

# IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES AND THEIR SERVICE QUALITY OF UNION BANK OF INDIA IN TIRUPUR CITY

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## ABSTRACT

Customer Relationship Management (CRM) plays a pivotal role in shaping service quality and enhancing customer satisfaction, particularly in the banking sector where competition and customer expectations are continually rising. This study explores the impact of CRM practices on the service quality of Union Bank of India, focusing on how strategic customer engagement, personalization, responsiveness, and feedback mechanisms influence service delivery. A survey of 114 customers was conducted to assess perceptions of CRM effectiveness and its correlation with service quality metrics. The research evaluates CRM dimensions such as technological integration, employee training, and relationship-building strategies. Key findings reveal that robust CRM practices lead to improved customer satisfaction, increased loyalty, and enhanced service efficiency. The study underscores the necessity for banks to invest in effective CRM frameworks to foster strong customer relationships and maintain competitive service standards.

**Keywords** Union Bank of India, Customer Relationship Management, Service Quality, Customer Satisfaction, Banking Sector.

## INTRODUCTION

Customer Relationship Management (CRM) has emerged as a vital strategy for banks to build and maintain strong relationships with their customers in today's competitive financial environment. This project titled "Impact of Customer Relationship Management Practices and Their Service Quality of Union Bank of India in Tirupur City" seeks to examine how effectively Union Bank of India implements CRM practices and how these practices influence the perceived service quality among its customers in Tirupur. With the rapid advancement in banking technology and evolving customer expectations, it has become essential for banks to focus on personalized services, prompt communication, and long-term relationship-building to retain their customer base. This study aims to analyse various components of CRM such as customer satisfaction, trust, loyalty, responsiveness, and problem-solving efficiency, and how these factors contribute to the overall quality of service provided by the bank. By collecting and interpreting data from customers and bank staff, the research will provide insights into the strengths and gaps in the bank's CRM system, ultimately suggesting ways to enhance customer experience and service effectiveness in the region.

## STATEMENT OF THE PROBLEM

Customer Relationship Management (CRM) practices and service quality are critical factors that influence customer satisfaction, loyalty, and overall business performance in the banking sector. Union Bank of India, being one of the prominent public sector banks in India, faces significant competition in a dynamic financial landscape. In order to maintain its competitive edge and build lasting relationships with customers, it is essential for the bank to understand the impact of its CRM practices on the quality of service it provides.

This study seeks to explore the relationship between the CRM practices employed by Union Bank of India and the service quality perceived by its customers. It aims to assess how CRM strategies such as personalized services, customer communication, problem resolution, and feedback mechanisms contribute to improving the overall service quality, and whether these efforts translate into greater customer satisfaction and loyalty. By investigating this issue, the research intends to provide insights into the effectiveness of CRM practices and their potential for enhancing the bank's service offerings and customer experience.

## OBJECTIVES OF THE STUDY

1. To examine the CRM practices adopted by Union Bank of India in Tirupur City.
2. To assess the service quality provided by Union Bank of India in Tirupur City.
3. To investigate the impact of CRM practices on service quality at Union Bank of India in Tirupur City.

## RESEARCH DESIGN:

This study will adopt a descriptive and analytical research design. Descriptive research will help in identifying the CRM practices used by Union Bank of India and understanding their impact on service quality and customer satisfaction. Analytical research will be employed to interpret the relationship between CRM practices, service quality, and customer loyalty.

## REVIEW OF LITERATURE

**Bansal, K. (2024)<sup>1</sup>** explores the potential of Artificial Intelligence (AI) and automation in shaping the future of Customer Relationship Management (CRM) in public sector banks, with a focus on Union Bank of India. The paper examines how emerging technologies like AI, machine learning, and robotic process automation (RPA) are revolutionizing CRM practices in the banking sector. Bansal discusses how these technologies can improve customer service by enabling more personalized, real-time interactions, and automating routine tasks, leading to greater efficiency and improved customer satisfaction. The study emphasizes that AI-powered CRM systems can help banks analyse large volumes of customer data to predict preferences, enhance decision-making, and offer tailored financial solutions.

**Sharma, S., & Kumar, A. (2023)<sup>2</sup>** explore the impact of Customer Relationship Management (CRM) practices on customer retention at Union Bank of India. The paper investigates how the bank's CRM strategies, including personalized services, customer engagement, and loyalty programs, have helped in building long-term relationships with customers. The authors highlight that Union Bank uses CRM tools to collect and analyse customer data, enabling the bank to offer customized banking solutions, enhance customer satisfaction, and address individual needs effectively. The research shows that these CRM practices have led to a significant increase in customer loyalty and retention by creating positive customer experiences and fostering trust. Sharma and Kumar also discuss how CRM practices, such as regular follow-ups, feedback systems, and targeted marketing, contribute to strengthening customer relationships.

**Verma, S., & Kapoor, S. (2022)<sup>3</sup>** explore the relationship between Customer Relationship Management (CRM) and service quality at Union Bank of India. The paper examines how the implementation of CRM strategies has enhanced the quality of services provided by the bank. The authors discuss various CRM practices, including personalized customer interactions, service customization, and the use of digital tools to streamline customer service processes. By analysing customer data and feedback, Union Bank has been able to better understand customer expectations, address their concerns promptly, and offer more tailored banking solutions. The study reveals that CRM has played a significant role in improving service quality dimensions, such as reliability, responsiveness, and empathy, which in turn has led to greater customer satisfaction.

## LIKERT SCALE TABLE SHOWING THE QUALITY OF SERVICE AT UNION BANK OF INDIA

S.NO	FACTORS	VERY SATISFIED	SATISFIED	NEUTRAL	DISSATISFIED	VERY DISSATISFIED	TOTAL
1	Speed of Service	28 (24.6)	38 (33.2)	28 (24.6)	10 (8.8)	10 (8.8)	114 (100.0)
2	Staff Knowledge	6 (5.3)	50 (43.9)	41 (36)	15 (13.9)	01 (0.9)	114 (100.0)
3	Ease of Using Bank Services	16 (14.03)	32 (28.07)	48 (43)	12 (10.5)	05 (4.4)	114 (100.0)
4	Availability of Banking Products	10 (8.8)	39 (34.6)	39 (34.6)	19 (16.7)	06 (5.3)	114 (100.0)
5	Security of Online Transactions	23 (20.1)	30 (26.3)	28 (24.6)	14 (12.3)	19 (16.7)	114 (100.0)

## INFERENCE

From the table, it is inferred that (33.2%) of the respondents are very satisfied in, "Speed of service". Majority (43.9%) of the respondents are satisfied with the staff knowledge at union bank of India. Majority (43%) of the respondents are neutral with the ease of using bank services, followed by (28.7%) of the respondents are very satisfied with the ease of using bank services.

Majority (34.6%) of the respondents are satisfied with the availability of banking products at the bank. Majority of (26.3%) of the respondents are satisfied with the security of online transactions, followed by (24.6%) of the respondents are neutral with the security of online transactions.

#### PERCENTILE POSITION AND GARRETT VALUE

S.NO	$100(R_j-0.5)/N_j$	CALCULATED VALUE	GARRET VALUE
1	$100(1-0.5)/5$	10	76
2	$100(2-0.5)/5$	30	60
3	$100(3-0.5)/5$	50	50
4	$100(4-0.5)/5$	70	40
5	$100(5-0.5)/5$	90	25

#### GARRETT RANKING TABLE SHOWING THE DISTRIBUTION OF RESPONDENTS BASED ON STRENGTHS OF UNION BANK OF INDIA'S SERVICE DELIVERY

FACTORS	1	2	3	4	5	TOTAL	RANK
Branch accessibility	2584	2128	2660	684	608	8664	1
Availability of online service	180	2880	2400	1200	180	6840	2
Personalized service	650	1300	2750	700	300	3000	5
Product offering	360	800	1680	1400	320	4560	3
Reputation of the bank	325	600	625	550	750	3775	4

#### INFERENCE

The first rank is given to "Branch accessibility". The second rank is given to "Availability of online service". The third rank is given to "Product offering". The fourth rank is given to "Reputation of the bank". The fifth rank is given to "Personalized service".

#### SUGGESTIONS

- Union Bank of India should prioritize enhancing its digital services by addressing technical issues with online banking and improving user experience to ensure smooth transactions. Streamlining transaction processes and focusing on speed will help alleviate delays, while boosting security measures for online transactions will address customer concerns.
- Personalized services and tailored offerings, based on customer preferences, can further strengthen loyalty. Implementing regular feedback mechanisms will help the bank stay attuned to customer needs. By addressing these key areas, Union Bank can improve its customer experience, build stronger relationships, and increase satisfaction.

## CONCLUSION

While Union Bank of India generally maintains a positive perception among its customers, there are several areas requiring improvement to enhance overall customer satisfaction. Addressing technical issues with digital services, improving customer support accessibility, reducing transaction delays, and strengthening online transaction security are essential for building customer trust and loyalty. Furthermore, focusing on personalized services and streamlining processes will help meet customer expectations for speed and efficiency. By implementing these changes, the bank can foster a more seamless and responsive customer experience, ultimately driving greater customer satisfaction and long-term loyalty.

## REFERENCE

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