



International Journal of Multidisciplinary Research and Growth Evaluation



International Journal of Multidisciplinary Research and Growth Evaluation

ISSN: 2582-7138

Received: 01-05-2021; Accepted: 20-05-2021

www.allmultidisciplinaryjournal.com

Volume 2; Issue 3; May-June 2021; Page No. 535-540

The formation and development of CRM system at Vietinbank in Vietnam

Dinh Ba Hung Anh

University of Phan Thiet, Vietnam

Corresponding Author: **Dinh Ba Hung Anh**

Abstract

Previously, there have been a number of studies on customer relationship management at commercial banks in particular and the banking system in general. However, in this paper, customer relationship management activities studied at VietinBank have an equity structure with nearly 90% of the

state owned capital. Therefore, researching and researching customer management activities at VietinBank will give readers an overview of the situation of CRM application here, at Big4 banks and at all commercial banks in general.

Keywords: CRM, Vietinbank, Customer Relationship Management

1. Introduction

Overview of the research problem

At the beginning of the 20th century, when the phenomenon of oversupply occurred on an increasingly large scale, the primary goal of companies and financial institutions was to sell as many products as they could. Therefore, suppliers only focus on product development, improve production capacity, and expand the system of distribution stores without paying attention to their customers. Businesses completely do not focus on factors such as who buys their products, what customers they need. At this time, businesses also simply used classic marketing methods such as pictures, television commercials, letters and mass announcements.

In the middle of the 20th century, when the economy gradually entered the mature stage, a new problem was raised now that customers became the power to choose because at this time consumer demand exceeded supply. In this stage, customers are no longer passive people, they have gradually become "gods". The effect of this change is that businesses have begun to learn about their customers: who the customer is, what the customer wants and what needs to be done to satisfy that need of the customer. Businesses turn to analyzing customer information and segmenting customers based on demographic criteria such as age, gender, and other personal information. Businesses also promote the provision of products and services directly to individual customer groups. The above strategies are synthesized into the fundamental theory of modern marketing, also known as "targeted marketing", with the 4P's foundation including price, promotion, product and distribution.

Urgency of the research problem

By the mid-80s of the 20th century, when the economy had entered a mature stage, the selling process became increasingly difficult. When the activity of the new customer team as well as the advantage in the ability to maintain prices are no longer effective, traditional forms of marketing are no longer suitable for the new situation. All of the above factors lead to an inevitable new concept that is "relationship marketing". Building long-term relationships with customers and bringing maximum value to existing customers has become the number 1 priority in today's time. This is also a fundamental element of customer relationship management - the issue that will be the main study throughout the thesis. The concept of customer relationship management has been popular in the world, but in Vietnam, it has not been paid enough attention. According to economic experts, the application of CRM will save a lot of costs for businesses. CRM application will help businesses achieve satisfaction and loyalty of each customer. Because of the above reasons, building and applying CRM is one of the trends and urgent needs of businesses today.

Objectives of the study

Provides basic information about management theories customer relationship, from the birth, the importance for the way in deploying operational customer management in enterprises, gaining understanding of all issues related to customer management system at enterprises in general and Vietinbank in particular.

2. Theoretical basis

2.1 Overview of the CRM system

The concept, importance and nature of CRM

a. Concept of CRM

CRM must be a customer-centric business strategy, then, it will proceed to select, maintain and expand the most valuable relationships to effectively support marketing activities, sales and service provision.

b. Importance of CRM

1. CRM will help reduce time to profit from customers
2. Sales, marketing and setup costs will be divided equally among the customer's longer life time
3. It is often less expensive to serve old customers than to serve new customers
4. Create cross-selling opportunities, increase customer spending over time
5. Prevent competitors from reaching customers.
6. Create cross-generational relationships
7. Satisfied customers become messengers and may be willing to pay extra

Basis, goals and construction principles of CRM system

a. The basis for building and developing CRM

Environmental changes include factors that can be summed up in legal changes, economic pressures, and technological developments. Consumption trends include customers who are more knowledgeable and critical than before, as well as willing to "jump" to another bank but have higher service expectations.

b. Objectives of CRM

The most important goal of a CRM is to create value in that relationship.

Process of Customer Relationship Management

a. Customer database

Learn about customer database

Build a database in CRM

Database merge: Need to merge databases into a common data warehouse.

Database analysis: Data mining is a technique applications for large databases or to analyze data and identify major patterns of behavior. Big banks can analyze and process hundreds of millions of transactions per week.

b. Customer identification

From the databases, the bank can identify its customers in turn by groups: from potential customer to becoming a customer, then to loyal customers, supporters and defenders for company.

c. Customer classification

Observable group: includes cultural, geographical, demographic, socio-economic criteria.

The unobservable group: personality, style...

d. Customer interaction

Typically, a customer's buying action occurs at the end of the customer's decision-making process - which can be long or short - can go through a consumption process such as a cognitive stage, an affective stage and finally a behavioral stage. As such, customer interaction needs to be closely tied to the customer's purchase decision-making process and needs to find ways to push customers closer to the ready-to-buy stage.

e. Customer personalization

The purpose of the service personalization motto is to give customers a special and valued feeling. In the service sector, banks can use many different ways to personalize their target customers, such as through channels: advertising, personal selling, sales promotion sales, promotion and public relations, direct mail and sponsorship.

2.2. The role of the CRM system in the business strategy of banks

Service quality provided by the bank

Human resources: it is the proficiency, skill, efficiency and help of the bank's employees in the process of processing transactions and collecting information. This is very important in building and maintaining a strong relationship between the customer and the bank.

Handling customer complaints

If a customer is dissatisfied/dissatisfied with any element of his/her relationship with the bank and has specific complaints, the bank needs to know how to handle these situations to try to keep customers and prevent customer departure.

2.3 Features of CRM system at banks

Bank customers

Within the scope of this research, bank customers will be studied from the perspective of customer buying behavior (organizational customers and individual customers), but the topic will focus on deeply understanding the factors that influence the buying and using behavior of individual customers more.

Features of banking services

Invisibility

Product perceptions become difficult, as they are complicated at the outset of the banking decision-making process. Second, intangibility also means that the products themselves often cannot be displayed or shown to customers, which presents problems for promotional activities and product trials.

- Inseparability
- Inhomogeneity
- Perishability
- Fiduciary responsibility

Trusteeship refers to the implied responsibility of a banking institution for the management of its clients' funds and the nature of the financial advice it provides to its clients.

The importance of customer relationship management

- Provide customers with better services
- Improve the efficiency of the customer support center
- Help staff fulfill customer requests one by one the shortest way
- Simplify the marketing and sales process
- Discover new customers

3. Research results and discussions

3.1 The formation and characteristics of CRM at Vietinbank

a. Initial implementation activities

- Database construction

In the Vietinbank system, customer information is collected by the Support Division and Sales Division through customer surveys, face-to-face meetings, by phone, and then updated into the INCAS system. Each Vietinbank customer will be encrypted with a string of characters and the information is stored on a unique system.

- Analyze data information
- Targeted customer

After analyzing and ranking customers, the bank will conduct customer grouping as follows:

- + Group of customers who support and protect the company: ranked AAA, AA and A.
- + Main customers: rated BBB, BB
- + Potential customers: rated B, CCC.
- + Annoying customers: ratings CC, C, EASY

b. Activities to interact with customers

Interaction with customers at Vietinbank only stops at analyzing and understanding customers, meeting customers' requirements with the current conditions of the business, without finding a strategy to interact with each customer group based on customer needs, not yet using information technology to record the interaction.

c. Customer personalization

Customer personalization at Vietinbank is considered as a unit that is aware of providing related products and services but still has no strategy to make a difference for each specific customer group.

3.2 Strengths and weaknesses of CRM system at Vietinbank compared to Big4 banks

Due to the slow implementation of CRM technology, there is no necessary investment in modern CRM software such as Gen's CRM2.0, Pivotal CRM, etc., and communication with customers is mainly at the front desk but staff Employees are not well trained to handle situations and collect customer information skillfully, so the quality of information about customers is not complete and detailed. There has not been a close connection between departments in the bank in customer management activities. There is no support to take care of potential customers, have been using banking services such as automatic Gmail sending, SMS, no technology to filter customer list according to many different criteria to provide data for specialized departments to implement their strategies. However, having a lot of direct contact with customers is effective in building a long-term relationship with customers, creating loyal customers. Thanks to face-to-face meetings, employees can clearly understand what customers want and need, thereby taking measures to serve customers.

3.3 Promoting and exploiting the strengths of the CRM system in Vietinbank

After implementing the CRM system, it will bring VietinBank benefits such as.

- C Pass improve customer service through better understanding of customer info and customer interactions with the bank;
- Increase revenue through cross-selling and up-selling products;
- Provide better services at the Branch through automating customer transactions (account opening, editing, closing accounts);
- Improve the productivity of tellers at the Branch and improve the role of tellers to enable cross-selling/upselling/customer retention.

To enhance competitiveness, meet the objective of VietinBank become a financial group - banks large scale in the future, deployment and project CRM projects - other modules not only contributing to improving service quality for customers, managing costs, controlling risks and

developing new products and services, but also serving as the basis for VietinBank to develop, expand its operations, integrate with the region and the world. The importance of CRM in helping businesses manage customer relationships more and more effectively, bringing success to business operations; thereby building the actual and detailed requirements of VietinBank for CRM. Because building customer relationships cannot use advanced machines or technology, but depends entirely on the relationships that are established. CRM not only has basic information about customers of businesses or banks such as customer names, addresses, accounting data, but also includes: transaction history, needs, desires, evaluations and feedbacks of current and potential customers about products and services, current sales policies of commercial banks.

The CRM customer care solution shows an overall picture of how commercial banks perceive and understand customers, especially for the values of customer loyalty and satisfaction. CRM Plus Customer Care Management System plays a very important role for businesses and commercial banks. However, the skill of keeping and marketing customers is not only within the scope of CRM or marketing departments, but is moving to all departments, in order to develop customer services, create close relationships between customers with the bank. All parts of Vietinbank ensure that customers are taken care of from the moment they enter the bank to transact. The security and reception department are the first people to come into contact with, the considerate gestures, customer guidance, etc. will make an impression on the customers. Professional departments such as: deposit, accounting, sales department... advise and perform services for customers quickly, staff of these departments decide to maintain and develop relationships with customers. Therefore, it is necessary to promote the CRM Plus system to make customers trust and continue to work with Vietinbank.

3.4 Overcoming the weaknesses of the CRM system at Vietinbank

Vietinbank needs to build a highly interactive working environment between departments, helping employees exchange experiences while promoting democracy, empowering employees to interact with customers more. Often this is the most important weakness, so it needs to be changed for the bank to develop more. Operating under the autocratic style, all activities are towards solving issues related with the bank development. As simple as resolving customer complaints in an autocratic model, even if the staff can grasp all customer information and provide appropriate solutions, they must notify their superiors and ask for their consent customer time. Difficulty in implementing, changing traditional working culture. Because not only individuals need to change the way they work, but the whole business. As people get used to the traditional way of working, transitioning to a new way is a challenge that not everyone can adapt too quickly. So CRM needs to fit the culture at this bank. Organize learning about CRM for all employees, have reasonable policies to train employees to work with a more professional style.

It is necessary to build a separate Web site for Vietinbank so that customers can learn about the types of products and services available, customers can comment on the quality of products, services and service quality. Perfecting the human team and culture to implement CRM, the human factor is one of the weak points of the process of applying CRM in banks. CRM will fail if it is limited to the working framework of IT professionals without the active participation of

leaders. The role of employees is an integral part of the successful implementation of the system.

Establish a process to assess customer satisfaction with products and services provided by Vietinbank.

It is necessary to establish more VIP rooms for convenience in taking care of VIP customers (the staff of this room is the one who must understand all the Bank's products and services; customers entering the transaction room just sit and drink water, tea, coffee, listening to music,... staff meet all on-site services,...)

Establish a complaint resolution process: A complaint management system is an integral part of the bank's commitment to providing quality assurance services.

4. Conclusions and recommendations

4.1 Conclusions

For the purpose of research, the topic analyzes and assesses the current situation and offers specific solutions to develop Vietinbank. The topic presented the views and content on the development of Vietinbank banking services, including environmental research, defining development goals and requirements, identifying target markets, policy design, and organization implementation organization. However, besides the advantages and successes achieved, possibly due to the internal or external environment, Vietinbank still has certain difficulties to develop.

In the trend of financial integration and liberalization, banking services can be said to open up many prospects but also many difficulties and challenges. Therefore, to be successful requires appropriate strategies and steps. In Vietnam with the new, it is certain that success will only come to those who have a strategic vision, enough bravery and confidence, seize the opportunity to go ahead, take the lead, and acquire experience to build a new system. Efficient and suitable system for the bank.

When the solutions are deployed synchronously and according to a reasonable and solid roadmap, it will contribute to perfecting the legal environment for banking operations in general and Vietinbank in particular, improving financial capacity and modernity. technology, improve management level and quality of human resources, contribute to service development, thereby helping Vietinbank grow stronger and more sustainable in the globalized integrated economy.

4.2 Recommendations and suggestions

For leaders of Vietinbank

Firstly: Perfecting mechanisms and policies to promote modern banking operations, improving the operational efficiency of indirect management tools (open market operations, rediscounting, refinancing, etc.) closely coordinated. Control all cash flows in the economy, especially those related to the state budget sector and non-banking financial institutions.

Second: Strengthening inspection, supervision and closely directing the service implementation process, ensuring a healthy competitive environment among banks.

Thirdly: Develop and complete the system of guiding documents of the industry in the field of banking services, apply advanced science to Vietnam's practice, and create favorable conditions for the CRM system to quickly integrate with the world.

Fourthly: It is necessary to supplement and complete policies and mechanisms to promote development. On the basis of state laws, it is necessary to develop a complete and synchronous system of guiding documents for CRMs to implement. Promulgating a mechanism to manage banking

services, creating conditions for the development of a modern banking service system

For Marketing, Sales, Customer Care departments at Vietinbank

Marketing: The application of the principles of marketing in customer relationship management is of great significance. It is a business strategy to link and coordinate people with communication skills with optimal processes and modern technology, in order to balance 2 benefits, the bank's profit and customer satisfaction. In order to do well in marketing, Vietinbank should do a few things well.

- At each Vietinbank branch, it is necessary to organize a customer care department, always making customers feel respected every time they come to the bank.
- Build a team of staff to do more professional communication.
- Building a team of specialized staff who are trained in public relations and press skills.
- Improve the quality of articles, news and photos to not only provide information for leaflets and websites, but also provide newspapers and magazines inside and outside the industry.

Sales

Vietinbank has been increasingly perfecting the process of providing banking services. To do that well, in the coming periods, banks need to clearly identify trends and levels of customer demand. From there, introduce a customer service process in accordance with quality standards to retain even fastidious customers.

Customer care

- Develop a financial strategy to match the business strategy of the bank.
- Plan and closely with customers such as: VIP customers, large customers, to have appropriate care.
- Focus on application of modern technology, e-commerce in customer service.
- Building a team of complete cskh staff with foreign language knowledge.
- Always comply with all standards in the cskh process even for regular customers.

For individual and institutional customers of Vietinbank

Continue to implement the identified business strategy: dominate the market, increase the bank's market share, and ensure the branch's business operations are safe and effective. Promote capital mobilization in the locality, actively mobilize cheap capital. Ensure employees have higher and higher income. Besides, Vietinbank also promotes the implementation of the objectives of the customer relationship management policy.

Retaining old customers, mainly economic organizations and businesses. At the same time, promoting attracting new customers and converting them into loyal customers of the bank.

Maintaining the market share of the target market of the bank. Bring high satisfaction to customers during their transaction with the bank.

Creating good word-of-mouth advertising from old customers, contributing to improving the bank's reputation and position in the market.

4.3 Solutions to develop CRM system to face future business challenges at Vietinbank

Customer database is the key element in CRM

implementation. Because when there is a complete and accurate database, it is possible to group customers and evaluate customers appropriately. From there, make appropriate CRM policies:

- Building a CRM vision: means determining the position of the business in the market, targeting customer segments, setting customer goals, setting metrics to monitor the performance of the strategy.
- Internal consistency: Not only CRM but all strategies, once deployed, need to be unified from the top management to regular members. CRM must be seen as a common strategy, a common job involving all individuals in the business.
- Corporate culture and CRM: a CRM system is not just a new software package. That is a whole change in strategic thinking, in the way of doing business in terms of human resource management.
- Complete the customer database system completely and accurately.
- Improve the information collection process, information processing technology to identify customer groups and best meet their needs.
- Improve customer satisfaction with the services.
- Promote the value of existing customers, especially VIP customers. At the same time exploit the value of potential customers and traditional customers.

5. Acknowledgement

We acknowledge the support of time and facilities from University of Phan Thiet (UPT) for this study

6. References

1. https://www.vietinbank.vn/web/home/vn/news/11/04/110422_2.html
2. <https://scholar.google.com/citations?user=v5ps74AAAAJ&hl=en>
3. <https://toc.123doc.net/document/617088-quy-trinh-trien-khai-crm-tai-vietinbank.htm>
4. <https://text.xemtailieu.com/tai-lieu/quan-tri-quan-ke-khach-hang-bang-he-thong-crm-tu-li-thuyet-toi-ung-dung-tai-ngan-hang-tmcp-cong-thuong-viet-nam-1251099.html>
5. Tien NH, Hung NT, Tien NV. The role of brand and brand management in creating business value: Case of Facebook Vietnam. *International Journal of Research in Marketing Management and Sales*. 2019; 1(2):124-128.
6. Tien NH, Minh HTT, Dan PV. Branding building for Vietnam higher education industry: Reality and solutions. *International Journal of Research in Marketing Management and Sales*. 2019; 1(2):118-123.
7. Tien NH. Knowledge Management in Strategic Alliances and Foreign Joint Ventures. *Proceedings of University Scientific Conference of: Young Lecturers and MBA Students*. Faculty of Economics, TDM University. Binh Duong, 2018, 141-149.
8. Tien NH, Phu PP, Chi DTP. The role of international marketing in international business strategy. *International Journal of Research in Marketing Management and Sales*. 2019; 1(2):134-138.
9. Tien NH, Vu NT, Dung HT, Duc LDM. Determinants of real estate bubble in Vietnam. *International Journal of Research Finance and Management*. 2019; 2(2):75-80.
10. Tien NH, Vu NT, Tien NV. The role of brand and brand management in creating business value case of Coca-Cola Vietnam. *International Journal of Research in Marketing Management and Sales*. 2019; 1(2):57-62.
11. Tien NH, Bien BX, Tien NV. Solutions enhancing competitiveness of made-in-Vietnam brands in Vietnamese market. *International Journal of Research in Marketing Management and Sales*. 2019; 1(2):93-99.
12. Tien NH, Dung HT, Tien NV. Branding building for Vietnam tourism industry reality and solutions. *International Journal of Research in Marketing Management and Sales*. 2019; 1(2):63-68.
13. Tien NH, Anh DBH. Japanese Innovation Policy and Development of High Quality Human Resource – Experiences for Vietnam. *Proceedings of International Scientific Conference in Economics and Business (ICYREB) on: National Entrepreneurship and Innovation*. Hanoi, 30 October 2018, Academy of Finance in partnership with IPAG Business Institute (France), York University (Canada) and Waikato University (New Zealand), 2018, 108-114.
14. Tien NH, Anh DBH. *Global Strategic Marketing Management*. Ementon Publisher, Warsaw, 2017.
15. Tien NH. *Leadership in Socially Responsible Enterprises*. Ementon Publisher, Warsaw, Poland, 2015.
16. Tien NH, Viet PQ, Ngoc NM, Anh DBH. *Contemporary Security and Sustainability Issues*. Eliva Press, Chisinau, Moldova, 2020.
17. Tien NH, Anh DBH. Comparative analysis of the process of economic integration of EU and ASEAN. *International Journal of Commerce and Management Research*. 2019; 5(3):96-99.
18. Tien NH. Application of CRM in Agricultural Management. *Proceedings of National Scientific Conference on: Development of High-tech Agriculture in the Highlands in the Context of Regional Linkage and International Integration*. April 2019, Institute of Social Science in Central Region, Vietnam Academy of Social Science, 2019, 216-223.
19. Tien NH, Nhi DTY, Chi DTP. CRM Application in Agricultural Management in the Mekong Delta. *International Journal of Multidisciplinary Research and Development*. 2019; 6(10):123-126.
20. Tien NH. CRM Application in Managing Hotel, Restaurant and Tourism Services in Vietnam. *International Journal of Research in Management*. 2019; 1(1):14-17.
21. Tien NH. CRM Application in Customer Service Management at Big4 Banks in Vietnam. *International Journal of Research in Management*. 2019; 1(1):9-13.
22. Tien NH, Anh DBH, Ngoc NM, Nhi DTY. Sustainable Social Entrepreneurship in Vietnam. *International Journal of Entrepreneurship*. 2019; 23(3):1-12.
23. Tien NH. *Human Resource Management*. VHU Publisher, Ho Chi Minh City, Vietnam, 2020.
24. Tien NH. *Strategic International Human Resource Management*. Ementon Publisher, Warsaw, Poland, 2017.
25. Tien NH. *Responsible and Sustainable Business*. Eliva Press, Chisinau, Moldova, 2020.
26. Tien NH, Anh DBH, Thuc TD. *Global Supply Chain and Logistics Management*, Academic Publications, Dehli, India, 2019.
27. Tien NH, Thao VTT, Hung Anh DB. Sustainability issues in social model of corporate social responsibility. *Theoretical analysis and practical implications*. *Journal of Advanced Research in Management*. 2019; 19(1).
28. Tien NH. Green Entrepreneurship Understanding in Vietnam. *International Journal of Entrepreneurship*. 2020; 24(2).
29. Tien NH, Minh HTT, Ngoc NM, Nhan VK. Family business in Vietnam and in Poland: Review of characteristics and trend of development. *Journal of*

- Southwest Jiaotong University. 2020; 54(6):1-19.
30. Duc LDM, Thuy HTX, Yen NTH, Tien NH. Corporate Social Responsibility and Corporate Financial Performance Case of Listed Vietnamese Companies. *Zeszyty Naukowe Politechniki Częstochowskiej. Zarządzanie*. 2018; 32:251-265.
 31. Tien NH. *International Economics, Business and Management Strategy*, Academic Publications, Dehli, India, 2019.