channel analysis: analyze and predict the most suitable and efficient channels for cross-selling activity.

o **IMPLEMENTING CRM:**

Four steps are required for implementation process.

- Implementing customer-centric business strategies.
- Redesigning functional activities
- Re-engineering work processes
- Selecting the appropriate software

o **POTENTIAL IMPLEMENTATION PROBLEM:**

Both management and developers contribute to failure to provide the proper focus for both the project and the CRM system, this failure is derived from the following:

- Management and the developers do not have a clear understanding or definition of the components or purposes of a CRM system.

- Management and the developers define the project scope too large.

- Management fails to commit an executive sponsor or champion to the project.

- Management and developers fail to understand the expectations of key constituent groups in using the CRM system.

5.2   RECOMMENDATION

Below hare, the recommendation is given based on the research findings of PBL and EXIM Bank's performance in CRM practice through they are not applying CRM fully in the branches.

1. Full automated system should be applied all over the world

2. Our two observed mainly banks has only headquarters CRM practice with authority, but branches have no authority for CRM. So, Bank should consider CRM dept. of every branches

3. Employee engagement needs to be properly designed in order to feed a large number of customers retaining satisfaction at the same time

4. Customer satisfaction survey must be made before applying CRM

5. Training scheme should be build up for employee management

6. Only not to employee but also to customers to introduce those to the new technology and system and services to acquire profit easily.

7. Educational institutes specially business departments should include CRM issue with their academic curriculum

5.3   COCLUSION

The past decade was one of intense change and explosive innovation. New technologies emerged more frequently, disrupting the stability of entire markets. Customers became more mobile, informed and demanding. And competitors became more adept at quickly improving their improving their operations. As a result, companies watched as processes and technologies that once provided competitive advantage became baseline capabilities. With the standard of excellence continually rising, companies have been forced to outdo themselves with each successive customer initiative.

Customer relationship marketing (CRM) is not a new concept. It is just people do not want to initiate the concept and to some extent are ignore about the benefits of CRM. The research has found that Prime Bank (PBL) and Export Import Bank Ltd. (EXIMBL) which are observed have semi or moderate level of Implementation of CRM practice. But they are trying to do all things to retain customers to the bank by valuating them in different categories.

Companies must continue their efforts to build loyalty and retain customers while ensuring that investment can generate profitable returns. Product and service enhancements that required small incremental investments offer the potential to earn loyalty in such a way that benefits all customers and meets ROI requirements. There are significant profits to be gained through better management of marketing investment and practical application of marketing processes. Applying these principles to retention marketing helps in strategic planning. As more vulnerable and valuable customers are targeted, more can be invested to keep customers and build loyalty. These processes, techniques, and tools are designed to capture the benefits of greater integration and balance customer relationship initiatives with appropriate levels of investments.

The banking industry is much further along than other industries in recognizing the value of customer relationship management and implementing decision support system to support it. An effective decision support system for CRM enables you to collect data about your customer from every touch point, consolidate this information into a single view of the customer, and use this information for customer profiling, segmentation, cross-selling, up-selling and retention efforts. It's no surprise that investment in CRM system is expected to grow at a compound rate of nearly 38 percent per year in Europe, 40 percent in North America and 17 percent in Asia-pacific, according to Meridian Research (2001). The adoption of internet and wireless technologies will only accelerate interest in CRM solutions, as banks continue to see a unified understanding of customer relationships across diverse channels.

Finally, some among the respondents are just plain ignoring CRM. Yet this may be as much a matter of the discourse surrounding CRM rather than a comment on CRM itself. CRM's organizing vision currently has a very customer centric focus, evidenced in the buzzword title for the innovation- customer relationship management. CRM is mainly about handling the relationship with those whom you serve, be they customers in traditional sense, or in the sense of providing services. Thus, as the organizing vision of CRM matures, perhaps it will broaden its focus toward more inclusive and representative relationship management, so that those who are currently ignoring CRM will see its value to them.

PART SIX
APPENDIX

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6.0   Appendix

6.1   Appendxi-01: Introduction to EXIM Bank

Name	:	EXIM Bank
		Export Import Bank of Bangladesh Limited
Former name	:	Bengal Export Import Bank Limited
Founder	:	Late Mr. Shahjahan Kabir
Established	:	1999
Operation start	:	3rd August, 1999
Islamic Banking	:	July 2004.
Chairman	:	Mr. Nazrul Islam Mazumder
		Chairman of Bangladesh Association of Banks (BAB)
Managing Director	:	Md. Fariduddin Ahmed

Our Vision
 ➢ The gist of our vision is 'Together towards Tomorrow'.

Our Mission
 ➢ Provide quality financial services especially in Foreign Trade
 ➢ Continue a contemporary technology based professional banking environment
 ➢ Maintain corporate & business ethics and transparency at all levels
 ➢ Sound Capital Base
 ➢ Ensure sustainable growth and establish full value to the honorable stakeholders
 ➢ Fulfill its social commitments and
 ➢ Above all, to add positive contribution to the national economy

Corporate Culture
We, as an amenable bank, believe if the employees identify with the culture, the work environment tends to be more enjoyable, which boosts morale and leads to increased levels of teamwork, sharing of information, and openness to new ideas.

Core Banking Solution
EXIM Bank uses the Islamic Banking Solution of Temenos T24 as core banking solution.

6.2 Appendix-02: Introduction to Prime Bank

Established   : 17th April 1995
Specific Area   : Shipping to textile and finance to energy etc.

Our Vision
- To be the best Private Commercial Bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity.

Our Mission
- To build Prime Bank Limited into an efficient, market-driven, customer focused institution with good corporate governance structure.
- Continuous improvement of our business policies, procedure and efficiency through integration of technology at all levels.

Corporate Philosophy

- **For our Customers**
  - To provide the most courteous and efficient service in every aspect of its business. To be innovative in the development of new banking products and services.

- **For our Employees**
  - By promoting their well-being through attractive remuneration and fringe benefits.
  - By promoting good staff morale through proper staff training and development, and provision of opportunities for career development.

- **For our Shareholders**
  - By forging ahead and consolidating its position as a stable and progressive financial institution.
  - By generating profits and fair return on their investment.

- **For our Community**
  - By assuming our role as a socially responsible corporate citizen in a tangible manner by adhering closely to national policies and objectives thereby contributing towards the progress of the nation.
  - By upholding ethical values and best practices.
  - Constantly seeking to improve performance by aligning our goals with stakeholder's expectations because we value them.

6.3   Appendix-3.3: Questionnaire

QUESTIONNAIRE FOR BANK
Department of Finance & Banking
Jahangirnagar University

Dear Sir,
Hello! We are the student of BBA, Dept. of Finance & Banking, and Jahangirnagar University. We are conducting a report paper on **Customer Relationship Management: Customer Retention, Customer Valuation in Bank.** In this regard we are looking forward for your assistance regarding filling up the questionnaire. We assure that your responses will be used for academic purpose only.

Thank You in advance for your co-operation.

RESEARCH INFORMATION
Please answer the following questions in respect of CRM Methods, strategies, customer retention and customer valuation.

1. Do you practice the concept of Customer relationship management (CRM) in your bank?

      ☐ YES   ☐ NO

    If yes answer the following questions and if no pleas skip

2. In how many categories do you classify your CRM customers?
   - Corporate   • Consumer
   - Others (Please specify) _____

3. Which in the following customer's category can be targeted as valued customers? Please rank according to importance. 1 = most important, 5 = least important

☐	New Customers targeted as prospects	☐	Person received banking services only once
☐	Person doing transaction for a long time	☐	Person holding positive impression to bank
☐	Person who hold knowledge and can be treated as particular in decision making		

4. What device do you use for maintaining relationships with long-term customers? Please put (√)

      ☐ Electronic   ☐ Manual

    6(a) If electronic, since when did you initiate electronic communication for maintaining relationships with customers?

5. Which channel(s) in the following category do you select to build relationships with your valued customers? Please rank on 1 to 5 point scale as 1 mostly and 5 rarely.

Customer Category	Slot				
	Face to Face	Phone link	Mail	Web and Electronic Mail	Fax
Corporate					
Consumer					

6. How frequently do you contact with your valued customers for maintaining relationships? Please Put Tick Mark

Customer Category	Slot					
	Occasionally	1/15days	1/1 month	1/6months	daily	Others
Corporate						
Consumer						

7. Is there any separate database for corporate and general customers?

      ☐ YES   ☐ NO

8. Which factors are more important for identifying your valued customers? Please rank 1 to 5 point scale as 1 most important and 5 least important?

	Corporate	Consumer
Factors	☐ Deposit	☐ Deposit
	☐ Credit Information	☐ Credit Information
	☐ Monthly Transaction records	☐ Monthly Transaction records
	☐ Loan amount	☐ Loan amount
	☐ Others	☐ Others

9. What is the level of technology (database, phone link etc.) you use for maintaining relationships? Please in any one space

	Strong	Moderate	Somewhat	Neither Nor	Somewhat	Moderate	Strong	
Fully Automated	_	_	_	_	_	_	_	Manual

10. What database does for customer satisfaction? Please rank 1 to 5 point scale as 1 = most important and 5 = least important.

☐ Customers get updated account information anytime	☐ Customers' get prompt service
☐ Conversation are recorded	☐ Frequency of contact by representatives are kept
☐ Others _____	

11. For what purposes do you maintain relationships with your valued customers? Please rank according to importance.

Client Category	Reasons					
	For retaining customers	To utilize valued customers as opinion leader	To maintain profitability	For lowing cost	Encourage customers to increase banking activities	others
Consumer						
Corporate						

12. To what extent do you maintain relationship with your customers? Please rank according to importance as 1 = most important and 5 = least important.

Client Category	Options					
	Inviting to different Occasion	Mailing prospects, offering free credit card, calendar etc.	Authorizing to participate in decision making	Handling advise with care	Rewarding for best performance	others
Consumer						
Corporate						

13. What is your opinion about the statement **"It is required to maintain long term relationship with customers"**
    ☐ Strongly Agreed ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly Disagree

14. What is the level of maintaining relationships with customers? Pleas rank 1 highest level to 3 as lowest level
    ☐ **Active** ☐ ☐ **Moderate** ☐ ☐ **Inactive**

15. What is the growth rate of 3 individual years of relationship customers before and after automation?

Slot	Year 1	Year 2	Year 3
Before Automation			
After Automation			

16. Please give your opinion about the statement "Electronic Management can enhance customer satisfaction thereby build long term relationship"
    ☐ Strongly Agreed ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly Disagree

17. What problems do you face maintaining CRM customers?
    _____
    _____
    _____

18. Do you have any special strategy to build and maintain relationship with valued customers?
    _____
    _____
    _____

_____
(Signature)