


Customer Relationship Management: A Key Factor in Banks' Competitiveness in Modern Business [†]

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Abstract: This paper investigates the degree of implementation of the customer relationship management (CRM) concept in Serbian banks. The CRM strategy is extremely important in the financial services sector, given the number of clients and their rapidly changing and evolving needs. The applied research method is an online survey of bank clients, i.e., the collection of descriptive data based on structured questionnaires. The research results showed the extent to which banks effectively use the CRM model. CRM is mostly used for personalized communication with clients, especially with VIP clients who have higher than average importance for banks' operations. In addition, the research results showed that banks improve and integrate their communication and sales channels and train employees to use CRM tools that will enable them to cross-sell while retaining existing and attracting new customers.

Keywords: CRM; bank services; digital communication; sales channels; marketing campaigns

1. Objectives

The aim of this paper is to investigate the degree of implementation of the concept of customer relationship management (CRM) in Serbian banks. Namely, CRM, as a factor in the competitiveness of the banking sector [1,2], influences the improvement of a bank's business performance, i.e., the improvement of a bank's market position in achieving set goals [3,4], and is based on up-to-date and relevant information on the bank's service users. In addition, CRM improves service performance and contributes to the optimization and standardization of services [5], resulting in high-quality delivery and low service delivery costs.

2. Methodology

The applied research method is an online survey of bank clients, i.e., the collection of descriptive data based on structured questionnaires [6]. The basic instrument in the survey is a questionnaire, which is most often used to collect primary data. This research aimed to analyze the impact of the implementation and integration of CRM on the improvement of a bank's business performance, i.e., on the improvement of a bank's competitive position [7,8]. Pre-prepared, structured questionnaires for clients and managers of banks in Belgrade were used to collect data in this research. The questionnaire for bank clients, composed of 15 multiple-choice questions, was forwarded to respondents via email, and some clients were interviewed using the personal interview method. This research was conducted by sending questionnaires to the emails of bank clients in Belgrade in the largest five municipalities (Savski Venac, New Belgrade, Voždovac, Vračar, and Stari Grad). During empirical research, 364 questionnaires for bank clients in the above-mentioned municipalities of Belgrade were collected.



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3. Results

Our research results showed the extent to which banks effectively use the CRM model and that CRM is mainly used for personalized communication with clients [9], especially with VIP clients, i.e., clients with higher-than-average importance for a bank's operations [10,11]. In addition, our research results showed that banks improve and integrate their communication and sales channels and train employees to use CRM tools that will enable them to cross-sell while retaining existing customers and attracting new customers.

4. Implications

The CRM strategy is fundamental in the financial services sector given the number of clients and they're rapidly changing and evolving needs [12]. Despite the simplification and efficiency that CRM brings, there is still significant resistance to its implementation, which is overcome by the commitment of top management and the parallel development of relations with employees [13]. The goal that financial organizations want to achieve is to gain potential customers and maintain their loyalty over a long period of time, thus improving their competitive position [14,15].

5. Originality Value

The need to research the quality of banking services is very pronounced to improve business results [16], reflected in technological solutions for better customer communication, clearer insight into their needs, and more efficient business processes [17]. One of the most critical factors in improving communications is CRM (Customer Relationship Marketing), which allows banks to gain potential customers and ensure their loyalty in the long run [18], so there was good reason to focus scientific research on this type of communication. A significant focus of this work was directed toward the research model and its application [19], which supports increasing a bank's market position and profitability.

6. Contributions

Implementing Customer Relationship Management (CRM) in banks leads to higher-quality banking services. In practical terms, CRM is rated as one of the most important sales channels, which impacts on bank's market position and has broad significance for the business community in the banking sector. In addition, CRM is an indispensable instrument for promotional and communicational purposes, which, through the application of information technology, establishes direct communication with clients and significantly influences their attitude toward the bank.

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