MAR GREGORIOS COLLEGE
OF ARTS & SCIENCE

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DEPARTMENT OF

BUSINESS ADMINISTRATION

SUBJECT NAME: CUSTOMER RELATIONSHIP MANAGEMENT

SUBJECT CODE: MEM6A

SEMESTER: V

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CUSTOMER RELATIONSHIP MANAGEMENT

UNIT-I

Communication - need/ Mode of communication – barriers, channels of communication - oral - written -listening skill – Verbal skill- interpersonal communication and intra personal communication , Essentials of business letter.

UNIT -II

CRM - concept and approach - CR in competitive environment public relation and image building

UNIT –III

Banker - customer relationship -retaining and enlarging customer base - customer services - quality circle.

UNIT –IV

Nature and types of customer - complaint redressal methods Talwar and Goiporia committee report, customer service committee, customer day - Copra Forum - ombudsman.

UNIT - V

Market Segment - Customer Data Base - Market Research. Review and Evaluation of Customer Satisfaction.

Recommended Books

1. H.Peeru Mohamed & A. Sangadevan , Customers Relationship Management - A Step –by – step approach , Vikas Publishing House Private Limited , Noida .

2. Mukesh Chaturvedi Abhinav , Chaturvedi , Customers Relationship Management – An Indian Perspective , Excel Books , New Delhi

UNIT – 1

DEFINITIONS OF COMMUNICATION

Communication can be defined as the process through which two or more persons come to exchange ideas and understanding among themselves.

· *The Communication Process*
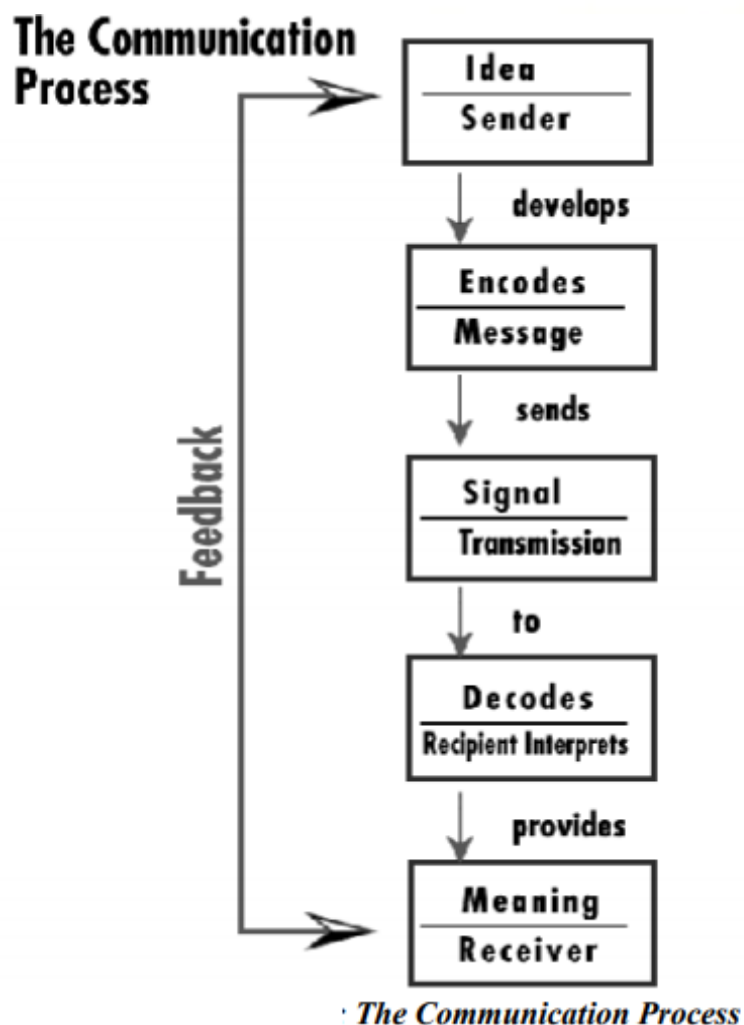
THE COMMUNICATION PROCESS

Communication is the process of passing information and understanding from one person to another. The communication process involves six basic elements: sender (encoder), message, channel, receiver (decoder), noise, and feedback. Supervisors can improve communication skills by becoming aware of these elements and how they contribute to successful communication. Communication can break down at any one of these elements. Out of the various models of Communication which have been discussed in the previous pages, the Interactive Model of

communication is one of the most used, discussed and implemented model of Communication. The model of the Communication Process is depicted as follows:

Sender Encodes The sender initiates the communication process. When the sender has decided on a meaning, he or she encodes a message, and selects a channel for transmitting the message to a receiver. To encode is to put a message into words or images. The message is the information that the sender wants to transmit. The medium is the means of communication, such as print, mass, electrical, and digital. As a sender, the supervisor should define the purpose of the message, construct each message with the receiver in mind, select the best medium, time each transmission thoughtfully, and seek feedback.

Nonverbal Communication Nonverbal messages include images, actions and behaviors used to communicate. Images include photographs, film, charts, tables, graphs, and video. Nonverbal behaviors include actions, body language, and active listening. Actions and body language include eye contact, gestures, facial expressions, posture, and appearance. The effective communicator maintains eye contact for four to five seconds before looking away. Gestures should be natural and well timed. Grooming and dress should be appropriate for the situation. Listening requires good eye contact, alert body posture, and the frequent use of verbal encouragement. The channel is the path a message follows from the sender to the receiver. Supervisors use downward channels to send messages to employees. Employees use upward channels to send messages to supervisors. Horizontal channels are used when communicating across departmental lines, with suppliers, or with customers. An informal channel is the grapevine. It exists outside the formal channels and is used by people to transmit casual, personal, and social interchanges at work. The grapevine consists of rumors, gossip, and truthful information. The supervisor should pay attention to the grapevine, but should not depend on it for accurate information.

Receiver Decodes Information technology is revolutionizing the way organizational members communicate. Network systems, electronic links among an organization's computer hardware and software, enable members to communicate instantaneously, to retrieve and share information from anyplace, at anytime. The receiver is the person or group for whom the communication effort is intended. Noise is anything that interferes with the communication. Feedback ensures that mutual understanding has taken place in a communication. It is the transfer of information from the receiver back to the sender. The receiver decodes or makes out the meaning of the message. Thus, in the feedback loop, the receiver becomes the sender and the sender becomes the receiver. The receiver, as well as the sender are influenced by non verbal factors such as touch, taste and smell. All these factors demand interpretation, according to individual experiences.

FUNCTIONS OF COMMUNICATION

Communication has been considered to be the bottleneck of Management, where any management function is just not possible to take place without making use of Communication.

Communication serves four major functions in an organisation, these are Control, Motivation, Emotional Expression and Information. Other than these Communication can also be said to fulfill the following functions in an organisation. - Instructive Function - Influence Function - Integration Function

IMPORTANCE OF COMMUNICATION

Good communication has many advantages for a business: strong communication:

• Motivates employees – helps them feel part of the business (see below)

• Easier to control and coordinate business activity – prevents different parts of the business going in opposite directions

• Makes successful decision making easier for managers– decisions are based on more complete and accurate information

• Better communication with customers will increase sales

• Improve relationships with suppliers and possibly lead to more reliable delivery Improves chances of obtaining finance – e.g. keeping the bank up-to-date about how the business is doing

Communication is to an organisation what the nervous system is to the human body. Effective Communication will lead to the smooth working of any organisation. The following points illustrate the importance of Communication in Business - Smooth Working of a Business Firm - Basis of Managerial Function - Maximum Production and Minimum Cost - Prompt Decision and its Implementation - Building Human Relations - Job Satisfaction and Good Morale - Avoids Illusion - Contacts with external Parties.

TYPES OF COMMUNICATION

Communication is key to any business success! Unless potential clients and customers are aware of your business, they will not have the information to contact you or to purchase your products. When they are aware of your business, they must be able to contact it easily. Two types of communication are essential - external and internal. - External communication reaches out to the customer to make them aware of your product or service and to give them a reason to buy. This type of communication includes your brochures, various forms of advertising, contact letters, telephone calls, web sites and anything else that makes the public aware of what you do. Image is extremely important in external communication! Your logo should represent who you are; your letterhead should be a selling tool; your telephone message should reflect your

professionalism. External Communication comprises of Formal contacts with outsiders as well as some informal contacts with outsiders. –

Internal communication is essential to attracting and retaining a talented staff. You must provide the direction for the company by consistently communicating that message; you must motivate your staff through various forms of communication, which can include awards, newsletters, meetings, telephone calls and formal and informal discussions.

The internal communication is further subdivided into two parts, Formal Communication channel and Informal

Communication Channel. The formal communication network is the official structure of an organisation, which is typically shown as an organisation chart. Information may travel up or down, up or across an organisation hierarchy. But, when managers depend too heavily on formal channels for communicating, they risk encountering _distortion' or misunderstanding. The Informal Communication network in an organisation is basically the grapevine in the organisation. As people go about their work, they have casual conversations with their friends in the office. And this comprises the informal communication channels. Sometimes these informal channels are more strong and effective than the formal communication networks. They also turn out to be speedier than many formal channels of communication. Effective communication requires tools and planning. In this session, we will discuss those tools, as well as planning guidelines, to facilitate that key element of your business - communication.
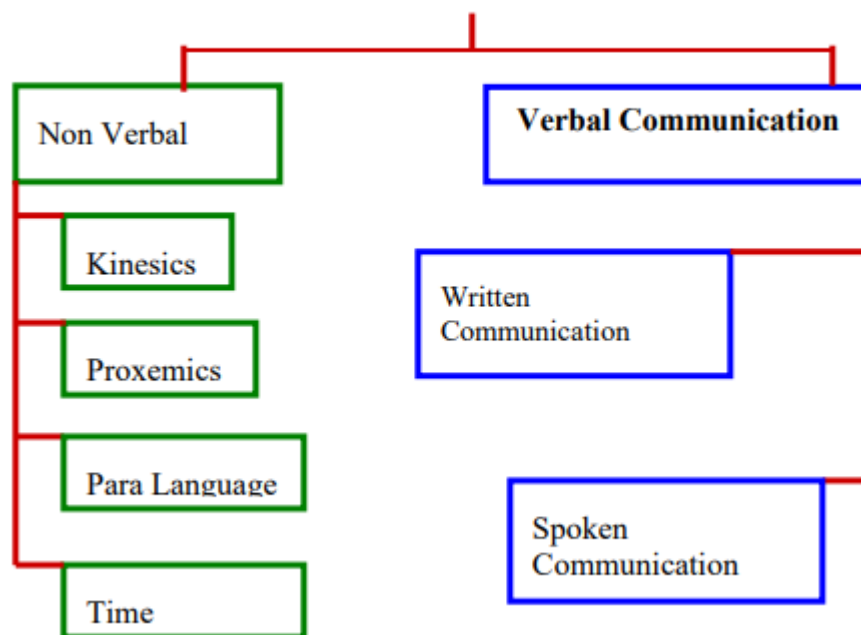
Communication can broadly be divided into two parts, Non Verbal Communication and Verbal Communication.

Listening

Listening is the process of making sense out of what we hear. Listening is an active process of receiving, processing, and interpreting the hearing stimuli‖. The International Listening Association defines ―Listening as the process of receiving, constructing meaning from, and responding to spoken and/or nonverbal messages.

Listening can also be defined as ―Receiving message in a thoughtful manner and understanding meaning in the message.

KIND OF LISTENER

Active listener – The listener participates fully in the communication process. You listen attentively, provide feedback, and strive to understand and remember messages.

Passive listener – The listener does not actively participate in interactions. They think they can absorb information even when they do not contribute to the interaction. They place the responsibility for successful communication on the speaker.

Impatient listener – Short bursts of active listening are interrupted by noise and other distractions. They intend to pay attention, but allow their minds to wander.

LISTENING PROCESS
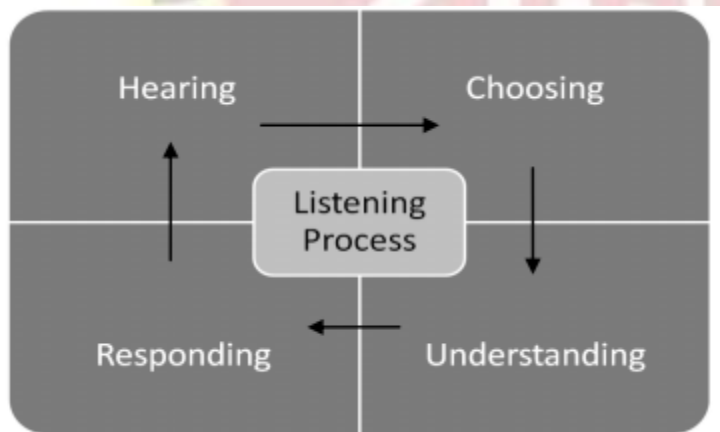
Hearing - It refers to the response caused by sound waves stimulating the sensory receptors of the ear; it is physical response; hearing is perception of sound waves; you must hear to listen, but you need not listen to hear (perception necessary for listening depends on attention). Choosing - Brain screens stimuli and permits only a select few to come into focus- these selective perception is known as attention, an important requirement for effective listening; strong stimuli like bright lights, sudden noise…are

attention getters; attention to more commonplace or less striking stimuli requires special effort. **Understanding**- To understand symbols we have seen and heard, we must analyze the meaning

of the stimuli we have perceived; symbolic stimuli are not only words but also sounds like applause… and sights like blue uniform…that have symbolic meanings as well; the meanings attached to these symbols are a function of our past associations and of the context in which the symbols occur; for successful interpersonal communication, the listener must understand the intended meaning and the context assumed by the sender. Responding - This stage requires that the receiver complete the process through verbal and/or nonverbal feedback; because the speaker has no other way to determine if a message has been received, this stage becomes the only overt means by which the sender may determine the degree of success in transmitting the message.

INFORMATIVE LISTENING

Informative listening is a type of listening where the listener's primary concern is to understand the message. Listeners are successful insofar as the meaning they assign to messages is as close as possible to that which the sender intended. Informative listening, or listening to understand, is found in all areas of our lives. Much of our learning comes from informative listening. For example, we listen to lectures or instructions from teachers—and what we learn depends on how well we listen. In the workplace, we listen to; understand new practices or procedures—and how well we perform depends on how well we listen. We listen to instructions, briefings, reports, and speeches; if we listen poorly, we aren't equipped with the information

There are three key variables related to informative listening. Knowing these variables can help you begin to improve your informative listening skills; that is, you will become increasingly successful in understanding what the speaker means.

1. Vocabulary: The precise relationship between vocabulary and listening has never been determined, but it is clear that increasing your vocabulary will increase your potential for better understanding. And it's never too late to improve your vocabulary. Having a genuine interest in words and language, making a conscious effort to learn new words, breaking down unfamiliar words into their component parts—all these things will help you improve your vocabulary. Another good way to improve your vocabulary is to be sensitive to the context in which words are used. Sometimes, unfamiliar words appear with synonyms: Her attractive, winsome personality won us over. At other times, a contrast is drawn: He is usually quite energetic, but today he seemed lethargic. Occasionally, an unfamiliar word is used to summarize a situation or quality: He passed for over 200 yards, ran for 50 more, and his three punts averaged over 45 yards; he turned in a stellar performance. Look for these and other contextual clues to help you learn new words and improve your vocabulary.

2. Concentration: Concentration is difficult. You can remember times when another person was not concentrating on what you were saying—and you probably can remember times when you were not concentrating on something that someone was saying to you. Some years ago my friend, Monica, interrupted my reading of the newspaper to ask, ―Is it OK if I take your car over to my aunt's house to spend the night? I'll be home before you go to work in the morning.‖ Without concentrating on what she was asking, I said, ―Sure, go ahead.‖ Several minutes later, I

realized what she had said. She was not coming home that night, and I had to leave the house earlier than usual the next morning. I had to drive from North Campus to Gurgaon, where I was to give a speech—and all my notes and visual aids were in my automobile. Fortunately for me, Monica had left the telephone number of her aunt, and I was able to retrieve my automobile. There are many reasons people don't concentrate when listening. Sometimes listeners try to divide their attention between two competing stimuli. At other times, listeners are preoccupied with something other than the speaker of the moment. Sometimes listeners are too ego-involved, or too concerned with their own needs to concentrate on the message being delivered. Or perhaps they lack curiosity, energy, or interest. Many people simply have not learned to concentrate while listening. Others just refuse to discipline themselves, lacking the motivation to accept responsibility for good listening. Concentration requires discipline, motivation, and acceptance of responsibility.

3. Memory. Memory is an especially crucial variable to informative listening; you cannot process information without bringing memory into play. More specifically, memory helps your informative listening in three ways. a. It allows you to recall experiences and information necessary to function in the world around you. In other words, without memory you would have no knowledge bank. b. It establishes expectations concerning what you will encounter. You would be unable to drive in heavy traffic, react to new situations, or make common decisions in life without memory of your past experiences. c. It allows you to understand what others say. Without simple memory of the meaning of words, you could not communicate with anyone else. Without memory of concepts and ideas, you could not understand the meaning of messages.

RELATIONSHIP LISTENING

The purpose of relationship listening is either to help an individual or to improve the relationship between people. Counselors, medical personnel, or other professionals allow a troubled person to talk through a problem. But it can also be used when you listen to friends or acquaintances and allow them to ―get things off their chests.‖ Although relationship listening requires you to listen for information, the emphasis is on understanding the other person. Three behaviors are key to effective relationship listening: attending, supporting, and empathizing.

1. Attending. Much has been said about the importance of ―paying attention,‖ or ―attending‖ behavior. In relationship listening, attending behaviors indicate that the listener is focusing on the speaker. Nonverbal cues are crucial in relationship listening; that is, your nonverbal behavior indicates that you are attending to the speaker— or that you aren't! Eye contact is one of the most important attending behaviors. Looking appropriately and comfortably at the speaker sends a message that is different from that sent by a frequent shift of gaze, staring, or looking around the room. Body positioning communicates acceptance or lack of it. Leaning forward, toward the speaker, demonstrates interest; leaning away communicates lack of interest. Head nods, smiles, frowns, and vocalized cues such as ―uh huh,‖ ―I see,‖ or ―yes‖—all are positive attending behaviors. A pleasant tone of voice, gentle

touching, and concern for the other person's comfort are other attending behaviors.

2. Supporting. Many responses have a negative or no supportive effect; for example, interrupting the speaker, changing the subject, turning the conversation toward yourself, and demonstrating a lack of concern for the other person. Giving advice, attempting to manipulate the conversation, or indicating that you consider yourself superior are other behaviors that will have an adverse effect on the relationship. Sometimes the best response is silence. The speaker may need a —sounding board,‖ not a —resounding board.‖ Wise relationship listeners know when to talk and when to just listen—and they generally listen more than they talk.

Three characteristics describe supportive listeners:

 (1) discretion—being careful about what they say and do;

 (2) belief—expressing confidence in the ability of the other person; and

(3) patience—being willing to give others the time they need to express themselves adequately.

3. Empathizing. which is a feeling for or about another. Nor is it apathy, which is a lack of feeling. Empathy is feeling and thinking with another person. The caring, empathic listener is able to go into the world of another—to see as the other sees, hear as the other hears, and feel as the other feels. Obviously, the person who has had more experience and lived longer stands a better chance of being an effective empathic listener. The person who has never been divorced, lost a child to death, been bankrupt, or lost a job may have a more difficult time relating to people with these problems than one who has experienced such things. Risk is involved with being an empathic relationship listener. You cannot be an effective empathic listener without becoming involved, which sometimes means learning more than you really want to know. But commanders can't command effectively, bosses can't supervise skillfully, and individuals can't relate interpersonally without empathy. Abraham Lincoln is reported to have said, —I feel sorry for the man who cannot feel the stripes upon the back of another.‖ Truly, those who cannot feel with another person are at a disadvantage in understanding that person. Empathic behavior can be learned. First, you must learn as much as you can about the other person. Second, you must accept the other person—even if you can't accept some aspects of that person's behavior. Third, you must have the desire to be an empathic listener. And you must remember that empathy is crucial to effective relationship listening.

APPRECIATIVE LISTENING

Appreciative listening includes listening to music for enjoyment, to speakers because you like their style, to your choices in theater, television, radio, or film. It is the response of the listener, not the source of the message that defines appreciative listening. For example, hard rock music is

not a source of appreciative listening for me. I would rather listen to gospel, country, jazz, or the —golden oldies.‖ The quality of appreciative listening depends in large part on three factors: presentation, perception, and previous experience. 1. Presentation Presentation encompasses many factors: the medium, the setting, the style and personality of the presenter, to name just a few. Sometimes it is our perception of the presentation, rather than the actual presentation, that most influences our listening pleasure or displeasure. Perception is an important factor in appreciative listening. For Example - I enjoy hearing good speakers, speakers whom I admire, and speakers who have expertise like Barkha Datt for NDTV. 2. Perception For years, I did not care to listen to jazz music. I had always believed that people like me wouldn‘t like jazz. Then I started to work for a new boss—a training manager who enjoyed jazz. I admired her very much. My mind was now open to listen to jazz. My perception was changing, and I began to enjoy jazz music. Perceptions influence all areas of our lives. Certainly, they are crucial determinants as to whether or not we enjoy or appreciate the things we listen to. Obviously, perceptions also determine what we listen to in the first place. As we said earlier, listening is selective. 3. Previous experience. The discussion of perception makes it clear that previous experience influences whether we enjoy listening to something. In some cases, we enjoy listening to things because we are experts in the area. Sometimes, however, expertise or previous experience prevents us from enjoying a presentation because we are too sensitive to imperfections. Previous experience plays a large role in appreciative listening. Many people enjoy the sounds of large-city traffic. Perhaps their growing up in a large city was a happy experience for them. The blare of horns honking, the sound of roaring engines accelerating, even the shrill shriek of sirens piercing the air—all these things may remind them of pleasant times in their lives. They appreciate hearing these sounds. Others, having grown up on a farm or in a small town, have learned to enjoy the sounds of nature. For them, a walk in the country produces sounds of enjoyment: the rustle of leaves in the breeze.

CRITICAL LISTENING

On the job, in the community, at service clubs, in places of worship, in the family—there is practically no place you can go where critical listening is unimportant. Politicians, the media, salesmen, advocates of policies and procedures, and our own financial, emotional, intellectual, physical, and spiritual

needs require us to place a premium on critical listening and the thinking that accompanies it. But there are three things to keep in mind: ethos, or speaker credibility; logos, or logical arguments; and pathos, or psychological appeals. 1. Ethos. When listening to a message that requires a critical judgment or response, ask yourself, —Is the speaker a credible source, one who is both an expert on the subject and one who can be trusted to be honest, unbiased, and straightforward?‖ Remember that a person may have personality or charisma. But these do not take the place of credibility. A person may even be highly competent and an expert in one area and simply not be informed in another. 2. Logos. Even speakers with high ethos often make errors in logic, not by intention, but by accident, carelessness, inattention to detail, or lack of

analysis. When evaluating arguments, listeners should ask several questions about the proposition or statements made: a. Are the statements true? b. Are the data the best that can be obtained? c. Are the sources of the data known to the listeners? In other words do listeners know where the information came from? d. Is the data accurately portrayed? e. Is the data representative? 3. Pathos The psychological or emotional element of communication is often misunderstood and misused. There are several questions critical listeners should ask themselves when assessing the pathos element: a. Is the speaker attempting to manipulate rather than persuade me? b. What is the speaker's intent? 7.3.5 Discriminative Listening By being sensitive to changes in the speaker's rate, volume, force, pitch, and emphasis, the informative listener can detect even nuance of difference in meaning. Critical Thinking Monitor yourself over the next few hours. How much of your listening is competitive listening rather than active listening? 1. What are the four steps to effective interpersonal communications and how do you distinguish among them? 2. In what way is listening a critical communication skill? 3. What are three techniques for active listening?

LEVELS OF LISTENING A number of writers talk about different levels of listening with differing numbers of levels defined and variously described. Here I have described 3 levels of listening which are useful to consider in the context of coaching.

LEVEL 1 OR „INTERNAL LISTENING" Here as the listener your focus in on yourself and your own thoughts rather than the speaker. As the speaker is talking you interpret what you hear in terms of what it means to you. This is normal everyday conversation where it is natural as the listener to gather information to help you form opinions and make decisions. Generally, as a good coach you will not be listening at this level, after all a coaching session isn't about you, it is about your client and their needs. However, there are times when it may be appropriate for example when you want to establish from your client a convenient time for their next coaching session. In this instance you need to take into account your own availability and make a judgment in order to agree a mutually convenient time.

LEVEL 2 OR „LISTENING TO UNDERSTAND" As a listener operating at level 2 you are focusing totally on the speaker, listening to their words, tone of voice and body language and are not distracted by your own thoughts and feelings. As a good coach you will be using this level of listening in your coaching sessions where the purpose of gathering information is solely for the benefit of your client rather than you. By listening at level 2 you can get a real understanding of where the coachee is _coming from', the client will feel understood and the coach's own thoughts will not influence the coaching session.

LEVEL 3 OR „GLOBAL LISTENING" This involves the listener focusing on the speaker and picking up more than what is being said. When coaching, you will be listening to everything available using intuition, picking up emotion and sensing signals from your coacher's body language. You can gauge the energy of your coacher and their emotions as well as picking up what they are not saying. You will understand what they are thinking and feeling and trusting

your own senses can be extremely responsive to the needs of your coacher, knowing what question to ask next

KEYS TO EFFECTIVE LISTENING Listening is a much neglected communication skill. Many students feel that because they can hear, they are listening. Allowing words to pour into your ear is not listening. Yet, listening is the most used method of learning. To help you become a better listener, you should consider a set of rules called LISAN. The letters of this mnemonic devise stand for the key words in five rules for effective listening: • Lead, don't follow--anticipate what's going to be said • Ideas--find them • Signals--watch for them • Active, not passive involvement

• Notes--take them, organize them

Common Barriers to Effective Communication:

- The use of jargon. Over-complicated, unfamiliar and/or technical terms.
- Emotional barriers and taboos. Some people may find it difficult to express their emotions and some topics may be completely 'off-limits' or taboo. Taboo or difficult topics may include, but are not limited to, politics, religion, disabilities (mental and physical), sexuality and sex, racism and any opinion that may be seen as unpopular.
- Lack of attention, interest, distractions, or irrelevance to the receiver. (See our page Barriers to Effective Listening for more information).
- Differences in perception and viewpoint.
- Physical disabilities such as hearing problems or speech difficulties.
- Physical barriers to non-verbal communication. Not being able to see the non-verbal cues, gestures, posture and general body language can make communication less effective. Phone calls, text messages and other communication methods that rely on technology are often less effective than face-to-face communication.
- Language differences and the difficulty in understanding unfamiliar accents.
- Expectations and prejudices which may lead to false assumptions or stereotyping. People often hear what they expect to hear rather than what is actually said and jump to incorrect conclusions. Our page The Ladder of Inference explains this in more detail.
- Cultural differences. The norms of social interaction vary greatly in different cultures, as do the way in which emotions are expressed. For example, the concept of personal space varies between cultures and between different social settings. See our page on Intercultural Awareness for more information.

A skilled communicator must be aware of these barriers and try to reduce their impact by continually checking understanding and by offering appropriate feedback.

Language Barriers

Language and linguistic ability may act as a barrier to communication.

Psychological Barriers

The psychological state of the communicators will influence how the message is sent, received and perceived.

Physiological Barriers

Physiological barriers to communication may result from the receiver's physical state.

Physical Barriers

An example of a physical barrier to communication is geographic distance between the sender and receiver(s).

Communication is generally easier over shorter distances as more communication channels are available and less technology is required. The ideal communication is face-to-face.

Although modern technology often helps to reduce the impact of physical barriers, the advantages and disadvantages of each communication channel should be understood so that an appropriate channel can be used to overcome the physical barriers.

Systematic Barriers

Systematic barriers to communication may exist in structures and organisations where there are inefficient or inappropriate information systems and communication channels, or where there is a lack of understanding of the roles and responsibilities for communication. In such organisations, people may be unclear of their role in the communication process and therefore not know what is expected of them.

Attitudinal Barriers

Attitudinal barriers are behaviours or perceptions that prevent people from communicating effectively.

Attitudinal barriers to communication may result from personality conflicts, poor management, resistance to change or a lack of motivation. To be an effective receiver of messages you should attempt to overcome your own attitudinal barriers to to help ensure more effective communication.

To improve your overall communication skills you need to be aware of, and attempt to minimise, any barriers to communication that are present.

By developing your emotional intelligence you will become more aware of how to communicate with others in the most appropriate and effective ways.

Interpersonal and Intra Personal Communication

Intrapersonal Communication

The communication with oneself is intrapersonal communication. It involves thinking, analysing, interpreting, assessing, contemplating, feeling, etc. It is to reflect the individual self, with a view to clarifying something.

It is an activity that takes place in our mind; wherein a person is involved in a conversation with himself/herself, commonly known as 'self-talk' or 'inner speech'. The activity can be a monologue or internal dialogue, i.e. when you imagine a conversation, in your mind with the absent other. So, it is quite obvious that the sender and receiver are the same person.

Internal discourse, Solo-vocal communication and Solo written communication are the three levels of intrapersonal communication. The three aspects that govern the intrapersonal communication are:

- **Self-Concept**: Self-concept ascertains the way an individual takes himself/herself, oriented towards others. The three factors in self-concept are:
  - Belief
  - Value
  - Attitude
- **Perception**: It is what the mind receives and grasp from the outside world.
- **Expectation**: An individual's future-oriented projection, that something might happen.

Interpersonal Communication

Interpersonal Communication is the one to one communication between two or more persons, wherein exchange of ideas, information or messages takes place through a channel. It can be a face to face communication between parties, communication over mail, telephone and the like.

In Interpersonal Communication, the way something is said is as important as what is being said. So, here, the tone of voice, body language, gestures, facial expressions, have a great impact on the recipient. The features of interpersonal communication are as under:

- **Inescapable**: Whenever we try not to say anything to anyone at all, it says something about our mood, attitude or nature, i.e. not by words but through the non-verbal signals.
- **Irreversible** or **Unrepeatable**: Once something is being said, it cannot be taken back, so neither it is reversible nor repeatable.

- **Complex**: Due to some variables involved in communication, it is a complex process. The words used in the process of communication may not have the same meaning for both sender and receiver, and this complicates the process.
- **Contextual**: Context plays a significant role in the communication process, as in there is psychological, environmental, situational and relational context.

Differences

1. The communication that we have with ourselves, i.e. the communication that occurs in our mind, is known as intrapersonal communication. The communication between two or more person, through verbal or non-verbal messages, is called interpersonal communication.
2. The intrapersonal communication is the communication with oneself, and so only one person is involved in it. On the contrary, interpersonal communication is always between two or more persons.
3. Intrapersonal communication occurs continuously because it is the human tendency to think, analyse and interpret things. Conversely, Interpersonal Communication occurs regularly on a personal and professional level.
4. In intrapersonal communication, only an individual's internal senses are involved. As against this, interpersonal communication requires media, i.e. to pass on the message to the other party.
5. In intrapersonal communication, is based on the thinking and analysis while interpersonal communication is concerned with the exchange of ideas, information, opinions, feelings and so on.

Essential Qualities of Business Letter

A person should always maintain the quality of the business letter. The qualities of a business letter make it presentable. It becomes easy for a person or an organization to imprint an impression onto the others. The qualities of a business letter can be classified as

- Inner Quality

- Outer Quality

Let us discuss each of them in detail.

I. Inner Quality

It refers to the quality of language used and the presentation of a business letter. They are

1. Clear

The language used in the business letter must be clear. It helps the receiver to understand the message immediately, easily, and clearly. Any ambiguity will lead to the misinterpretation of the message stated.

2. Simple

The language used in the business letter must be simple and easy. One must not write a business letter in difficult and fancy words.

3. Concise

The message written in the letter must be concise and to the point.

4. Concrete

The message is written must be concrete and specific. By using concrete language, a reader will have a clear picture of the message.

5. Accuracy

One must always check for the accuracy of the business letter. Accuracy generally means no error in grammar, spelling, punctuations etc. Correct personnel should be targeted for communication.

6. Coherent

The language used in the business letter must be coherent. The message must be in a logical way for the clear understanding of the message. The flow of the message must be consistent.

7. Complete

One must write a complete message. It helps the reader to know about the issue and the solution to be taken. It should provide all the necessary information. One must also keep in mind that the message should be concise and short along with the complete details.

8. Relevance

The letter should only contain important information. Irrelevant information should not be included and avoided in any business communication.

9. Courteous

The language used in the business letter must be courteous. A writer must always use open, friendly, and honest wording in his letter. It does not mean that one must use slang and abusive words. One must always add the words like please, thank you etc.

10. Neatness

A business letter must be neatly typed or handwritten. Proper spacing, indention, and use of paragraph should be used.

II. Outer Quality

The outer quality of a business letter means the quality of its outer appearance. The outer look of the letter must be catchy and impressive. Some of the outer qualities are

1. Size of the Paper

The standard size of paper should be used. An A4 paper is the most used paper for writing a business letter.

2. Quality of the Paper

The quality of the paper used must be good. It is not always possible for a firm to use the costly paper. One must use good quality paper for original copy and ordinary copy for the duplicate copy.

3. The Color of the Paper

Sometimes it is very useful to use the different color of paper for different types of letter. The receiver can clearly understand the intention and the purpose of the letter by its color.

4. Folding of Letter

One must fold the letter properly and uniformly. The folding must be done to fit the letter in the envelope. It is noticeable that one must not over fold the letter. It will have a bad impression on the reader's mind.

5. Envelope

The envelope used must be of good quality. Special attention must be given to the size of the envelope for fitting the letter.

Business Letter Definition

A letter written for business purpose is a business letter. Inquiry letter, offer letter, order letter, cover letter, notices, termination of employment are some of the business letters. Suppose a person wants to write any of these business letters.

There is a pre-specified format for writing a business letter. There are some parts of a business letter and rules associated with them. Let us start to know how to write a business letter by knowing the parts of a business letter.

Parts of Business Letter

A business letter will be more impressive if proper attention is given to each and every part of the business letter.

There are 12 Parts of Business Letter

- The Heading or Letterhead

- Date

- Reference

- The Inside Address

- Subject

- Greeting

- Body Paragraphs

- Complimentary Close

- Signature and Writer's Identification

- Enclosures

- Copy Circulation

- PostScript

1. The Heading or Letterhead

It usually contains the name and the address of the business or an organization. It can also have an email address, contact number, fax number, trademark or logo of the business.

2. Date

We write the date on the right-hand side corner of the letter below the heading.

3. Reference

It shows the department of the organization sending the letter. The letter-number can also be used as a reference

4. The Inside Address

It includes the name, address, postal code, and job title of the recipient. It must be mentioned after the reference. One must write inside address on the left-hand side of the sheet.

5. Subject

It is a brief statement mentioning the reason for writing the letter. It should be clear, eye catchy, short, simple, and easily understandable.

6. The Greeting

It contains the words to greet the recipient. It is also known as the salutation. The type of salutation depends upon the relationship with the recipient.

It generally includes words like Dear, Respected, or just Sir/Madam. A comma (,) usually follow the salutation.

7. The Body Paragraphs

This is the main part of the letter. It contains the actual message of the sender. The main body of the mail must be clear and simple to understand. The body of the letter is basically divided into three main categories.

- **Opening Part:** The first paragraph of the mail writing must state the introduction of the writer. It also contains the previous correspondence if any.

- **Main Part:** This paragraph states the main idea or the reason for writing. It must be clear, concise, complete, and to the point.

- **Concluding Part:** It is the conclusion of the business letter. It shows the suggestions or the need of the action. The closing of the letter shows the expectation of the sender from the recipient. Always end your mail by courteous words like thanking you, warm regards, look forward to hearing from your side etc.

8. The Complimentary Close

It is a humble way of ending a letter. It is written in accordance with the salutation. The most generally used complimentary close are Yours faithfully, Yours sincerely, and Thanks & Regards.

9. Signature and Writer's Identification

It includes the signature, name, and designation of the sender. It can also include other details like contact number, address, etc. The signature is handwritten just above the name of the sender.

10. Enclosures

Enclosures show the documents attached to the letter. The documents can be anything like cheque, draft, bills, receipts, invoices, etc. It is listed one by one.

11. Copy Circulation

It is needed when the copies of the letter are sent to other persons. It is denoted as C.C.

12. PostScript

The sender can mention it when he wants to add something other than the message in the body of the letter. It is written as P.S.

UNIT - 2

Customer Relationship Management (CRM) is to create a competitive advantage by being the best at understanding, communicating, delivering, and developing existing customer relationships, in addition to creating and keeping new customers. It has emerged as one of the largest management buzzword.

Popularised by the business press and marketed by the aggressive CRM vendors as a panacea for all the ills facing the firms and managers, it means different things to different people. CRM, for some, means one to one marketing while for others a call centre. Some call database marketing as CRM. There are many others who refer to technology solutions as CRM.

Merchants and traders have been practicing customer relationship for centuries. Their business was built on trust. They could customize the products and all aspects of delivery and payment to suit the requirements of their customers. They paid personal attention to their customers, knew details regarding their customers tastes and preferences, and had a personal rapport with most of them. In many cases, the interaction transcended the commercial transaction and involved social interactions.

Even today, this kind of a relationship exists between customers and retailers, craftsmen, artisans – essentially in markets that are traditional, small and classified as pre-industries markets. These relationship oriented practices have changed due to industrial revolution.. Businesses adopted mass production, mass communication and mass distribution to achieve economics of scale. Manufactures started focusing on manufacturing and efficient operations to cut costs. Intermediaries like distributors, wholesalers and retailers took on the responsibilities of warehousing, transportation, distribution and sale to final customers.

This resulted in greater efficiencies and lower costs to manufacturers but brought in many layers between them and the customers. The resulting gap reduced direct contacts and had a negative impact on their relationships. The post-industrial era saw the re-emergence of relationship practices. (a) Rapid advances in technology, (b) Intensive competition in most markets,

Schools of Thought on CRM

The relationship marketing is supported by the growing research interest in different facets of this concept. Researchers in different countries observed this shift in marketer's orientation towards customer relationship and started exploring the phenomenon. The initial approaches to CRM can be broadly classified as: 1. The Anglo-Australia Approach, 2. The Nordic Approach, and 3. The North American Approach. The Anglo-Australian approach integrated the contemporary theories of quality management services marketing and customer relationship economics to explain the emergence of relationship marketing The Nordic approach views

relationship marketing as the confluence of interactive network theory, services marketing and customer relationship economics. The interactive network theory of industrial marketing views marketing as an interactive process in a context where relationship building is an area of primary concern for marketers.
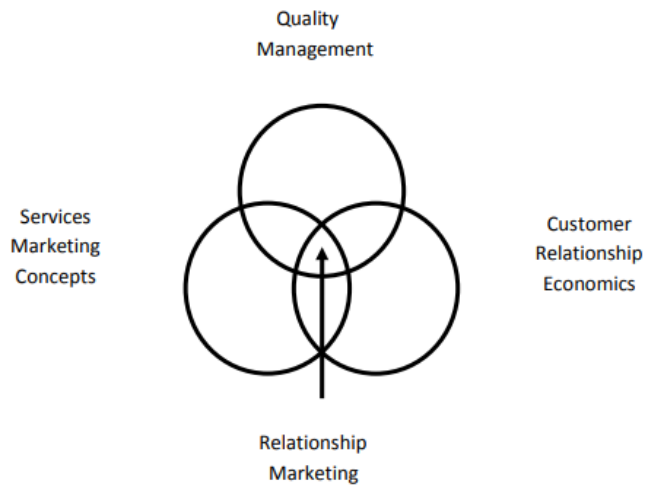

Anglo-Australian Approach of Relationship Marketing
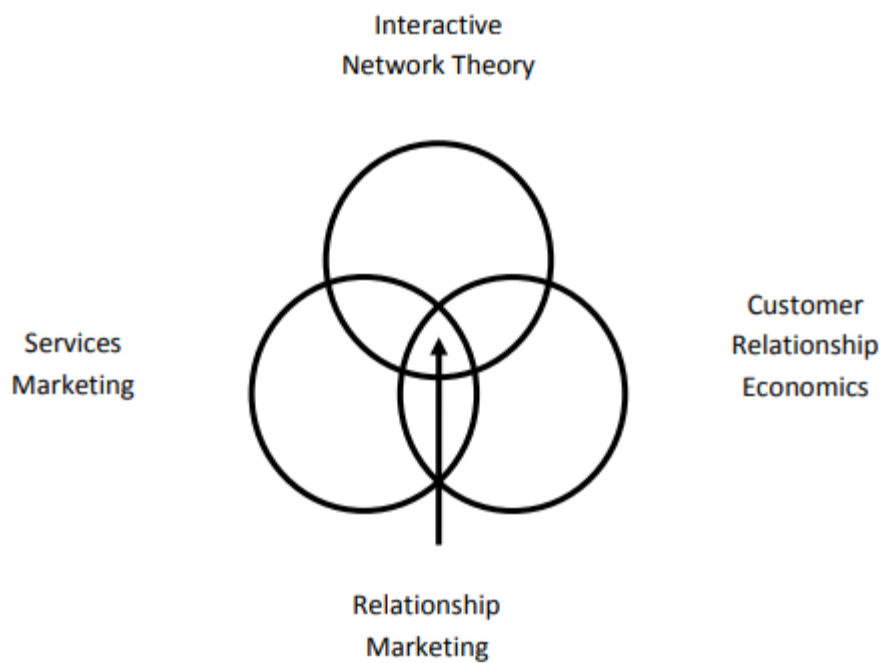
Nordic Approach to Relationship Marketing

In contrast, the initial focus of the North American scholars was on the relationship between the buyer and seller operating within the context of the organizational environment which facilitated the buyer seller relationship One of the broader approaches to CRM emerged from the research conducted by academics at the Centre for Relationship Marketing and Service Management at the Cranfield University, U.K. The broadened view of relationship marketing addresses a total of six key market domains, not just the traditional customer market.
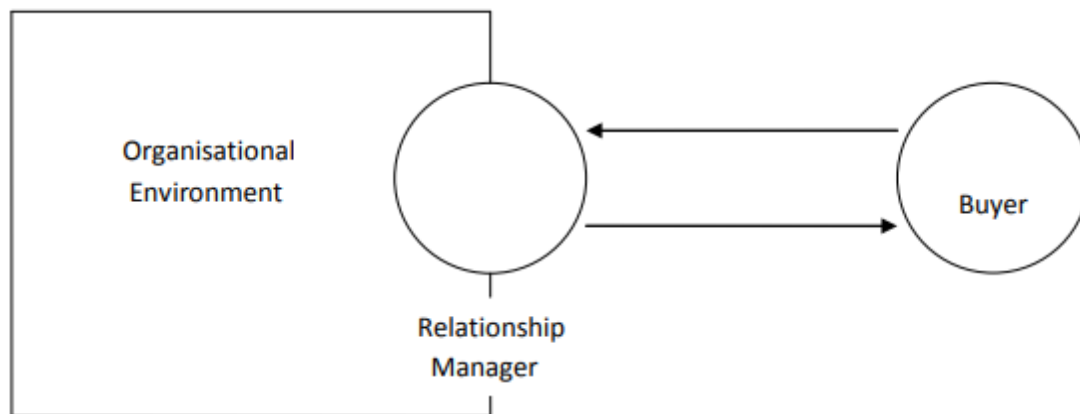
North American Approach to Relationship Marketing

It also advocated for a transition for marketing from a limited functional role to a cross-functional role and a shift towards marketing activities for customer retention in addition to the conventional customer retention in addition to the conventional customer acquisition.

The six markets are as follows

1. Customer markets – existing and prospective customers as well as intermediaries.
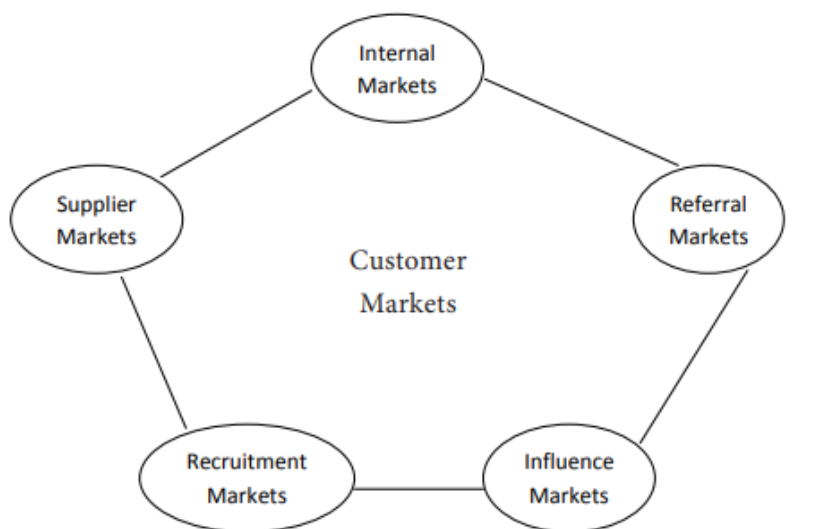
The Six Markets Framework

2. Referral markets – existing customers who recommend to other prospects, and referral sources or 'multipliers' such as doctors who refer patients to a hospital or a consultant who recommends a specific IT solution,

3. Influence markets – government, consumer groups, business press and financial analysts.

4. Recruitment markets – for attracting the right employees to the organization,

5. Supplier markets – suppliers of raw materials, components, services, etc., and

6. Internal markets - the organization including internal departments and staff.

Components of CRM

- **HRM-** Human resource management.-An effective people strategy and reducing attrition rate goes a long way in increasing the efficiency of the workforce. Proper policies in place and effective implementation are the key factors here.
- **Customer service-** This not only develops a healthy relationship with the customers, but a good servitization strategy also adds to different revenue models for the business. Along with that, the data obtained gives us an idea of customer purchase patterns, helps in inventory modeling, and eliminating supply chain bottlenecks.
- **Salesforce**- Sales forecasting, processing, and tracking potential interactions help in business development and lead generation. It gives revenue generation opportunities and helps analyze the performance of the workforce.
- **Marketing-** Promotional strategies, campaign management, and integrated media communications, including digital and offline campaigns, can all be improved and implemented well through effective usage of CRM.
- **Lead management-** This helps in keeping a track of sales leads and distribution. This provides enough forecast data for production and inventory managers along with helping distributors scale-up in eliminating logistic bottlenecks.
- **Analytics-** Corporate level decisions are made based on the data submitted by functional level and business level heads. Graphs, plots, and trends are collected that helps make predictions for business growth and prosperity.

Need and Importance of CRM:
1. Better service to customers:
CRM provides more avenues for customers to communicate and explain their needs to the organization through numerous contact points. Customers get increased satisfaction and a feeling of being special and important because of the increased personalization of services and customization of goods offered to them.

2. Customization of market offerings:
Companies can customize a product or service depending on the data available with the firm. The firm can facilitate customer-company interaction through the company contact centre and web site. Such interactions help develop customized products.

3. Reduction in the customer defection rate:
CRM emphasizes on training and development of the employees to become more customer oriented. Due to CRM training and development, employees show care and concern towards the valuable customers; therefore, the customer defection rate may be reduced to a great extent.

4. Increase and improvement in long-term relationships:
Some firms treat their customers as partners. Firms solicit the help of the customers to design new products or to improve their services. If the customer gets involved with the firm, they are more likely to remain with the firm.

5. Increase in customer equity:
CRM increases customer equity. Firms focus the marketing efforts more on the most valuable customers (MVCs). The main aim of CRM is to produce high customer equity. Customer equity is the sum of lifetime values of all customers. More focus on MVCs will enable a firm to increase the customer equity.

6. Competitive advantage:
The firms that adopt CRM get competitive advantage in the market. They can face the competition with much ease. Competitive advantage helps in generating higher returns on investment.

7. Building and maintaining corporate image:
The image of the firm also gets enhanced. Loyal customers become evangelists. The evangelists spread a good word about the company and its products. This enables a firm to get additional customers to its fold.

8. Higher return on investment:
Due to CRM, a company gains a position to generate higher returns on investment. This is because of the repeat purchases on the part of the loyal customers. The company also makes money through cross selling. The higher return on investment increases the shareholders' value.

Techniques of Building CRM:
Firms use a number of techniques to build, maintain and enhance CRM. The techniques include the software programmes, promotional techniques, pricing strategies, MVC programmes, and so on. Some of the techniques have been discussed in detail.

Data Warehousing and Data Mining:
CRM analysts develop data warehouses and use data-mining techniques to develop and maintain long- lasting relationships with the valuable customers.

1. A data warehouse is a company-wide electronic database of detailed customer information. The purpose of data warehouse is not just to gather information, but to place it into a central location for easy access.

2. Once the data warehouse locates the data at a central place, the data analysts use data mining techniques to examine the mounds of data to find out interesting facts of the customers.

The mined data can be utilized for various marketing decisions such as the following:
1. Product design and modification

2. Product pricing

3. Promotion mix

4. Selection of channels of distribution

5. Maintaining dealer relationships.

UNIT – 3

Banker - customer relationship

A banker acts as an agent of his customer and performs a number of agency functions for the conveniences of his customer. For example, he buys or sells securities on behalf of his customer, collects check/cheques on his behalf and makes payment of various dues of his customer.

There are various forms of Banker Customer relationship depending upon the services availed by the customer from bank. Like Debtor-Creditor, Agent-Principal, Licensor(Lessor)-Licensee (Lessee), Bailor-Bailee, Trustee-Beneficiary, Pledger-Pledgee, Assignor-Assignee,

Hypothecation-Hypothecatee are various forms of relationships between banker and customer.

Relationship between banker and customer is mainly of a debtor and creditor. However they share some other forms of relationships also discussed in detail below.

Relationship of Debtor and Creditor

In case of Saving Account / Current Account/ Fixed Deposit – Customer deposit their surplus amount of money with bank. In other words, depositor lend money to bank and bank repay it on demand as per contract of deposit. In this case, Customer is creditor of bank and bank is debtor.

Relationship of Agent and Principal

Banker becomes agent of the customer (Principal) by rendering following services to customer –

- Bank Collects cheque, bills or promissory note, dividends etc on behalf of customer
- Make Insurance Premium Payments, Phone Bill, Gas Bills, Tax Payments as per mandate or SI received from customer
- Buy or sell securities on behalf of customer

In such cases, relation between bank acts as an agent and customer is principal.

Banker-Customer Relationship

1. Relationship of Debtor and Creditor
2. Relationship of Pledger and Pledgee
3. Relationship of Licensor and Licensee
4. Relationship of Bailor and Bailee
5. Relationship of Hypothecator and Hypothecatee
6. Relationship of Trustee and Beneficiary
7. Relationship of Agent and Principal
8. Relationship of Advisor and Client
9. Other Relationships

Relationship of Licensor (Lessor) and Licensee (Lessee)

When customer avail safe deposit locker facility from bank, relation between banker and customer is Licensor and Licensee | Lessor-Lessee. Bank is Licensor (Lessor) and Customer who hirer the locker is Licensee (Lessee).

Relationship of Bailor and Bailee

When Customer deliver goods to bank for purpose of safekeeping under a condition that goods will be returned to depositor when purpose is completed. In this case, Customer becomes bailor and bank becomes bailee. The process is known as Bailment. Example of Bailment is – Articles, Securities and valuables kept in safe deposit locker. In this case, relationship between banker and customer is Bailee and Bailor.

Relationship of Pledger and Pledgee

Sometimes, bank pledges certain assets or security to secure the loan for payment of debt in case of default by customer. In this case, customer becomes the pledger and bank becomes pledgee. Under this agreement, asset or security will remain with the bank until a customer repays the debt.

Relationship of Hypothecation and Hypothecatee

When banker hypothecates certain movables or immovable assets or property of a customer for securing the loan amount extended to customer. In this case, customer becomes the Hypothcator and Banker becomes Hypothecatee.

Relationship of Trustee and Beneficiary

A trustee hold the assets, property for the beneficiary and profit so earned belongs to beneficiary. Suppose, customer deposits securities or valuables with the bank for safe custody, banker becomes a trustee of his customer. The customer is the beneficiary so the ownership remains with the customer.

Relationship of Assignor and Assignee

An Assignor is a customer who transfers his property or security rights to the bank (lender) as collateral of the loan availed from bank. Example are transfer of LI Policies, NSC, Shares etc in the name of lender bank to secure the loan. The bank on whose name security or property rights

are transferred is called assignee. After full payment of debt or loan, assignor can get the security reassigned in his name. Here, Banker Customer Relation ship becomes Assignee and Assignor.

7 Effective Bank Customer Retention Strategies

The finance industry controls one of the world's largest markets. According to the report, the market cap of the global banking industry amounted to €6.9 trillion in 2018, which makes it a highly lucrative business opportunity for banks of all sizes.

But it also means that the banking industry is extremely competitive. Attracting clients in this field is both difficult and expensive as the cost of acquiring new customers is 7 times higher than retaining the existing one.

While both tactics are critical to the success of the company, it is clear that customer retention represents a simpler and more profitable solution. In this post, we will show you 7 effective bank customer retention strategies.

Types of Bank Clients

Before we begin explaining our customer retention strategies, we want to discuss a few bank client types. In general, there are 3 different types of customers:

- **New clients**: This is always the biggest customer group and you need to invest a lot of efforts to turn them into loyal clients. We will talk about the concrete methods soon, but the basic rule is to give your best to build quality relations and educate new clients.
- **Existing clients**: These are the organizations or individuals who have been working with your bank for a while already. They often give you the chance to cross-sell different products, which makes the existing customers great ROI boosters.
- **Exiting clients**: It's impossible to retain every customer, so some of them will be leaving your bank sooner or later. Of course, you should try to get them back, but the odds are not great and ROI is never too high in this case.

Measures to Retain Bank Clients

Now that you've seen the customer retention fundamentals, it is time to focus on the main part of our post. Here are the 7 most productive bank customer retention strategies you should try in your business:

1. **Know your clients**

Customization is an essence of modern business, which means you need to learn even the smallest details of your client's banking requirements. Who is this person? What does she/he expect from you? Use one-on-one interviews, surveys, and questionnaires to get valuable feedback and understand how your customers think and behave. This way, you can create tailored offers that perfectly match the expectations of your target users.

2.   **Be honest and clear**

The worst thing you can do is to overpromise in the attempt to win over new customers. This usually leads to underperformance and poor delivery, which is the main cause of low-level retention rate. A report shows that 34% of customers switch providers because they are dissatisfied with the service at the old company.

Therefore, it's much better to keep the communication clear and straightforward right from the beginning. Don't forget to mention minor but annoying things such as hidden costs and extra transaction fees because it makes customers angry. Just be sincere and rest assured the client will appreciate your honesty.

3.   **Take customer service to the higher level**

Being polite and keeping promises is mandatory, but retaining customers requires you to take an extra step in the process. You should surprise clients occasionally with an unexpected gesture.

Jean Patterson, a customer service manager at EssayOnTime, explains how this process works: "For instance, you can send a personalized, hand-written "Thank You" note to the customer to acknowledge the privilege of working with him/her. Such a gesture takes only a little time and effort from your side, but it can do miracles in terms of customer retention."

4.   **Offer VIP programs**

This strategy works well for the existing clients who need the additional push to keep using your bank's services. We all want to feel appreciated and VIP programs exploit this trait to indulge customers. This type of retention tactic gives clients the feeling of uniqueness and exclusivity, while it doesn't even have to be too expensive – all it takes is a small incentive to convince users to apply for your VIP membership.

5.   **Create top-notch email newsletters**

Another way to convince users that your bank is the right choice is to write high-quality email newsletters. Let it be the real source of financial news and industry reports, allowing your customers to learn about the hottest topics and trends in the banking market. It will help you to present yourself as an industry thought leader, which is the easiest way to earn professional reputation and win over clients' trust.

6.   **Offer one-time promotions**

Banks can come up with a number of time-bound promo offers such as lower interest rates or some other types of ancillary products. You can invite the current clients to take part in special campaigns that last only a limited amount of time. Such offers will have two benefits: first of all, you will drive engagement and additional conversions, while you also get to increase retention rate simultaneously.

7.   **Predict industry trends**

The last tactic to improve bank customer retention is to utilize data analytics to predict the forthcoming industry trends and client demands. Just think about it – is there a better way to indulge your customers than to suggest them what they need before they even ask for it? This is the ultimate customer retention model that can elevate your bank head and shoulders above competitors, so make sure to take advantage of predictive analytics.

Industry Knowledge

Not everyone has an in-depth understanding of banking products and services, so a detailed, current knowledge of the industry is vital to providing high-quality customer service. This includes familiarizing yourself with all of your institution's offerings, including:

- Checking and savings options.
- Certificates of deposit.
- College savings plans.
- Individual retirement accounts
- Tax and estate planning.
- Business, personal, home and auto loans.
- Lines of credit and other credit products.
- Safe deposit boxes.
- Financial planning.

Personal Skills

Money is a sensitive topic for many people, and having exceptional people skills can help you be a valuable customer service-focused employee. You may find yourself in situations where you have to explain why a loan application will be denied, why a mortgage can't be processed or why overdraft fees are eating away someone's nest egg. Being clear and concise and offering explanations and options, all while maintaining a degree of empathy, can make you a customer-service asset.

Tech-Literacy

With banking options continually being tweaked by changes in technology, a good banking-customer-service representative will be able to help customers understand how to use what can be difficult-to-understand tools. Here are some ways to be of service:

In-Person Customer Service Skills

While many people choose to use ATMs, direct deposit and mobile apps to handle their banking transactions, there are still people who prefer or feel safer, with in-person transactions.

Embrace these individuals with a positive attitude, a smile, a greeting and personalized service, especially if you have regular customers who come to your branch on a frequent basis. You're likely to gain a customer for life.

8 Key Ways to Improve Customer Service in Banks

Customer experience is a key — if not the key — competitive differentiator not only for the financial services industry, but across all industries. The numbers prove it:

- 84% percent of businesses that focus on enhancing the customer experience report an increase in revenue; another 92% report increased customer loyalty
- A 1-point improvement in Forrester's CX Index score can yield $19 billion more assets under management for the average multichannel brokerage
- Businesses that prioritize the customer experience achieve an average 20% increase in employee engagement

1. Promote Financial Literacy Through Customer Education

According to a recent study from the Raddon Research Institute, financially literate customers are more profitable because "they are credit-driven and have a higher usage of depository products." That said, most Americans overestimate their financial literacy and are aware of surprisingly few financial literary resources, which means banks are perfectly positioned to step in and educate customers on financial literacy and profit from increased patronage in the process.

2. Become a Trusted Advisor to Small Business Customers

The 2008 economic recession has, perhaps, made some small business customers more wary of banks — after all, small businesses felt the effects of the recession more severely than large firms, with as many as 170,000 small businesses shuttering between 2008 and 2010, alone.

3. Make Contextual Data a Core Component of Your Customer Service Strategy

With fintech firms such as Stripe, SoFi, and Avant edging in on their market share, legacy financial institutions must evolve or die — and that means embracing the strategies that made these startups successful in the first place. One thing that fintech firms do exceptionally well — which should prompt traditional banks and credit unions to take notice — is leverage contextual data. Contextual data refers to any information that provides valuable context to a person or event.

Contextual data can be used to identify behavioral patterns and causal relationships, which banks can then use to inform and enrich the customer experience.

most valuable source of contextual data is the customer base. Use the customer relationship management (CRM) technology to collection information on just about anything and everything customer-related, including:

- Geographic location
- Major milestones (e.g. graduating from college, getting married)
- Purchasing preferences
- Spending habits
- Customer service history
- Social media activity

- And more

4. Develop a Truly Omni channel Customer Experience

Although it would be easy to assume that, given how attached people are to their mobile devices, banking is on a trajectory to becoming entirely digital — but the numbers say otherwise. According to Reuters, 60% of Americans would still prefer to open a new checking account at a bank branch rather than through digital channels; perhaps even more encouraging is that Accenture reports that 86% of consumers intend to visit physical branch locations in the future, and desire face-to-face human interaction.

5. **Provide Customers with Self-Service Opportunities**

Customers: They're doing it for themselves. Consumer self-service has become a booming trend across all industries, with 74% of customers reporting that they've used a self-service support portal in the past; another 81% reported that they've attempted to resolve issues on their own before contacting a live service representative.

6. Set Your Employees up for Success

As prevalent as self-service has become, there will always be a place for live service representatives and a value to human interaction. Therefore, it's in your best interest to ensure that each interaction is as positive as possible and contributes to an exceptional customer experience by equipping your frontline staff with the tools they need to succeed.

7. Solicit Customer Feedback Whenever Possible

No one knows your customers better than your customers, themselves. After all, the information stored inside your bank's CRM can tell you all about who a customer is, and predictive analytics can make an educated guess about what they might do — but technology, no matter how innovative, can't tell you what's going on inside a customer's head. It only makes sense, then, to tap into the invaluable resource that is your customer base by asking them for regular feedback; in doing so, you can gain insight into whether their needs are being sufficiently met, what products or services they're interested in, what their goals for the future are, how their experience can be improved, and more.

8. Be Flexible and Open to Change

The financial services landscape is in a constant state of flux, with new trends emerging every day. In order to ensure that your organization delivers the best customer experience possible, you need to keep your finger on the pulse of the industry and remain flexible to change — that

means constantly looking for ways to improve, keeping your solution ecosystem integrated and current, and embracing digital transformation. By listening to your customers, keeping an open mind, and making smart investments, you can guarantee exceptional customer service at your bank.

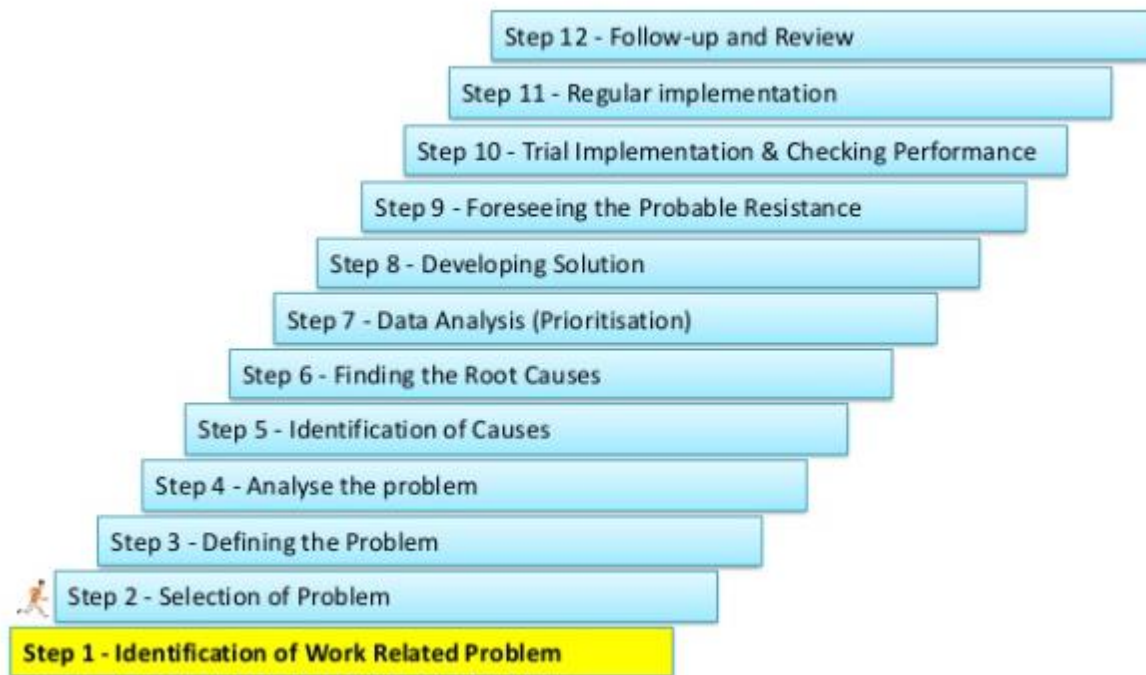**Lean Quality Circle is to be defined, it could be done as follows:**

- Is a small group comprising of Non-Executives
- Who come from a problem area
- And who have acquired adequate knowledge in problem solving and group synergy
- Who can by themselves identify, select critical problems with reference to sectional /departmental / organizational goals
- Take the help of their immediate Line Executive, who will be co-project owner and mentor to the group
- May co-opt members from other than their own work area, as per the project's demand
- Analyse and solve problems using appropriate tools and techniques

Sl. No	Particulars	Quality Circle	Lean Quality Circle
**DIFFERENCE BETWEEN QUALITY CIRCLE AND LEAN QUALITY CIRCLE**			
1.	**Concept**	The main objective of Quality Circles is "self" and mutual development, cohesive team work and engaged in continuous improvement activities, thus improving their quality of work life".	LQC is applied to turn out large number of small projects to meet company's objective / goal. Hence this is an acid test for those who have formed QC for their self and mutual development and have learnt to analyse and solve the problem.
2.	**Identification of Problem**	QC Members with the help of Round Robin Method, try to identify their own day to day work related problems which are of a recurring nature.	In LQC, problems can be taken from the problem bank. Instant problem can also be taken. LQC mainly concentrates to take the project resulting in value addition or reduction / elimination of different types of wastes aligned to company's goals.
3.	**Problem Selection**	Identified problems are segregated into A, B & C categories. "A" simple problem	Anyone can select the problem from problem bank or with his / her own initiative any problem relating to loss

		is taken first, and "C" the toughest problem will be taken at the end of "B" type of problems.	of quality, production loss, wastage reduction, non value adding processes etc and consensus arrived at.
4.	**Meetings**	We all know that QC's have periodic regular meetings to discuss, analyse and final solutions to the problems on a pre-fixed schedule.	Generally LQC members discuss their problems at the work place where the problem has occurred. Meetings are based on project needs., it may be even three times in a day.
5.	**Problem Solving Steps**	QC's follow the 12 steps methodology evolved by us, starting from identification of problems to solution, implementation, follow up and review.	In the case of LQC's, they will follow the 5steps of DMAIC approach: That is: (i) Defining of Problem (ii) Measure the Problem (iii) Analyse the problem to find out the root cause. (iv) Suggest improvement (solution) (v) Control it by not allowing it to slip back.
6.	**Approval of project**	Project will have to be approved by the Steering Committee or the executives nominated by the Steering Committee.	LQC's, project also will have to be approved by the Steering Committee or the executives nominated by the Steering Committee.
7.	**Gains**	In the case of QC's, the whole objective is to "develop people". In other words, self and mutual development through QC activities. Hence, the focus is not in terms of how much money is gained through the project / problem solving.	In the case of LQC's, it is directly measurable with respect to organizational goals in terms of not only process improvement, but also improvements in quality, cost reduction and faster delivery. So this reflects on the bottom line gains.

Quality Circle-Problem Solving Steps

In Quality circle problem solving is used as a main process to achieve its objectives. Members creativity is tapped to solve their day-to-day work related problems. It is through this process they get become cohesive team and their organizational ownership get developed. Hence it is necessary that the group member should understand this process very clearly. This small article attempts to explain the 12 step process.

| Step 12 - Follow-up and Review |
| Step 11 - Regular implementation |
| Step 10 - Trial Implementation & Checking Performance |
| Step 9 - Foreseeing the Probable Resistance |
| Step 8 - Developing Solution |
| Step 7 - Data Analysis (Prioritisation) |
| Step 6 - Finding the Root Causes |
| Step 5 - Identification of Causes |
| Step 4 - Analyse the problem |
| Step 3 - Defining the Problem |
| Step 2 - Selection of Problem |
| Step 1 - Identification of Work Related Problem |

UNIT - 4

Following are the most common five types of consumers in marketing.

- Loyal Customers
- Impulse Shoppers
- Bargain Hunters
- Wandering Consumers
- Need-Based Customers
- **Loyal Customers**
- Loyal customers make up the bedrock of any business. As the name implies, loyal customers are those who have made a commitment to your product or service. Even though they may comprise the smallest percentage of your overall consumer base, your loyal customers are also the most likely to generate the majority of your income. As an added bonus, they're far more likely to recommend your company to others.
- **Impulse Shoppers**
- Impulse shoppers are those simply browsing products and services with no specific purchasing goal in place. This consumer segment generates significant revenue for most retailers. This type of consumer is usually receptive to upselling and has the potential to become a loyal customer if products and services meet or exceed their expectations and desires.

- **Bargain Hunters**
- Bargain hunters are seeking the best deal, period, and most likely won't be swayed by upselling techniques — in fact, this may cause them to move on. This type of customer has very little potential to become a loyal customer unless it's part of your business strategy to offer the lowest possible price points at all times. This customer also rarely, if ever, makes purchases on impulse. Advertising sales is the best way to appeal to those in this customer group.
- **Wandering Consumers**
- Wandering customers are somewhat related to impulse shoppers, but they're much less likely to make purchases. This type of customer is more prevalent in brick-and-mortar locations, but they do stumble into online retail venues on occasion. It's sometimes possible to make a sale to those just wandering through provided you can stimulate their interest, but keep in mind that many of them are simply attracted to the social interaction of shopping and have no intention of making a purchase.
- **Need-Based Customers**
- As the name implies, need-based consumers are driven by the need for a specific product or service. Although these customers generally make purchases decisively and quickly once they find what they're seeking, they're easily lured away by competing businesses. However, they're frequently converted into loyal customers. They often have practical questions or concerns that can be addressed with a proactive social media presence.

Grievance Redressal typically covers the following types of complaints:

- Service Unavailability
- Non-Delivery against Commitment
- Excessive Delays
- Injustice concerns (such as over race, caste, sex)
- Staff Misbehaviour
- Malpractice

Input acceptance

Customers convey their grievance to the organization through feedback forms, letters, registered communications, emails, etc. These inputs may be submitted by mail, over the Internet, or in person.

Anonymity

Customers are often reluctant to report grievances that target individual executives of the organization, especially those who may influence their future interactions or have the potential to take vengeance. Under such conditions, the organization needs to assure the customer that her identity will be hidden from executives, and preferably from everyone. This, however, opens the

potential problem of deceitful negative inputs purposefully targeted against specific executives, as the people reporting are kept anonymous.

Feedback forms on website are prone to spam submissions. There are cases when employees themselves submit feedback - positive for their professional gain, and negative if targeting colleagues. Some service centers make employees sign blank feedback forms to create positive statistics. Such situations can be prevented by seeking verification of identity of customers. This is especially possible on online setups, such as ActPlease.com, which uses SMS to verify the authenticity of the mobile number of reporter. Basic tools such as Captcha can prevent automatic spammers. Mass submission of false feedback becomes less likely and easy to detect in case of paper-based submission.

Acknowledgement & Status Tracking

Customers tend to develop much greater confidence in the grievance and feedback mechanism if they are given a formal acknowledgement. The acknowledgement could be by SMS and Email, as used by ActPlease.com, or simply by publicly posting their message on the appropriate forum, such as TripAdvisor. Ticketing Systems such as osTicket and Fresh Desk, as well as SaaS systems such as ActPlease respond with acknowledgements with unique tracking numbers. These may be used by customers to check the status of action taken on their complaint.

Forwarding

Paper-based feedback as well as standard feedback forms on websites usually forward inputs to a single officer or email address. This naturally causes scope for delay or failure to reach the right persons. However, smarter ticketing systems sort grievances based on their classification, and then redirect each to their relevant executive(s) instantly.

Escalation

Smart Grievance Portals such as ActPlease expect organizations to configure typical action time for each type of complaint, as well as set up the hierarchy for escalation. When an executive fails to take corrective action in time, the matter is promoted to the officer next in line in seniority.

Action

Computerized and web-based systems have an advantage over paper-based systems as they can alert the reporter immediately upon completion of action, as marked by the executive in charge.

Verification

Customer may certify, if applicable and asked, whether the corrective action taken on their grievance satisfies them or is not substantial enough. Should it not be, the complaint may be marked as pending again, or be forwarded to a more senior officer in escalated form.

Measurements

The effectiveness of implementation of a grievance redressal mechanism can be calculated with the following parameters:

- Count of cases received
- Nature of cases received
- Acceptance of anonymous feedback
- Ratio of false inputs
- Time taken for corrective action
- Escalations required
- Confirmations & rejections after completion
- Repeat nature of grievances

Challenges

Traditional Grievance Redressal mechanisms tend to fail, or are very ineffective, on account of some of these causes:

- **Unavailability** or **Difficulty to access** means to report grievances, at times done so purposefully, or due to lack of priority
- **Lack of authority** of PRO over relevant departments and executives in Government organizations
- **Disconnect** of senior decision-maker executives with end customers
- **Non-motivation** of front-end managers to forward negative feedback to higher-ups
- **Fear** of citizens / consumers to report malpractice about officers with substantial authority
- **Inability** of smaller private organizations to set up computerized mechanisms
- **Inaccuracy** and **spamming** of feedback forms, driving false impressions
- **Delayed feedback acceptance**, as feedback is taken after service has been provided, while corrective action may be taken typically during the delivery of service

Grievance Redressal in Organizations

Paper-based Feedback Forms

These are most popular and usually used by consumer service businesses, such as hotels and restaurants. They are less likely to be effective, as there is reduced assurance of their reaching the decision-making authorities. These also usually do not give any formal confirmation or tracking number to the complainant. Possibility of fake submissions also remains. Customers therefore have less confidence on such forms. Confidence can be strengthened if a central call center sends an acknowledgement of receipt of such feedback. Another possible reinforcement may be done by taking digitized input, which can be processed using scantron machines.

Talwar and Goiporia Committee

In 1975, the Government of India had appointed the Talwar Committee on customer service in banks. In 1990, RBI appointed the Goiporia Committee on customer service in banks. In 2004, the Tarapore Committee recommendations led to formation of Board level committees for monitoring customer service in banks. In 2006, Reserve Bank of India appointed a Working Group to formulate a scheme to ensure reasonableness of bank service charges under the chairmanship of Shri. N. Sadasivan. The recommendations of the various Committees / Working Groups reflected the need of the time in which the Committees / Working Groups were set-up. For instance, the Goiporia Committee broadly covered the following aspects:

- Causes of the persistence of below par customer service in banks.

- Areas of deficiencies in customer service in banks.

- Measures for improvement in work culture.

- Steps for inculcation of greater customer orientation among bank employees.

- Identification of structural and operational rigidities and inadequacies which adversely affect the working of banks.

- Upgradation of technology to ensure prompt and efficient customer service.

The recommendations of the committee are as under:
- Bank should offer a basic bank account with privileges such as certain number of transactions, cheque facility, ATM/Debit Card etc., without any prescription of minimum balance.
- The Passbook/Statement of accounts should indicate the account number, name, address and ID of the customer, MICR Code, IFSC Code, Toll free customer care number, Ombudsman contract details, instrument number and payee name on all debit entries and the full details of TDS (Gross Interest credited and TDS debited).
- Before marking the account as inoperative, the banks must intimate the account holder by SMS. Banks should introduce Uniform Account Opening forms and Account Number Portability across the banks.
- Banks should take Unique Identification Number (issued under Aadhar project) as KYC compliance for opening of accounts.
- The term deposit renewal notices should be sent to customers preferably in electronic form. A single Form 15G/H linked to a customer ID across the branches in a bank should be issued.
- Service charges should be reasonable. No charges are to be levied on Non- Home Branch transactions.

- The users of electronic bank platforms for making collections may offer small discounts to their customers to favour electronic payments.
- Cheque Drop Box should provide receipt/acknowledgement along with the image of the cheque.
- Reason for penal interest on loan accounts, rate of interest charged should be mentioned in Passbook/Statement of Account.
- Banks must ensure that loan statements are issued to the borrowers periodically giving full details including demand, repayments, interest component and charges.
- The title deeds should be returned to the customers within a period of 15 days after the loan closure.
- Bank should provide Most Important Terms and Conditions (MITC) of the product explicitly in Arial font and size 12 for better readability.
- All home loans should permit a switchover between fixed to floating or viceversa at least once during the loan tenure at an appropriate and reasonable fee. Home loans backed by insurance products, the procedure should be explained upfront to the customers.
- Banks should provide prioritized service to the senior citizens/physically handicapped persons.
- Banks should put a system in a place for Automatic updation of the customers to the senior citizen category based on the date of birth.
- Pensioner may be allowed to submit the annual life certificate at any of the branches of the bank. Bank should make arrangements to disburse pension to sick and disabled pensioners at their door steps.
- SHG members should not be forced to take insurance products.
- Banks should ensure that at least one of the staff members in Tribal / North- East areas is conversant with local language.
- The staff manning Customer Service Departments in banks should receive specialized training so that customer complaints are professionally handled.
- With regard to "one-man branches" – Banks should place Proper systems for safety of cash and also continuity of services in case of leave etc.
- In case of frauds in the accounts of the customers, bank is required to credit the amount to their accounts after obtaining due affidavit.
- Banks should put in place secure systems like Multi-factor Authentication to minimize the fraud instances.
- Frauds involving cloned cards, unauthorized online transactions, ATM transactions not done by the customers etc., cannot be valid transactions as they are not authorized by the customers. The onus should be on the bank to prove that the customer has done the transaction.
- Banks to install CCTV at all ATMs. For Debit/Credit cards at POS, PIN based authorization should be made mandatory.

- Banks should ensure that ECS Mandate Management System is working effectively to comply with the mandate given by the customer.
- For transaction deficiencies, there should be in-built mechanism to pay compensation to the customers.
- Bank should provide for online registration of grievance in its website.

the Customer Service Committee

The members of the Customer Service Committee shall be appointed to serve three (3) year terms; provided that any member of the Customer Service Committee shall cease to serve in such capacity if he or she is no longer a member of the Board of Managers. The feedback of the committee meetings is then put up to the Customer Service Committee of the Board of Directors. Banks should report to the Customer Service Committee of the Board, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased depositors / locker-hirers / depositors of safe custody article accounts and those pending beyond the stipulated period, giving reasons therefor. In carrying out any review of, or making any substantive revision of, the Code or its operation (whether under paragraph 2 or otherwise) the Appointee shall consult the Customer Service Committee and shall consider any representations made by it about the Code or the manner in which it is likely to be or, as the case may be, has been operated.

Customer Day

A special day, called as Get to Know Your Customers Day, is marked annually on the third Thursday of each quarter, that is on January, April, July and October.

COPRA Forum:

The Consumer Protection Act, 1986 (COPRA) was passed by the Indian parliament and came into force on December 1986. The Act was passed to protect the consumers' interest as well as to establish state bodies to deal with consumer problems and anything that arises thereof. Consumer courts were established as Consumer Dispute Resolution Agencies and they deal with consumer disputes, conflicts and grievances. It is a forum where a consumer may file a case against a seller in the case where the consumer feels that he has been cheated or exploited by the seller. The point of having a separate forum for consumer disputes is to ensure that such disputes are speedily resolved and make is less expensive.

Types of Consumer Courts

COPRA provides for the formation of consumer courts, under the Act there are three tiers of Consumer Courts they are as follows:

1. District Consumer Dispute Redressal Forum (DCDRF):

The DCDRF operates at a district level and takes on any consumer dispute where the appellants claim for compensation does not exceed 20 lakh rupees.

2. State Consumer Dispute Redressal Commission (SCDRC):

The SCDRC operates at a state level and takes on any consumer dispute where the appellants claim for compensation exceeds the amount of 20 lakhs but does not exceed 1 crore rupees.

3. National Consumer Dispute Redressal Commission (NCDRC):

The NCDRC is the apex court and takes on any consumer dispute where the appellants claim for compensation exceeds the amount of 1 crore rupees.

Jurisdiction

The jurisdictions of the courts are based on the hierarchy of the courts;

1. **Pecuniary Jurisdiction:**

- The District Consumer Dispute Redressal Forum has the pecuniary jurisdiction of up to an amount that does not exceed 20 lakhs.
- The State Consumer Dispute Redressal Commission has the pecuniary jurisdiction where the claim exceeds 20 lakhs but does not exceed 1 crore rupees.
- The Nation Consumer Dispute Redressal Commission has the pecuniary jurisdiction where the claim exceeds the amount of 1 crore rupees.

2. **Territorial Jurisdiction:**

Territorial jurisdiction is to be taken into consideration after establishing pecuniary jurisdiction. A complaint may be filed in the court that is within those local limits where;

- When the opposite party voluntarily resides in or works in those local limits.
- Where the cause of action arises from.

To determine where the cause of action arises you can apply the same laws applicable to contract law.

- Territorial jurisdiction when a transaction was done online.

Transactions done online effectively negates territorial jurisdiction. In this case, territorial jurisdiction is in any of the multiple places the cause of action arises, which also includes where the appellant resides.

3. **Appellate Jurisdiction:**

- If a consumer is not satisfied by the decision made by the district forum they may make an appeal to the state commission.
- If the consumer is aggrieved by the decision made by the state commission they may appeal to the national commission.
- If a consumer is not satisfied by the decision made by the national commission they may approach the Supreme Court for an appeal.

Composition

The Consumer Protection Act, 1986 provides for the composition of each of the courts.

1. **District Consumer Dispute Redressal Forum:**

Each district forum is to consist of;

- a person who is, or has been, or is qualified to be a District Judge, who shall be its President;
- two other members, who shall be persons of ability, integrity and standing, and have adequate knowledge or experience of, or have shown capacity in dealing with, problems relating to economics, law, commerce, accountancy, industry, public affairs or administration, one of whom shall be a woman.

2. **State Consumer Dispute Redressal Forum:**

Each State Commission shall consist of –

- a person who is or has been a Judge of a High Court, appointed by the State Government, who shall be its President :

Provided that no appointment under this clause shall be made except after consultation with the Chief Justice of the High Court;

- two other members, who shall be persons of ability, integrity and standing and have adequate knowledge or experience of, or have shown capacity in dealing with problems relating to economics, law, commerce, accountancy, industry, public affairs or administration, one of whom shall be a woman :

Provided that every appointment made under this clause shall be made by the State Government on the recommendation of a selection committee consisting of the following, namely:- (i) President of the State Commission – Chairman, (ii) Secretary of the Law Department of the State

– Member, (iii) Secretary, in-charge of Department dealing with consumer affairs in the State – Member.

3. **National Consumer Dispute Redressal Forum:**

The National Commission shall consist of –

- a person who is or has been a Judge of the Supreme Court, to be appointed by the Central Government, who shall be its President :

Provided that no appointment under this clause shall be made except after consultation with the Chief Justice of India;

- four other members who shall be persons of ability, integrity and standing and have adequate knowledge or experience of, or have shown capacity in dealing with, problems relating to economics, law, commerce, accountancy. industry, public affairs or administration, one of whom shall be a woman :

Provided that every appointment made under this clause shall be made by the Central Government on the recommendation of a selection committee consisting of the following, namely:-

- A person who is a Judge of the Supreme Court to be nominated by the Chief Justice of India – Chairman,
- The Secretary in the Department of Legal Affairs in the Government of India – Member,
- Secretary of the Department dealing with consumer affairs in the Government of India – Member.

Powers and Functions

The powers and functions of the commission are enumerated in section 4 of the act. Section 4(1) states the functions as follows.

1. **Functions :**

- Advisory role to ministers of general consumer issues.
- Formulation and implementation of consumer protection policies
- Carry out investigation upon the complaint of an aggrieved consumer into the selling of goods or provision of service so as to determine whether the complaining consumer was genuinely aggrieved.
- Carry out an investigation of its own initiative.
- Promote the development of organizations formed for the protection of consumers

- Collect, analyse and publish information on any trade or business.
- Educate consumers on their rights
- Resolve disputes between consumers and providers
- Carry such functions as the minister may direct from time to time.

2. **Powers:**

The consumer commission has the power to do anything that it deems to be necessary for it to meet and perform its functions. It may take any action that it may so deem advantageous or convenient for or in connection with carrying out its functions or to be incidental to their proper discharge and may carry on any activities in that behalf either alone or in association with any other person or body.

Ombudsman

APPOINTMENT & TENURE

(1) The Reserve Bank may appoint one or more of its officers in the rank of Chief General Manager or General Manager to be known as Banking Ombudsmen to carry out the functions entrusted to them by or under the Scheme.

(2) The appointment of Banking Ombudsman under the above Clause may be made for a period not exceeding three years at a time.

POWERS AND JURISDICTION

The Banking Ombudsman shall receive and consider complaints relating to the deficiencies in banking or other services filed on the grounds mentioned in clause 8 irrespective of the pecuniary value of the deficiency in service complained and facilitate their satisfaction or settlement by agreement or through conciliation and mediation between the bank concerned and the aggrieved parties or by passing an Award as per the provisions of the Scheme.

The Banking Ombudsman shall exercise general powers of superintendence and control over his Office and shall be responsible for the conduct of business thereat.

The Banking Ombudsman shall send to the Governor, Reserve Bank, a report, as on 30th June every year, containing a general review of the activities of his Office during the preceding financial year and shall furnish such other information as the Reserve Bank may direct and the Reserve Bank may, if it considers necessary in the public interest so to do, publish the report and the information received from the Banking Ombudsman in such consolidated form or otherwise as it deems fit.

POWER TO CALL FOR INFORMATION

(1) For the purpose of carrying out his duties under this Scheme, a Banking Ombudsman may require the bank against whom the complaint is made or any other bank concerned with the complaint to provide any information or furnish certified copies of any document relating to the

complaint which is or is alleged to be in its possession. Provided that in the event of the failure of a bank to comply with the requisition without sufficient cause, the Banking Ombudsman may, if he deems fit, draw the inference that the information if provided or copies if furnished would be unfavourable to the bank.

(2) The Banking Ombudsman shall maintain confidentiality of any information or document that may come into his knowledge or possession in the course of discharging his duties and shall not disclose such information or document to any person except with the consent of the person furnishing such information or document. Provided that nothing in this Clause shall prevent the Banking Ombudsman from disclosing information or document furnished by a party in a complaint to the other party or parties to the extent considered by him to be reasonably required to comply with any legal requirement or the principles of natural justice and fair play in the proceedings.

SETTLEMENT OF COMPLAINT BY AGREEMENT

(1) As soon as it may be practicable to do, the Banking Ombudsman shall send a copy of the complaint to the branch or office of the bank named in the complaint, under advice to the nodal officer referred to in Sub-Clause (3) of Clause 15, and endeavour to promote a settlement of the complaint by agreement between the complainant and the bank through conciliation or mediation.

(2) For the purpose of promoting a settlement of the complaint, the Banking Ombudsman shall not be bound by any rules of evidence and may follow such procedure as he may consider just and proper, which shall, however, at the least, require the Banking Ombudsman to provide an opportunity to the complainant to furnish his/her submissions in writing along with documentary evidence within a time limit on the written submissions made by the bank. Provided, where the Banking Ombudsman is of the opinion that the documentary evidence furnished and written submissions by both the parties are not conclusive enough to arrive at a decision, he may call for a meeting of bank or the concerned subsidiary and the complainant together to promote an amicable resolution. Provided further that where such meeting is held and it results in a mutually acceptable resolution of the grievance, the proceedings of the meeting shall be documented and signed by the parties specifically stating that they are agreeable to the resolution and thereafter the Banking Ombudsman shall pass an order recording the fact of settlement annexing thereto the terms of the settlement.

(3) The Banking Ombudsman may deem the complaint as resolved, in any of the following circumstances:

a. Where the grievance raised by the complainant has been resolved by the bank or the concerned subsidiary of a bank with the intervention of the Banking Ombudsman; or

b. The complainant agrees, whether in writing or otherwise, to the manner and extent of resolution of the grievance provided by the Banking Ombudsman based on the conciliation and mediation efforts; or

c. In the opinion of the Banking Ombudsman, the bank has adhered to the banking norms and practices in vogue and the complainant has been informed to this effect through appropriate means and complainant's objections if any to the same are not received by Banking Ombudsman within the time frame provided.

(4) The proceedings before the Banking Ombudsman shall be summary in nature.

AWARD BY THE BANKING OMBUDSMAN

(1) If a complaint is not settled by agreement within a period of one month from the date of receipt of the complaint or such further period as the Banking Ombudsman may allow the parties, he may, after affording the parties a reasonable opportunity to present their case, pass an Award or reject the complaint.

(2) The Banking Ombudsman shall take into account the evidence placed before him by the parties, the principles of banking law and practice, directions, instructions and guidelines issued by the Reserve Bank from time to time and such other factors which in his opinion are relevant to the complaint.

(3) The award shall state briefly the reasons for passing the award.

(4) The Award passed under Sub-Clause (1) shall contain the direction/s, if any, to the bank for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the bank to the complainant by way of compensation for any loss suffered by the complainant, arising directly out of the act or omission of the bank.

(5) Notwithstanding anything contained in Sub-Clause (4), the Banking Ombudsman shall not have the power to pass an Award directing payment of an amount towards compensation which is more than the actual loss suffered by the complainant as a direct consequence of the act of omission or commission of the bank, or two million rupees whichever is lower. The compensation that can be awarded by the Banking Ombudsman shall be exclusive of the amount involved in the dispute.

(6) The Banking Ombudsman may also award compensation in addition to the above but not exceeding rupees 0.1 million to the complainant, taking into account the loss of the complainant's time, expenses incurred by the complainant, harassment and mental agony suffered by the complainant.

(7) A copy of the Award shall be sent to the complainant and the bank.

(8) An award shall lapse and be of no effect unless the complainant furnishes to the bank concerned within a period of 30 days from the date of receipt of copy of the Award, a letter of

acceptance of the Award in full and final settlement of his claim. Provided that no such acceptance may be furnished by the complainant if he has filed an Appeal under Sub-Clause (1) of clause 14.

(9) The bank shall, unless it has preferred an appeal under Sub-Clause (1) of Clause 14, within one month from the date of receipt by it of the acceptance in writing of the Award by the complainant under Sub-Clause (8), comply with the Award and intimate compliance to the Banking Ombudsman.

UNIT – 5

4 Types of Market Segmentation: Bases of Consumer Market Segmentation

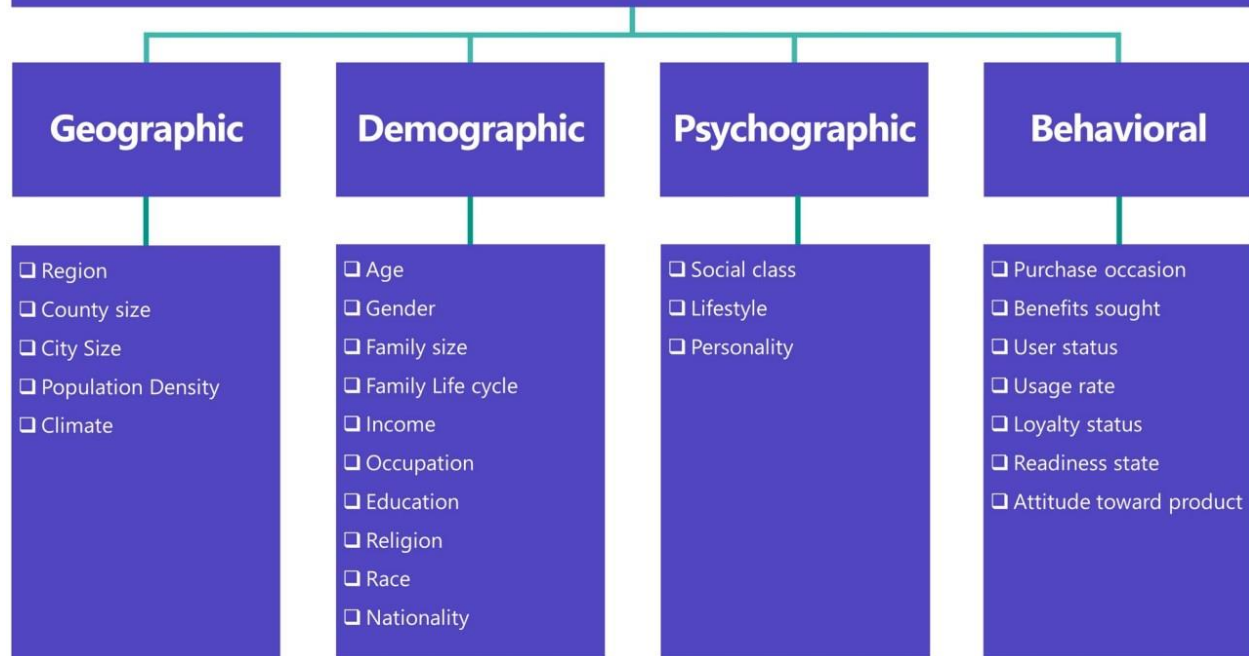A market segment means a homogeneous group consisting of buyers who seek the same offering.

The 4 types/bases of market segmentation are:-

1. Geographic Market Segmentation
2. Demographic Market Segmentation
3. Psychographic Market Segmentation
4. Behavioral Market Segmentation

4 Types of Market Segmentation

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Geographic	Demographic	Psychographic	Behavioral
❑ Region ❑ County size ❑ City Size ❑ Population Density ❑ Climate	❑ Age ❑ Gender ❑ Family size ❑ Family Life cycle ❑ Income ❑ Occupation ❑ Education ❑ Religion ❑ Race ❑ Nationality	❑ Social class ❑ Lifestyle ❑ Personality	❑ Purchase occasion ❑ Benefits sought ❑ User status ❑ Usage rate ❑ Loyalty status ❑ Readiness state ❑ Attitude toward product

4 Types of Market Segmentation	
Variable	**Typical Breakdowns**
Geographic Market Segmentation	
Region	Pacific, Mountain, West North Central, West South Central, East North Central, East South Central, South Atlantic, Middle Atlantic, New England.
County size	Huge (USA, INDIA, BRAZIL, Russia), Big (France, South Africa, Saudia Arabia, Mexico), Medium (Vietnam, Bangladesh) Small (Nepal, Estonia, Tunisia)

City Size	Under 20,000; 20,000-50,000; 50,000-100,000; 100,000-250,000; 250,000 – 500,000; 500,000-1,000,000; 1,000,000 – 4,000,000; 4,000,000 and over.
Population Density	Urban, Suburban, Rural
Climate	Northern, Southern
Demographic Market Segmentation	
Age	Below 13 14 – 18 19 – 25 26-35 36-45 46-55 56+
Gender	Male, Female
Family size	1-2, 3-4, 5+
Family life cycle	Young, single; young, married, no children; young, married, the youngest child under 6; young married, youngest child 6 or over; older, married, with children; older, married, no children under 18; older, single; other
Income	Under $10,000; $10,000-$20,000; $20,000 – $35,000; $35,000-$50,000; $50,000 – $70,000; $ 70,000 – $100,000;

	$100,000 and over
Occupation	Professional and technical; managers, officials, and proprietors; clerical, sales; artisans, craftsmen, forepersons; operatives; farmers; retired; students; homemakers; unemployed,
Education	Grade school or less; some high school; high school graduate; some college; college graduate
Religion	Muslim, Catholic, Protestant, Jewish, others
Race	White, Black, Asian, Hispanic
Nationality	American, British, French, German, Scandinavian, Italian, Latin American, Middle Eastern, Japanese
Psychographic Market Segmentation	
Social class	Lower lowers, upper lowers, working-class, middle class, upper middles, lower uppers, upper uppers
Lifestyle	Achievers, believers, strivers
Personality	Compulsive, gregarious, authoritarian, ambitious
Behavioral Market Segmentation	
Purchase occasion	A regular occasion, special occasion

Benefits sought	Quality, service, economy
User status	Nonuser, ex-user, potential user, first-time user, a regular user
Usage rate	Light user, medium user, heavy user
Loyalty status	None, medium, strong, absolute
Readiness state	Unaware, aware, informed, interested, desirous, intending to buy
Attitude toward product	Enthusiastic, positive, indifferent, negative, hostile

Geographic Segmentation

Based on geographic variables, the market is segmented by dividing it into different geographical units such as nations, regions, states, countries, cities, or neighborhoods.

A company may choose one or a few geographical areas to operate in. Or it can decide to operate in all areas but pay attention to geographical differences in needs and wants.

For example, Campbell sells Cajun gumbo soup in Louisiana and Mississippi and makes its nacho cheese soup spicier in Texas and California.

Geographic segmentation emphasis the right products in the right geographic areas at the right times.

By adopting geographic segmentation, many companies regionalize their marketing programs by localizing their products, advertising, promotion, and sales efforts to fit the needs of individual regions, cities, and even neighborhoods.

Geographic segmentation also enables a company to avoid areas where competition is severe and to select areas where competition is low.

Demographic Segmentation

Demographic segmentation involves dividing the market into groups based on different variables such as age, gender, family size, family life cycle, income, occupation, education, religion, race, and nationality. Demographic factors are the most popular bases for segmenting customer groups and are, therefore, widely used. Demographic segmentation has certain merits.

First, consumer needs, want, and usage rates often vary closely with demographic variables.

Second, demographic variables are easier to measure than most other types of variables.

Even if market segments are initially defined using other bases, such as personality or behavior, their demographic characteristics must be considered to assess the size of the target market and to reach it efficiently.

Now we will examine some important demographic variables used for market segmentation;

Age and life-Cycle Stage

Human needs and wants change with age. Using age and life-cycle segmentation, some companies offer different products or adopts different marketing approaches for different age and life-cycle groups.

For example, McDonald's targets children, teens, adults, and seniors with different ads and media. Its ads directed at teens feature dance-beat music, adventure, and fastpaced cutting from scene to scene; ads to seniors are softer and more sentimental.

Despite its merits, age, and life-cycle segmentation has the problem of stereotyping, which should be kept in mind.

Two individuals, if the same age, may not have similar needs, wants, habits, lifestyles, etc. It is often found that age can not precisely predict a person's life cycle, health, word or family status, needs, and buying power.

Gender

Gender segmentation involves dividing a market into different groups based on sex. Gender segmentation is extensively used in clothing, cosmetics, and magazines. Other marketers are also adopting gender segmentation.

For example, although early toilet soaps were used by both sexes, many companies are now featuring unisex brands. Procter & Gamble was among the first with Secret, a brand specially formulated for a woman's chemistry, packaged and advertised to reinforce the female image.

Gender segmentation is also widely used in the automobile industry. More and more car manufacturers are directing their advertisements to women.

Income

Income segmentation involves dividing a market into different income groups. Marketers of products and services such as automobiles, clothing, cosmetics, and travel have found income segmentation very useful.

Companies with luxury goods and convenience services target well off consumers. Income segmentation is also used to identify and target lower-income groups so that they can be approached with appropriate products, prices, and distribution outlets.

Multivariate Demographic Segmentation

Each of the demographic variables has merits and limitations. For maximum effectiveness, most companies combine two or more demographic variables in segmenting a market. Consider the market for deodorant soaps.

Many different kinds of consumers use top-selling deodorant soap brands. Still, two demographic variables – gender and age – coupled with geographic region, are most useful in distinguishing the users of one brand from those of another.

Psychographic Segmentation

In psychographic segmentation, buyers are divided into different groups based on social class, lifestyle, or personality characteristics. People belonging to the same demographic group may have very different psychographic characteristics.

Social Class

Social class has a strong effect on preferences in products, services, and retail outlets—many companies design products or services for specific social classes, incorporating features that appeal to these classes.

Life style

People's interest in various products is affected by their lifestyles, and products bought by the buyers reflect their lifestyles. Consumer lifestyles are being increasingly used by marketers to segmenting their markets. For example, Duck Head apparel targets the casual student lifestyle, claiming, "You can't get them old until you get them new."

Personality

Marketers also use personality factors for segmenting their markets. They attribute personalities to their products that correspond to consumer personalities. Market segmentation on the basis of personality has been proved successful for products such as cosmetics, cigarettes, insurance, and liquor.

Honda's marketing campaign for its motor scooters provides a good example of personality segmentation. Honda appears to target its Spree, Elite, and Aero motor scooters at the hip and trendy 14-to22-year- olds.

But it actually designs ads for a much broader personality group. One ad, for example, shows a delighted child bouncing up and down on his bed while the announcer says, "You've been trying to get there all your life."

The ad reminds views of the euphoric feelings they got when they broke away from authority and did things their parents told them not to do. It suggests that they can feel that way again by riding a Honda scooter.

So even though Honda seems to be targeting young consumers, the ads appeal to trendsetters and independent personalities in all age groups.

Over half of Honda's scooter sales are too young professionals and older buyers – the over-50 group purchases 15 percent. Honda is appealing to the rebellious, independent kid in all of us.

Behavioral Segmentation

Behavioral segmentation involves dividing a market into groups based on consumer knowledge, attitude, use, or response to a product. Here, we will discuss some behavioral variables that are used in segmenting markets.

Occasions

Buyers can be divided based on occasions when they get the idea to buy, actually make their purchase, or use the purchased item. Occasion segmentation helps boost product usage.

For example, orange juice is most often consumed at breakfast, but orange growers have promoted drinking orange juice as a cool and refreshing drink at other times of the day. In contrast, Coca-Cola's "Coke in the Morning" advertising campaign attempts to increase Coke consumption by promoting the beverage as an early morning pick-me-up.

Benefits Sought

Buyers can also be grouped according to the different benefits that they seek from the product. Benefit segmentation calls for finding the major benefits people seek in the product class, the kinds of people who look for each benefit, and the major brands that deliver each benefit.

Marketers can use benefit segmentation to identify the benefits segment to which they are appealing, its characteristics, and the major competing brands. They also can look for new benefits and launch brands that deliver them.

User Status

Market segmentation can also be done according to user statuses such as nonusers, ex-users, potential users, first-time users, and regular users of a product. Potential users and regular users need to be approached through different kinds of marketing appeals.

A company's current market position will also influence its focus on segments. The market leader will focus on attracting potential users, while smaller companies will focus on diverting current users away from the market leader.

Usage Rate

Market segmentation can also be done according to usages such as light, medium, and heavy user groups. Although heavy users are often a small percentage of the market, they account for a high percentage of total buying.

Loyalty Status

A market can also be segmented based on consumer loyalty. Consumers can be loyal to brands (Jet), stores (Aarong), and companies (Liver). Buyers can be divided into groups based on their degree of loyalty. Some consumers are completely loyal, and they buy one brand all the time.

Some consumers are somewhat loyal, and they are loyal to two or three brands of a given product or favor one brand and may sometimes buy others. Some buyers are not loyal to any brand. They look for something different each time they buy, or they buy whatever is there on sale.

Urgency

Should we focus on companies that need quick delivery or misconstrued as brand-loyal purchase patterns. Similarly, frequent or regular purchasing should not be understood as brand loyalty. Motivations underlying observed purchase patterns need to be seriously examined.

Customer Database

The customers of a business are the most important asset a company can have. Depending on the type of industry, a company may sell to the same customers over and over. There are other types of businesses that sell to a customer once or infrequently and are constantly looking for new customers. For instance, a surgeon may do a surgery on a person one time, and that patient may never require another surgery. On the other hand, a dentist sees their patients once or twice a year on an ongoing basis. The way they interact with their customers will be different because of the need of their services.

As a result, the way a company uses customer information can be very important. A **customer database** is the collection of information that is gathered from each person. The database may include contact information, like the person's name, address, phone number, and e-mail address. The database may also include past purchases and future needs.

Benefits of a Customer Database

Having a customer data base benefits a company in many ways. Let's take a look at these benefits.

Businesses may ask questions of their customers to provide better service. For instance, the dentist may ask about services his patients may be interested in such as teeth whitening or classes about oral health. By collecting information, the customer database not only keeps vital information about the patient, the database can help the dentist determine how to improve his business and better meet the needs of his patients.

Having a database can help a business keep in contact with customers. This helps build loyalty and repeat business. Consistent, repeat customers can be identified and contacted with special offers that are targeted to active clients. Conversely, the database can also help identify customers who have not purchased from the company for an extended period of time or who only purchased once. This helps single out groups of customers that can be marketed to with specific offers to encourage them to come back.

In terms of the dentist, the database can help him create a list of patients who came in for one cleaning and have never been back. With this information, they can offer a special discounts or program that is designed specifically for patients they want to get back into the office. The customer database provides them with the information to market to these individuals.

Having a customer database provides access to contact information. This allows appointments to be confirmed, customers to be tracked, and clients to be contacted. Perhaps a phone call needs to be made or a letter mailed. The information to reach a customer is kept in the customer database and can easily be accessed with a few strokes on the computer keyboard.

Market Research

Market research is the process of determining the viability of a new service or product through research conducted directly with potential customers. Market research allows a company to discover the target market and get opinions and other feedback from consumers about their interest in the product or service.

This type of research can be conducted in-house, by the company itself, or by a third-party company that specializes in market research. It can be done through surveys, product testing, and focus groups. Test subjects are usually compensated with product samples and/or paid a small stipend for their time. Market research is a critical component in the research and development (R&D) of a new product or service.

Understanding Market Research

The purpose of market research is to look at the market associated with a particular good or service to ascertain how the audience will receive it. This can include information gathering for the purpose of market segmentation and

product differentiation, which can be used to tailor advertising efforts or determine which features are seen as a priority to the consumer.

A business must engage in a variety of tasks to complete the market research process. It needs to gather information based on the market sector being examined. The business needs to analyze and interpret the resulting data to determine the presence of any patterns or relevant data points that it can use in the decision-making process.

Market Research Gathers Information

Market research consists of a combination of primary information, or what has been gathered by the company or by a person hired by the company, and secondary information, or what has been gathered by an outside source.

Primary Information

Primary information is the data that the company has collected directly or that has been collected by a person or business hired to conduct the research. This type of information generally falls into two categories: exploratory and specific research.

Exploratory research is a less structured option and functions via more open-ended questions, and it results in questions or issues being presented that the company may need to address.

Specific research finds answers to previously identified issues that are often brought to attention through exploratory research.

Secondary Information

Secondary information is data that an outside entity has already gathered. This can include population information from government census data, trade association research reports, or presented research from another business operating within the same market sector.

The Development of Market Research

Formal market research began in Germany during the 1920s.[1] Around the same time, market research in the United States took off during the advertising boom of the Golden Age of Radio. Companies that advertised on the radio began to understand the demographics that were revealed by how different radio shows were sponsored.

Face-to-Face Interviews

From there, companies were developed that would interview people on the street about publications that they read and whether they recognized any of the ads or brands within the ads that were published in the magazines or newspapers the interviewer showed them. Data collected from these interviews were compared to the circulation of the publication in order to see how effective those ads were. Market research and surveys were adapted from these early techniques.

Phone Research

Data collection then shifted to the telephone, making face-to-face contact unnecessary. A telephone operator could collect information or organize focus groups—and do so quickly and in a more organized and orderly fashion. This method improved the market research model greatly.

Online Market Research

With people spending more time online, many market research activities have shifted online as well. While the platform may have changed, data collection is still mainly done in a survey-style form. But instead of companies actively seeking participants by finding them on the street or by cold calling them on the phone, people can choose to sign up and take surveys and offer opinions when they have time. This makes the process far less intrusive and less rushed since people can do so on their own time and by their own volition.

Customer Satisfaction

'Consumer satisfaction is defined as pleasurable fulfillment. That is, the consumer senses that consumption fulfils some need, desire, goal, or so forth and that this fulfillment is pleasurable' (Oliver, 1999, p. 34).

Measuring Customer Satisfaction

It takes continuous effort to maintain high customer satisfaction levels. As markets shrink, companies are scrambling to boost customer satisfaction and keep their current customers rather than devoting additional resources to chase potential new customers. The claim that it costs five to eight times as much to get new customers than to hold on to old ones is key to understanding the drive toward benchmarking and tracking customer satisfaction.

Market leaders Strategy to hear the voice of the customer and achieve customer satisfaction.

- Marketing and sales employees are primarily responsible for designing (with customer input) customer satisfaction surveying programs, questionnaires, and focus groups.
- Top management and marketing divisions champion the programs.
- Corporate evaluations include not only their own customer satisfaction ratings but also those of their competitors.
- Satisfaction results are made available to all employees.
- Customers are informed about changes brought about as the direct result of listening to their needs.
- Internal and external quality measures are often tied together.
- Customer satisfaction is incorporated into the strategic focus of the company via the mission statement.
- Stakeholder compensation is tied directly to the customer satisfaction surveying program.
- A concentrated effort is made to relate the customer satisfaction measurement results to internal process metrics.

To be successful, companies need a customer satisfaction surveying system that meets the following criteria:

- The system must be easy to understand.
- It must be credible so that employee performance and compensation can be attached to the final results.
- It must generate actionable reports for management.

Objectives of a Customer Satisfaction Survey Program

- Understanding the expectations and requirements of your customers.
- Determining how well your company and its competitors are satisfying these expectations and requirements.
- Developing service and/or product standards based on your findings.
- Examining trends over time in order to take action on a timely basis.
- Establishing priorities and standards to judge how well you've met these goals.

Customer Satisfaction Tools

1.	Net Promoter Score
2.	Live Chat Transcripts
3.	Social Media Mentions
4.	Marketing Emails
5.	Short Message Service (SMS)
6.	Churn Rate
7.	Follow-Up Surveys

1. Net Promoter Score

Net Promoter Score ®, or NPS, is a popular customer satisfaction survey used to gather quantitative and qualitative customer data. We'll talk a lot more about this type of survey later in this post, but you'll need to adopt some form of customer feedback software if you want to use it with the tips shared in the next section.

2. Live Chat Transcripts

Live chat transcripts offer similar benefits to surveys or Net Promoter Scores. However, instead of asking customers to participate, all you have to do is analyze previous chats recorded by your live chat software. Customers will typically offer plenty of direct and indirect feedback within these conversations and this information is valuable for measuring user satisfaction.

And, that's not just feedback for your product, either. If you encourage reps to ask for feedback directly within the chat, you can find out if users are enjoying other aspects of your business as well — like your website, customer services, and sales team.

3. Social Media

Social media mentions represent how your customers perceive your brand's marketing content. Whenever you release a new campaign, your followers have an immediate channel to upload public feedback. These comments are unique because they're focused on your brand's messaging, which is tough to ask about during a follow-up survey or live chat transcript.

You can also leverage social media as a feedback collection tool. If you post a poll on Twitter or Instagram, you can record that to measure customer satisfaction. The benefit of this channel is that it's free to use and gives you direct access to your customer base.

4. Marketing Emails

Email is an excellent channel for engagement and feedback collection. The subscribers to your newsletter have demonstrated a clear interest in your brand and you can easily add a link to one of your surveys in a weekly newsletter. Or, you can embed the survey directly into the email, similar to how HubSpot's Service Blog newsletter works.

5. Short Message Service (SMS)

SMS, or texting, is another efficient option for gathering feedback. It's relatively cheap to send messages in bulk and it allows to you put a survey in the palm of your customers' hands. And, if you're looking for a free alternative, you can use a popular messaging app like Facebook or WhatsApp.

6. Churn Rate

There will always be a percentage of your customer base that'll leave your company without leaving a review or providing feedback. Take a look at the churn rate. This is the percentage of customers that leave your business over time. If you compare your total unique survey responses against the number of customers that left your business, you'll have an idea of how many people left without leaving feedback. It's safe to say that these customers were probably unsatisfied with their experience, too.

7. Follow-Up Surveys

As we mentioned earlier, surveys are a great tool for measuring customer satisfaction. Follow-up surveys are particularly effective because they capture the customer's immediate reaction to the brand interaction. You'll know exactly how the customer is feeling right after a long sales call or after a tricky support case.

There are a few types of follow-up surveys that you can use to gauge customer sentiment. We'll cover those in the next section when we review how to calculate customer satisfaction.

Measure Customer Satisfaction

1.	Define Your Goals.
2.	Outline a Plan.
3.	Choose a Type of Customer Satisfaction Survey.
4.	Customize Your Survey's Layout and Questions.
5.	Determine Your Survey's Trigger.

6.   Select Your Survey Medium.

7.   Analyze Your Survey Data.

8.   Make Adjustments and Repeat.

1. Define Your Goals.

In business, one must weigh the value of information -- the customer satisfaction data -- against the cost of collecting it -- the survey process. To be honest, if you won't change anything after collecting your customer satisfaction data, you're better off not collecting it at all. It's going to take time and effort, so you need to put it to use.

Depending on your business or organizational capabilities, there's a lot you can do with this information. It's important to have a goal in mind so you can get the most out your customer data. Every business faces disappointed or upset customers, but not every company has a solution.

2. Outline Your Plan.

Once your goals are defined, you need an actionable plan to achieve them. Prior to collecting your customer data, your team should outline the actions you'll take after feedback is gathered and analyzed.

3. Choose a Type of Customer Satisfaction Survey.

After discussing the plans with key stakeholders, you need to design your survey. The first step you should take is determining the type of metrics you'll use to measure customer satisfaction.

Choose among a few different options for customer satisfaction surveys. There's no unanimous agreement on which one is best. A few popular methods are:

- **Customer Satisfaction Score (CSAT)**
- **Customer Effort Score (CES)**
- **Net Promoter Score® (NPS)**

These are all "one-question" methods that vastly simplify the process of collecting customer insights.

1. Customer Satisfaction Score (CSAT)

Customer Satisfaction Rating, or Customer Satisfaction Score (CSAT) measures on average, how satisfied or unsatisfied customers are with your product, services, or customer success program. Usually asked on a scale of 1-3, 1-5, or 1-7, your customer satisfaction score can be

calculated by adding up the sum of all scores and dividing the sum by the number of respondents.

Customer Satisfaction Score (CSAT) is the most commonly used satisfaction method. You ask your customers to rate their satisfaction on a linear scale. Your survey scale can be $1 - 3$, $1 - 5$, or $1 - 10$, and there's no universal agreement on which scale is best to use.

2. Customer Effort Score (CES)

Customer Effort Score (CES) is very similar, but instead of asking how satisfied the customer was, you ask them to gauge the ease of their experience.

You're still measuring satisfaction, but this way you're gauging user effort -- the assumption being that the easier a task is the better the experience. As it turns out, making an experience a low-effort one is one of the greatest ways to reduce frustration and disloyalty.

3. Net Promoter Score (NPS)

NPS asks the question, "How likely is it that you would recommend this company to a friend or colleague?"

This measures customer satisfaction but also customer loyalty. In doing so, you can come up with an aggregate score, but you can also segment your responses into three categories: detractors, passives, and promoters.

4. Customize Your Survey's Layout and Questions.

The above three styles are commonly used, but those aren't your only options for customer satisfaction surveys. Depending on your goals you can also send longer email surveys that include things like demographic questions. Really, you can customize it to your desires -- just remember that shorter surveys tend to have better completion rates.

5. Determine Your Survey's Trigger.

This step is all about who you're sending the survey to and when you're sending it.

If you go back to your goals outline, this shouldn't be too hard to determine, at least strategically. People tend to forget this step, but it's crucial as it affects the quality and utility of your data.

Tactically, you can trigger a survey pretty much anywhere, at any time, and to anyone. But, doing it strategically, matters specifically when and where it's triggered.

6. Select Your Survey Medium.

In general, there are three primary methods by which you can send customer satisfaction surveys:

- In-App or On-Site Surveys

- Post-Service or Post-Purchase Surveys

- Long Email Surveys

Each of these may require a different software or tool

7. Analyze Your Survey Data.

Once you've collected your data, make sure it doesn't just sit there dormant and unused. You've got all this customer insight, and it's just waiting to be uncovered!

Depending on the survey's format, this could be a simple process or one that requires a Ph.D. in statistics and survey design.

8. Make Adjustments and Repeat.

Ultimately, this is a personal decision that will reflect your own findings and capabilities. You may find that a whole segment is dissatisfied because of a particular experience. In that case, you may need to further investigate why that experience is causing dissatisfaction and make changes to improve upon it. Now that you can identify these people, perhaps you can work with your marketing and customer success teams to plan advocacy programs.

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