

NMIMS Global Access
School for Continuing Education (NGA-SCE)

Course: Information System for Managers

Model Answer

Important Instructions:

- The below questions and answers are only for reference purpose “*Model answers*” and will help you understand how to prepare Assignments
- Please do not use this for submitting any assignment
- **Understand the following:**
 - ✓ 3 major aspects of Assignment [Introduction, Concept and conclusion]
 - ✓ Marks allotted for every section

Question:

At a six-monthly review meet, the management of a Private sector bank in India realized they had lost a lot of customers to their competitors. An analysis of the reports indicated that bank has been unable to cultivate more profitable relationships with the customers’ which impacted its growth. Customers have expressed dissatisfaction at various levels right from delays in obtaining account related information to understanding their needs, preferences, and interaction history. The management has decided to invest in information systems to help them out. How do you think CRM system will help the bank? How will it create lasting relationships with the customers? How would creating these relationships help your bank?

(10 marks)

Answer:

Introduction: Customer relationship Management: (2 marks)

Customer relationship management is an approach to understand the customer preferences by capturing and integrating data from all the functional areas within the organization, consolidating, analyzing and disseminating it to various other customer touch points. It is a set of practices, strategies combined with technology that organizations use in order to analyze customer interactions throughout the customer lifecycle in order to build better relationships and retain them. With the help of CRM a bank can analyze the customer history, predict his preferences and there by improve relations with customer’s ultimately driving sales growth.

NMIMS Global Access

School for Continuing Education (NGA-SCE)

Course: Information System for Managers

Model Answer

Concept + Application (6 marks)

The information that has been gathered about the customers can be entered into an already existing ERP system and made available to all the departments to make informed choices. CRM softwares support business processes in sales, service, and marketing, integrating customer information from many different sources. It helps organization build long lasting relationships with their customers and prevent customer churn. The various touch points that the Private Bank can use to facilitate this interaction include telephone, e-mail, customer service desk, conventional mail, Facebook, Twitter, Web site, wireless device, or retail store (the bank itself). The bank can provide a 24*7 helpline, provide mobile apps and instructions on how to use the app, send emails/SMS regarding latest promotional activities etc.

With the help of a CRM system the Private bank will now be able to perform the following tasks:

The issues faced by the Private sector bank as stated in the case can be resolved with the introduction of a CRM system as these systems will provide a 360 view of the customer. Once data about the customers is obtained the organization can plan to use it constructively depending upon what the customers like.

1. Marketing:

- a. CRM systems support direct marketing by capturing customer data and providing product and services information. The bank can use this information for qualifying leads for targeted marketing, scheduling and tracking emails. These systems give an insight into profitable and unprofitable customers giving an insight into the resources that need to be expended on them. Based on the current portfolio of customers the bank knows which customers they can upsell and cross-sell products. Up-selling will help the Bank to expand its customer base by providing products of higher value (denomination) to the existing customers.

2. Sales:

- a. Bundling the products are ways with the help of which banks build single product account into full product suites including a range of financial services. CRM products will enable the bank to see what products customers currently use, what products they are eligible for and what benefits can be provided to the customers if they add more products to their portfolio. The ability to have all information about your customers on the fingertips will help the Private bank increase sales.

3. For Improved Customer Service

NMIMS Global Access

School for Continuing Education (NGA-SCE)

Course: Information System for Managers

Model Answer

- a. Whenever a customer calls the toll free number of the bank or approaches the help desk, he should immediately be attended to. If not, this call should be re-routed to the right person who can address it. The information and query of the customer should be entered only once. With this data in the system, any representative can handle this customer query based on access to customer data. Improved access to this information can help call centers handle more calls, achieve greater productivity, reduced transaction time and achieve higher quality of service at lower cost. The bank can also support Web-based self-service capabilities: The Company Web site can be set up to provide inquiring customers personalized support information as well as the option to contact customer service staff by phone for additional assistance.
- b. It would also be possible for the bank to understand the preferred mode of communication by the customers such as through SMS, call or sending notifications by the app to keep in touch continuously with the customer. The bank could also consider ranking their customers based on criteria and serve them accordingly. A high net value individual to get priority treatment.

Conclusion (2 marks) How will creating these relations help your bank?

A satisfied customer will spread a good word about the bank. Word of mouth plays a pivotal role in garnering more customers. If this customer is active on social media, he/ she can play a role in reaching more customers. With an effective CRM system the bank will realize many benefits including increased customer satisfaction, reduced direct-marketing costs, more effective marketing, lesser costs for customer acquisition and retention, identifying profitable customers, focused cross selling, decreased churn rate and improve bank reputation thereby attracting more customers.
