

Moment of Truth: The Real CRM

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The CRM or Customer Relationship Management is very crucial term in Marketing. The core of CRM lies in collecting customer data and analyzing it to make decisions that bring new customers apart from satisfying the existing ones. The CRM plays a very crucial role in marketing success of any organization. But there lies a wide gap between Preaching and Practicing CRM. The CRM becomes much more important when it is applied to Service Industry as the products are intangible. The case in this study is also based on Practicing CRM in Financial Services Industry. The case highlights the communication gap and misinforming the customer. The case is an attempt to understand the real CRM and its effect on Customer Loyalty and Brand Image of Organization.

Key words: *CRM, Marketing, Customer Loyalty and Brand Image.*

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“We need to change this house too” frustrated Surendra said to his wife after attending the phone call from landlord. This was the third time they were changing their rented house. On that evening only they decided to purchase their own house.

Surendra and Dolly were newly married couple in February, 2013. Surendra was working as Assistant Professor (Marketing) in one of the reputed college in Indore while his wife Dolly was working as Project Assistant in Agriculture College, Indore. Both were earning well and having good support of family behind them. On Sunday of first week of September they have searched some houses and contacted broker for finalizing among them. They decided to purchase a 1BHK house worth rupees 12 lacs. They also gave a cheque of Rs. 21000/- as booking amount to the builder.

Rs 2 lacs needed for down payment was with them as saving and for rest 10 lacs they decided for home loan. From here the long quest for home loan began. Surendra decided to take loan from a semi government organization NBFC (Non Banking Financial Corporation) along with his mother as co applicant who was a government school teacher. He met Sujit, executive of NBFC with his and his mother's document. Sujit asked for property documents which Surendra gave to Sujit. After five days Sujit denied the loan saying that the building was not approved by the company in which he was working but gave the documents to a DSA Pradeep. Pradeep was a DSA working in Home Loan business from last five years and had contact at almost every bank and NBFC providing home loans. Pradeep has put up the case to government bank's (XYZ India) Relationship Manager on September 15, 2013. After studying the case the relationship manager Anuj Chabra asked for some more documents which Surendra had readily given to them, and said them that he was seeking loan of 10 lacs rupees not less than that as he was only having 2 lacs rupees in savings. Pradeep ensured him for the loan of 10 lacs. Based on the commitment and assurance given by Pradeep he made a sale deed of 1 lac rupee on first of October for one and half months and the house was finally booked.

From there, process for loan started which included constant follow up about Surendra and his mother by bank personnel. Surendra also kept following Pradeep who in turn kept on promising Surendra for the loan of 10 lacs. However Surendra never got a chance to meet his Relationship Manager Anuj Chabra. The only conversation held were telephonic in nature and were all about the profile of Surendra and his mother. He has also said that 10 lacs rupees can be provided by their bank (XYZ ltd) based on their profile.

On October 30, Pradeep issued them a sanction letter of 10 lacs rupees and asked him to get it signed by him and his mother. Surendra went happily for diwali holidays taking sanction letter assuming sanction letter as authentic document. Surendra and his family became very happy for their new prospective house and all relatives also started congratulating him and his wife for having a house in so early age.

After diwali Surendra gave the document to Pradeep who promised to give a cheque on November 15, Friday. He also said to have registry on Monday for which they contacted a lawyer appointed by bank, Surendra had given him the amount required for purchasing the stamp for registry.

On November 15, 2013 Surendra went to office of Pradeep. Pradeep has said that he was trying for cheque in evening and he can collect cheque on Saturday. In this conversation no hint of any type of disparity about the real cheque amount and expected cheque amount was given to Surendra.

All things seemed to be on track till Saturday. Also the period of sales deed expired and Surendra was getting pressure from his broker. On Saturday evening Pradeep called Surendra to XYZ India bank branch. It was his first visit and first meeting with Relationship Manager Anuj Chabra. Hopeful to get the cheque of 10 lacs he met Anuj Chabra. On the contrary, Anuj said the property valuation is coming less and his bank can only provide him the loan of 9 lacs. Frustration and anger was in the eyes of Surendra as being a marketing teacher he also understood the value of in time communication to the customer and customer relationship management. He asked Pradeep and Anuj that why they had not gone for property valuation as first task when property documents were provided to them on first day of his meeting with Pradeep.

Anuj seemed to be in no mood to listen to Surendra said that in 2 lacs rupees you can't imagine to buy the house and also suggested him to rethink and withdraw his decision. Similarly, Pradeep said to leave with the cheque of 9 lacs only and sanction letter was based on his payment not on property valuation. Surendra argued that why he was not informed month prior about the loan and why property valuation was not done on time why he was kept in dark about the same but no answer came from either Pradeep or Anuj. Feeling cheated and misinformed, Surendra left the branch.

On Sunday, he again got the call from broker about cheque and getting registry done. Withdrawing was not possible since the sales deed had expired. Arranging 1 lac rupee was not possible in one day for salaried surendra. He started searching for option which also includes taking gold loan on his mother jewellery. He has arranged the money in two days taking gold loan on his mother's jewellery and taken the cheque of 9 lacs from bank. He got his house registered on November 21, 2013. Then he visited bank's website for complaining about the issue. His problem was not less amount of loan but was not providing timely information by his Relationship Manager and DSA as well as their behavior towards him. He also decided to make this viral by posting it on his face book account and FB page of XYZ India. Also he sent the friend request to MD of XYZ India on linkedin thinking that if he accepts the same he will also post a complaint there. But still thinking on the same, one expert said to him that complaining will have no effect as it was a judgmental error from bank's personnel side.

Questions

Q1. Reading the case, elaborate on the issue happened in case. Was this a failure in CRM?

Q2. Do you think Surendra should complain about this issue to bank and make it viral or should forget this as judgmental error?