

# **An Examination on the Role of Customer Relationship Management Systems on loyalty and satisfaction of Consumer in the service industry**

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## **Abstract**

Companies must keep a good relationship with their customers in a market that is extremely competitive. The research study would analyse various approaches and techniques for building effective CRM to please the customers. A good CRM (customer relationship management) programme aids a company in pleasing the customer. The more robust and dependable the company's CRM, the more delighted and loyal its customers will be. In the banking sector, measuring customer satisfaction is crucial for growing market share and profitability. In this article, we provide the results of an empirical study to assess how customer relationship management (CRM) affects client loyalty in the Indian banking sector.

**Keywords:** *CRM, Banking Industry, Loyalty and Satisfaction*

## **Introduction**

Due to the increased degree of rivalry among Indonesian businesses as a result of the development of the marketing industry, the particular company makes an effort to boost its marketing strategy. In fact, businesses are increasingly focusing on their customers rather than their products, despite the intense rivalry among them. Gaining new clients and retaining existing ones becomes crucial for the survival of the bank. Additionally, a

strategy is required to win the patrons' loyalty, with customer relationship management being one of them (CRM). The development of client or customer satisfaction can lead to a harmonious relationship between the service provider and the client. Following that, it can foster customer loyalty, which in turn can increase sales for the business. The ability of the employee to deliver service as well as to explain the products offered to customers' needs and wants, as well as the environment in which the firm operates, are critical to the existence and success of the service provider.

CRM may be viewed as a business tenet, business strategy, business procedure, or business instrument. CRM is a relationship orientation, customer retention, and greater customer value provided through process management, according to Ryals and Knox (2001), who defined it as a corporate philosophy. CRM is a customer-focused company approach that seeks to boost customer satisfaction and loyalty by providing each client with services that are more responsive and tailored to their needs. CRM is described as a "macro-level (i.e., highly aggregated) process that encompasses several sub-processes, such as prospect identification and customer knowledge production" in the definition of a business process. CRM is a tool that "enables enterprises to establish closer ties with their consumers," according to research.

Because the consumer was pleased with the appropriate service delivered to them, customer loyalty was developed. Businesses strive to offer their clients the best services possible in order to maintain their consumers' loyalty to the goods they have offered or utilised throughout time. When customers' wants are consistently met, it results in customer satisfaction, which has an impact on the products that are offered or consumed. Companies that provide community services must develop and maintain a strategy to attract new clients and keep existing ones loyal in order to promote customer satisfaction. Thus, strategies that keep clients should be seen of as effective approaches to beat the competition.

### **Customer Relationship Management**

In order to manage and analyse customer interactions and data across the customer lifecycle, businesses employ a combination of practises, strategies, and technologies known as customer relationship management (CRM). The objective is to strengthen interactions with customers in order to promote client retention and increase sales. CRM systems gather information about customers from various points of contact between them and the business, such as the company's website, the company's phone line, live chat, direct mail, marketing materials, and social media. CRM systems can also give staff workers who deal with consumers in-depth knowledge of their personal data, purchasing history, shopping preferences, and issues.

### **Customer Satisfaction**

CSAT, or customer satisfaction, is a marketing word that is commonly employed. It evaluates whether a company's goods and services meet or exceed customers' expectations. A customer's reported experience with a company, its products, or its services (ratings) is described as "the number of customers, or percentage of total customers, whose reported experience exceeds stated satisfaction goals." Customers have a crucial part in maintaining the usefulness of a good or service, thus it is in the interest of the company to assure customer satisfaction and foster client loyalty.

As part of its ongoing Common Language in Marketing Project, the Marketing Accountability Standards Board (MASB) supports the definitions, goals, and metrics found in Marketing Metrics. A customer satisfaction statistic was identified as being extremely helpful by 71% of the roughly 200 senior marketing managers who participated in the poll. Customer satisfaction is frequently included in a balanced scorecard, which is thought of as a crucial performance indicator in the corporate world. Customer happiness is viewed as a significant difference in a market where businesses compete for clients and has increasingly become a crucial component of corporate strategy.

### **Customer Loyalty**

- The likelihood that a consumer will do business with a company again is referred to as customer loyalty. You usually go back to the business that offered the good or service whenever you buy something you liked or use it.
- In addition to supporting a brand, devoted customers persuade others to follow suit. Americans typically share positive business experiences with 11 other people. This implies that devoted customers will provide you free recommendations to other potential clients.
- Customer loyalty frequently doesn't result from the product or service being adequate. Loyal customers must have discovered added value in that particular brand. Common justifications for repeat business include:

- **Exceptional customer service**

A consumer will return to your business if you consistently provide exceptional customer service and the products or services they need. Providing the consumer with exceptional customer service entails being available to them before, during, and after you have met their needs.

- **Social proof**

Positive customer feedback reinforces how your target audience views your brand. More individuals will be receptive to your brand if the reviews and suggestions are favourable.

- **Reliability**

Being able to keep your word to the customer is a crucial component of providing outstanding customer service. A company that honours its commitments and offers exceptional customer service will have no trouble gaining consumers.

### **Conclusion**

Customer satisfaction and customer relationship management have a major impact on one another and are positively correlated. The more robust and dependable the company's CRM, the more delighted and loyal its customers will be. A higher degree of customer satisfaction will encourage repeat business from customers who will employ the company's products, which will boost sales and raise organisational profit. The proportion of devoted customers will rise. Therefore, the oil business in India has a promising future as it becomes more competitive.

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