



AN IMPACT OF ARTIFICIAL INTELLIGENCE ON CUSTOMER RELATIONSHIP MANAGEMENT (CRM) IN RETAIL BANKING SECTOR

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Abstract

Customer relationship management (CRM) is still evolving and has seen significant modifications. Important companies have focused on using automation and artificial intelligence (simulated intelligence) technologies to understand client purchase patterns, to improve brand and customer communication, and to strengthen connections. To truly answer consumer questions and increase customer loyalty, businesses are turning to AI-based CRM. Organizations use customer relationship management (CRM) as a set of tools, processes, and technologies to track, analyze, and collaborate on customer data throughout the customer lifecycle. It focuses on how the development of advanced banking has been impacted by buyer individual computerization and how this has further impacted buyer expectations and experiences. It looks at how banks utilize chat bots and other artificially intelligent virtual assistants to change how people use their financial offices. The analysis found that as technology has advanced, consumer expectations for banks have also increased. Even though banks change their client administration contributions through virtual pros, customers are not using these at a normal rate. Neobanks are not performing at their full potential, according to studies, because of information gaps among consumers brought on by banks' poor customer communication.

Keywords: Artificial Intelligence, Customer Relationship Management, Retail Banking Sector.

INTRODUCTION

Effective customer relationship management is necessary to create company partnerships that are client-driven. A crucial element helps a bank to increase the number of its clients and deal volume. The aim of CRM is to manage all client interactions in a way that enables the business to boost client productivity. Banks, insurance firms, and other specialized cooperatives are among the many enterprises that are aware of the benefits of CRM and how it can help them draw in new customers while maintaining existing ones to raise their lifetime value. A bank's showcasing department will currently need to strengthen its areas of strength in order to keep selected customers for an extended period of time. Banking institutions employ CRM as a means of luring, retaining, and ultimately collaborating with their customers. Because maintaining a relationship with consumers is crucial to the success of these two firms in the banking and protection sectors, CRM in both sectors entails assessing the clients' shifting demands and offering services to satisfy them. CRM must be given more importance if the banking sector wants to keep its market share and promote growth. Banks are battling with one another or with one another for sustaining the endurance of the competition as a result of growing competition, a reduced part of the market, liberations, and more intelligent and demanding clients.

Customer relationship management (CRM) activities involve the wise collection, management and use of information backed by innovative solutions to develop lasting customer relationships and great customer experiences. (CX). When properly analyzed, the data collected at all customer touchpoints can help businesses create their own marketing strategies, create new concepts, identify ideal products and services, and ultimately win customers. helps. The increasing amount, velocity, and variety of information in the computing age

has necessitated new frameworks of innovation, including the extension of artificial intelligence (simulated intelligence) techniques. The ability of a system to accurately analyze vast amounts of data, learn from it, and use what it learns to accomplish specific tasks or goals is called computational intelligence. Improvements made to the simulated intelligence contract currently required to survive in the CRM environment will support both companies building CRM frameworks and those using CRM. In fact, without advances in artificial intelligence, it would be very difficult to implement new CRM features such as character knowledge management, site conversion, visiting bot management, auto-publishing, and deep innovations in image and face recognition.

The academic community has also confirmed that artificial intelligence, which is strongly relevant for use in the enterprise space, is the next step towards better customer relationship management on its own. Artificial intelligence (AI) plays a key role in CRM by enabling businesses to more easily capture and research customer information, improving their ability to anticipate, plan, and capitalize on upcoming opportunities. AI plays a key role in CRM because CRM is "the result of the continuous development and integration of marketing concepts and recently available information, innovation, and hierarchical structures." Despite the fact that the use of simulated intelligence in managed environments is becoming more and more inevitable, management scientists have paid little attention to artificial intelligence over the past two decades. His two main areas in which the description of artificial intelligence has progressed are software development and activity research, where researchers have mainly studied practical tasks that machines can perform, and associative studies, which examine administrative tasks reserved for humans. and management studies. Recent advances in awareness of artificial intelligence and its potential impact on his CRM have greatly

increased its understanding, resulting in a highly politicized and fragmented body of knowledge on the subject. Was born. This is also because there are different definitions of CRM, each looking at his CRM from a different perspective as a process, interaction, or data frame. These divergent points of view affect many different informative fields, such as business management and development science, while managing simulated intelligence CRM partnerships, resulting in the advancement of research in solitary labs with minimal cross-disciplinary interactions.

LITERATURE REVIEW

CRM, according to Parvatiyar and Sheth (2001), is centered on a supportive and helpful interaction between associations and customers as a whole. On the other hand, an amicable and cooperative connection alludes to a dependable and long-term course that benefits the two parties equally.

CRM was defined as "the general process of establishing and maintaining fruitful customer relationships by demonstrating unrivaled customer value and fulfillment" by Kotler and Armstrong in 2004. This concept seems to encompass advertising's broadly based content, where value and satisfaction are obvious.

According to Leo et al. (2005), CRM is a tool used to identify, attract, and retain profitable consumers by fostering long-lasting relationships with them. As a result of these improvements in relationship boosting theory, the term "relationship showcasing" has been replaced by "CRM."

In order to better understand how CRM affects an organization's return on investment (profit from investment) in financial services, Peppers and Rogers, 2000, conducted an investigation. They discovered that businesses with high CRM rehearsals produce more benefits than those with low CRM rehearsals.

In his postulation "The Impact of Customer Relationship Management (CRM) on the Benefit of Monetary Establishments - A Contextual investigation of Barclays Bank Restricted, Takoradi Branches," Alice Ampoful (2012) discovered that only 1% of customers from high CRM suppliers are likely going to quickly away at least one item in the following year, as opposed to others with medium 10% and low 26%. The analysis of CRM and its effects on productivity at Barclays Bank Ghana Ltd. revealed a positive correlation between CRM and benefits for the bank, as evidenced by the analysis above. The bank's staff clearly mentioned that maintaining customers was essential to the bank's success. Additionally, the bank's staff confirmed that the bank has mechanisms in place for handling consumer complaints. This result also showed how the management's objectives had led to an increase in the bank's benefit. This resulted from discussions about maintaining client relationships and meeting customer needs.

Sheshadri The goal of this study, conducted by Chatterjee et al. in 2022, is to evaluate the effects of implementing a customer relationship management (CRM) framework with artificial intelligence for managing business-to-business connections. A computed model was created after considering the hypothesis and studying the writing.

The importance of artificial intelligence showcasing drives in customer-brand partnerships in the banking environment, as well as their effects on brand inclination, brand insight, and the likelihood of repeat purchases, are some of the conclusions reached by Cheng et al. in 2021.

Al-Omouh and others, 2021 - Businesses can use the knowledge gained from customer information analysis to enhance their B2B CRM frameworks.

Chatterjee et al. A paper on AI CRM frameworks for B2B partnerships from 2020 will help companies automate tedious operations and improve the need for

segmentation, customization, and collected customer data. CRM artificial intelligence frameworks can ultimately impact how your business functions.

Companies, when adopting his CRM with artificial intelligence for B2B relationship management, should emphasize how they can leverage the resources at their disposal, especially the many types of customer data.

According to Kristaung et al. This review highlights a number of developments in customer relationship management. (2019). We used the base state model. CRM customization fosters trust and is therefore an important administrative necessity, just as every company must implement the system according to their needs.

Fatimir. 2019 - This study shows how artificial intelligence enhances, rather than replaces, human connections in trading. Here's an example of how future salespeople can use artificial intelligence to improve their current methods and skills.

AI'S EFFECT ON MANAGING CUSTOMER RELATIONSHIPS

This can be very beneficial if companies understand artificial intelligence and the benefits it brings to their overall market strategy. Artificial intelligence is already transforming industries like finance, commerce, technology and operations, but that's just the tip of the iceberg. In particular, the potential impact of artificial intelligence (computer-generated intelligence) on business models, customer management, trading capabilities, and consumer behavior has created the prospect of CRM. Research shows that artificial intelligence is a useful tool that can improve advertiser profitability and efficiency through predictive analytics, automated email communications, driver research, customer data, and transformed consumer experiences. Suggested. According to Syam and Sharma (2018), artificial intelligence (AI) and simulated intelligence (SI) technologies will give advertising a

quantifiable power, significantly increasing the viability of professions such as show business. . By objectively describing the market, segmenting the market, determining demand, and building more accurate business expectations, the included artificial intelligence enables continuous CRM engagement and, above all, Helps develop appropriate dialogue for As a result, we are able to successfully complete the conversation and identify the exact arrangements, goods or controls the buyer desires.

The most common usage of artificial intelligence in marketing and business today involves instruments that are also machines. organizations that develop numerical models for the management of the information section and offer unambiguous evaluation for sound direction (information in light of information from the past) or prophetic evaluation (information in light of information from the future). As a result, AI will be a key focus of our entire investigation. AI is a notable potential innovation that might increase the proficiency and efficiency of the marketing division through roles like computerized correspondence, hypothesis investigation, consumer information, investigation focuses, and other comparable ones.

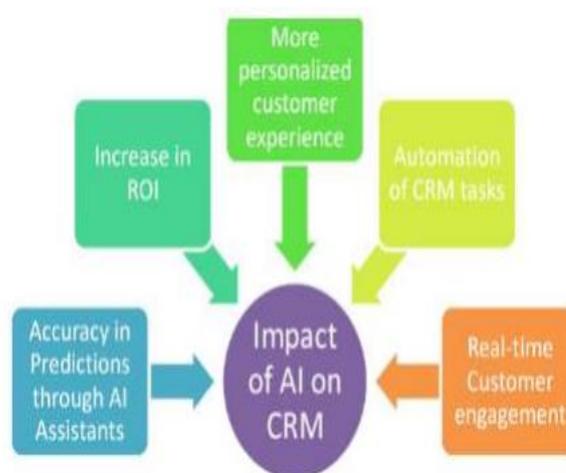


Figure 1: Impact of AI on CRM

RESEARCH METHODOLOGY

The main purpose of this review is to determine whether computerized banking services such as those provided by traditional bank banking applications actually create a positive customer experience, and to determine what customer opinions of neobanks are, and the ability to match excellent customer service. An online-only banking experience promised with virtual specialists and calculations. A validation process was implemented to ensure that the most relevant data was collected.

A. Primary Study Strategy

Given that it depicts the situation as it stands at the time of writing, an illuminating focus was the best choice for this evaluation. Online research propose employing a subjective methodology, which enables the derivation of population characteristics or correlations. Given that Neobanks and Artificial Intelligence are cutting-edge concepts that aren't frequently thought about, especially in light of the experience customers have had in the banking business, the use of a web-based review allowed for the collection of subjective information, which was most appropriate.

The key advantage of employing reviews is that they allow for more expansive goals because they can reach a larger audience than meetings can. It is precisely the goal of this review to utilize an overview to quickly and efficiently discover a general pattern in people's viewpoints, experiences, and behavior across a large population. The internet-based research gives researchers more control over the evaluation process at each stage of the information gathering procedure. When organized properly, it enables the review to be visually appealing, which helps to increase the reaction rate.

Despite this, there were a few benefits to guiding this focus through an online study, as mentioned. However, it does involve a few requirements and limitations that may

affect the overall focus, and they must be taken into consideration while organizing and disseminating the overview.

The fact that web reviews are notorious for having low response rates and containing a certain level of group bias were two key conditions for inclusion. The lack of interaction between the expert and individuals who take part in the overview is another prerequisite for employing a web-based study to gather information. This could have a detrimental impact on the response rate. Denscombe (2003) added another hurdle to studying the subject, contending that well-known online evaluations don't benefit the study's target audience. This is due to the pre-programmed rejection of those who would avoid using a phone or computer or who are not skilled with computers. The fact that the information was acquired in visual form, which may have an impact on the assessment, is another restriction that applies to this particular study.

B. Data Collection

To increase the scope and ease of completion of the survey, it was conducted electronically. The So Go Study website was used to obtain information. The internet-based review allowed direct entry to the population test by disseminating the study's link via email and web-based entertainment platforms. The purpose of this study was to gather responses from participants. The exam was 15 questions. One of the questions was intended to explore the socioeconomic and age distribution of the respondents. Other studies were prepared, carefully focused on how her three key elements of the review were related to the issue. To avoid ambiguity and build consensus from review results, the majority of study closed questions were answered affirmatively. However, one question allowed respondents to express their thoughts.

Prior to publication of the abstract, it was determined that an adequate population was needed to ensure that the study reached

appropriate proportions. The target group of the study therefore consisted mainly of people over the age of 16 living in London. Cases were then randomly selected from the population to ensure that the results were largely unbiased. This example should include her 100 to her 150 respondents within about a month. The survey was distributed through an online entertainment platform to expand the reach of people and ensure a higher response rate. Additionally, following their success, members were encouraged to teach others in a variety of areas.

C. Data Analysis

The core topics for the three main review goals were arranged alphabetically. In order to complete a relevant research project, it was necessary to analyze the collected subjective data in order to provide a basic description, test preset hypotheses, and produce generalizable conclusions. The original copy's accompanying section discusses the findings of the information examination.

RESULTS AND DISCUSSION

There were 97 reactions in the exploration's 150 total examples, with a reaction rate of 64.7%. According to Goodrich (1978), the foundation for reliable results should be a reaction speed of half. As a result, the review's goals will benefit from the information gathered, the replies received, and the findings reached.

A. Customers' Experiences with Digital Banking

The survey's seven questions were created to focus on the review's primary objective, which was to examine how advanced banking is used and any issues customers may have with it. The questions were designed to gauge how clients felt about the sophisticated services their current banks offered them, particularly their banking websites and applications. To find out how much of their banking needs were met by applications or not, members were contacted. The data displayed in Figure 2

below revealed that the sample either never uses their banking application, never does, and the remaining example only occasionally uses it.

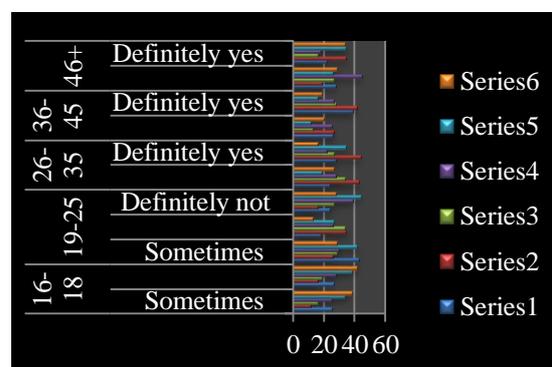


Figure 2: percentage of users who use an app to do banking, broken out by age

The additional findings in Figure 3 demonstrate that customers of all ages visited their bank offices seldom, often just once a year or less. Strangely, the findings revealed that most individuals believe their bank's website or mobile app offers the same services as its physical location.

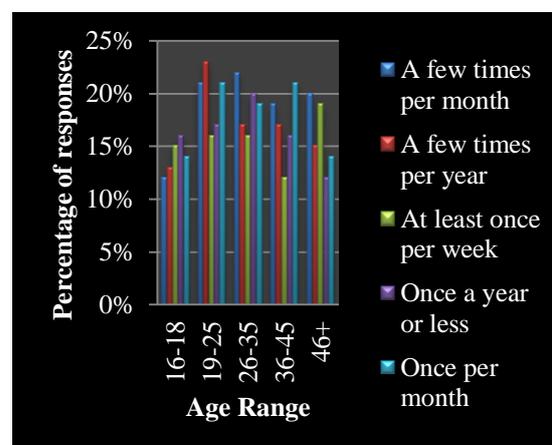


Figure 3: how frequently clients visit actual bank branches

The information gathered illustrates this. This would imply that young clients should primarily use the digital services that banks offer. In any event, Figure 4's data shows that users of all ages—rather than only young consumers as was previously thought—use the application more frequently.

B. Artificial Intelligence in Banking Technology

The next set of questions in the overview focuses on the second level of this research, the artificial intelligence component of the banking industry, specifically AI-enabled assistants (also known as visiting bots).

Twenty-six (13%) respondents named talk bots as their preferred method of interacting with their bank. (See Figure 4). When asked why they were doing this, the respondents also had the choice to answer under the heading "other (if it's not too much trouble, indicate)". Table 1 shows what they said.

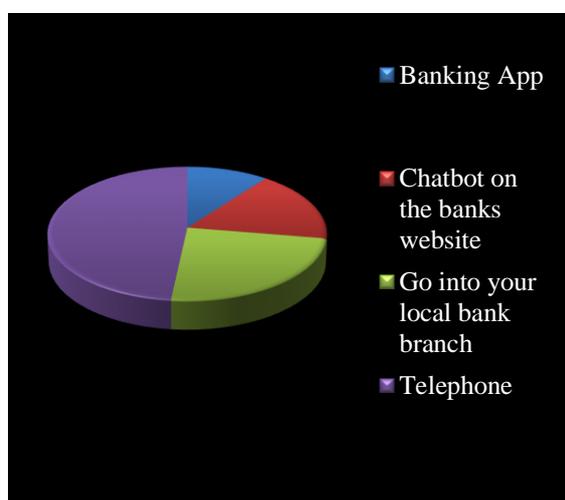


Figure 4: the preferred method of communication for consumers

These results and the writing and Salvatore et al. (2016)'s theory that expanded reality enables the buyer to continuously interact with product experts were connected, according to the data from Table 1. Ruler (2018) also confirmed that the development of artificial intelligence would enhance human learning and substitution.

Table 1: Reasons for choosing chat bots as a preferred method of contact when encountering a problem

Row labels	Count of Respondents
Equally as trustworthy as talking to a bank representative over the phone	7

Other (please specify):I get to take screen shot of conversation to refer back	2
Quicker and easier to use compared to talking to a bank representative over the phone	17
Grand Total	26

CONCLUSION

The majority of firms are changing how they operate as a result of artificial intelligence. All big firms across the globe can clearly see how simulated intelligence has an impact on everything from assembly to production networks and strategy. In order to take advantage of their critical business data and client experiences, an increasing number of firms are using artificial intelligence-driven strategies and research approaches. Despite this, it is clear that artificial intelligence is now an integral part of modern CRM systems. Following the completion of the deployment of simulated intelligence-enabled CRM, advertisers may focus considerably more on research and attempt to identify trends that help in the development of new ideas to solve less urgent consumer needs and, in the long term, stimulate reputation building and commercial success. After fully outlining everything in the exposition, we must demonstrate the data that demonstrates how CRM changes have impacted how advertisers carry out their duties.

This investigation examined the effects that Artificially Savvy-fueled innovation in the banking industry has had on customer experiences. In general, there were three objectives for this investigation. The main findings revealed that:

- Customers have drastically transformed;
- Artificial Intelligence controlled innovation isn't widely appreciated.

This concentrate's most noteworthy main tracking down cut across all

socioeconomics, with everybody going through a computerized change endeavor. Due to this, buyers now make the same assumptions that their banks need to adjust or are already changing. These presumptions have led banks to continuously promote their applications in order to provide such a good experience, effectively encouraging subbing consumers to visit their local bank branch. Customers currently direct their banking needs through their banking application as their initial and primary channel.

Aside from that, it was discovered that due to the absence of innovations such Visit bots on bank applications and websites, artificial intelligence-driven innovation in banks accurately influences consumers' insights, according to numerous research. This study suggests that using Visit bots may soon become popular and even become trustworthy. Due to the convenience and simplicity that Visit bots provide, the younger generation is using artificial intelligence (AI)-driven innovation more frequently. Most online-only customers probably use their ledger to manage their money when traveling overseas. Despite a Neobank having capabilities identical to those of a traditional bank, some consumers keep records but never use them.

FUTURE SCOPE

The current assessment has improved CRM and its implications from the standpoint of the customers, so to speak. It might also be looked at from the standpoint of the bank employees. Research work may eventually be directed toward focusing on CRM at various bank classes. Future research may examine the relationship between bank productivity and CRM implementation. The problems with CRM implementation at business banks may be prioritized sooner rather than later. Future research projects may use primary condition displaying to study the impact of CRM through middle-person factors on the various CRM

outcomes. Future research may relatively assess how CRM is applied in various industries.

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