

# The Importance of Customer Relationship Management (CRM) in the Banking Industry

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**Abstract:** *Service marketing places the customer as its main priority. Expert knowledge is necessary for designing products and services for the financial services business. The banking industry is the oldest and most crucial sector in the financial services business. CRM plays a crucial role in the service business by effectively acquiring and retaining clients for long-term efficiency. Relationship marketing was officially incorporated into the field of service marketing during the early 1990s. Banks realized that it was more lucrative to retain and incentivize current clients rather than actively seeking new ones. The fundamental objective of CRM is to obtain and retain consumers. Consequently, banks currently prioritize the attainment of thorough customer satisfaction, which signifies that the consumer is content and satisfied with the service. Therefore, the researcher's objective was to examine the degree of satisfaction with customer relationship management approaches in selected private sector banks in this study. Service providers, especially banks, are often concerned about their lack of comprehension regarding Customer Relationship Management (CRM). Financial institutions have their own strategies to sustain relationships with consumers.*

*Nevertheless, it is crucial to take into account the clients' opinion of banks' CRM efforts. By promptly addressing consumer demands through CRM activity, banks can enhance customer awareness and establish a significant client database. Thus, the importance of CRM can be emphasized by treating banking customers with utmost deference and respect. Consequently, banks are required to enhance consumer happiness by offering current financial services and delivering more user-friendly experiences, thereby ensuring that engaging in modern banking becomes a delightful experience for clients..*

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