Evolution of CRM Practices in SBI and HDFC Bank:
A Decadal Comparative Study(2015-2025)

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Abstract

Over the last decade, Customer Relationship Management (CRM) has become a strategic focus for Indian banks, driven by increased competition, digital changes, and rising customer expectations for seamless service. This article explores CRM practices at the State Bank of India (SBI) and HDFC Bank, analysing their development over the past ten years and their implementation in Hyderabad. It examines digital initiatives, branch-level CRM strategies, service quality, customer satisfaction, and technology use. Results indicate that HDFC Bank leads in CRM innovation due to its private-sector flexibility. At the same time, SBI utilises its vast network and the YONO platform to engage customers effectively in Hyderabad.

Keywords: CRM Practices, Public and private banks

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1. Introduction

The Indian banking sector has undergone significant changes driven by technological advancements, regulatory reforms, and increased customer awareness. CRM has evolved from traditional, branch-centred methods to digital, customer-focused systems. Hyderabad, a major metropolitan and IT centre, offers a distinctive environment for examining current CRM practices due to its tech-savvy residents, widespread banking access, and the presence of both public and private banks.   This study assesses and compares the CRM strategies of **SBI** and

HDFC Bank, analysing how these approaches have influenced customer engagement, service quality, and satisfaction in Hyderabad over the last decade.

Customer Relationship Management (CRM) has become a strategic pillar in modern banking. Over the past decade (2015–2025), Indian banks have transitioned from branch-centric service models to digitally integrated CRM frameworks. Among these, the State Bank of India (SBI), India's largest public-sector bank, and HDFC Bank, India's largest private-sector bank, represent two contrasting yet complementary paths of CRM evolution. Their differing operational philosophies, customer bases, technological ecosystems, and digital transformation strategies provide a strong comparative foundation for academic analysis.

2. Scope of the study

Over the 2015–2025 period, Indian banking experienced a significant shift from branch-centric service to a digital, data-driven CRM. This paper compares two very different institutions:

- **SBI** — the largest public sector bank with a massive branch and retail footprint, whose CRM needed to scale across mass retail customers and rural networks.
- **HDFC Bank** — India's largest private bank (by market cap), with a product-led, technology-driven CRM orientation and a strong focus on digital UX and analytics; after the HDFC Ltd merger (2022–23), its customer base and product set expanded significantly.

3 Review of Literature

CRM in the banking sector has been widely studied as a determinant of customer satisfaction, loyalty, and service efficiency.

According to **Payne & Frow (2005),** CRM integrates people, processes, and technology to deepen customer relationships.

In the Indian context, **Gupta & Shukla (2018)** noted that digital transformation significantly enhanced CRM capabilities, particularly through mobile banking and analytics-driven personalisation.

Malhotra (2020) emphasises that public-sector banks face greater challenges in CRM modernisation due to legacy systems, whereas private-sector banks exhibit greater agility in adopting advanced technologies. Research on SBI highlights the importance of large-scale service accessibility, whereas studies on HDFC emphasise digital customer experience, rapid service delivery, and proactive engagement through AI-driven CRM tools. Thus, the literature consistently identifies technology adoption, complaint-resolution mechanisms, and personalisation as the primary CRM differentiators among Indian banks.

4. Objectives of the Study

- To study the evolution of CRM practices in SBI and HDFC Bank over the last decade.
- To examine CRM practices adopted by SBI and HDFC Bank over the past ten years.
- To study customer perception of CRM practices in Hyderabad.
- To compare CRM adoption strategies and their effectiveness in Public (SBI) and Private (HDFC) banks.

5. Research Methodology

The study adopts a descriptive and analytical research design. Tables were analysed using Chi-square tests to understand the significance of differences in CRM perceptions. Microsoft Excel and Python statistical libraries were used for computations. The study period covers CRM developments between 2015 and 2025.

a. Source of the data.

Primary data were collected using a structured questionnaire administered to customers of selected SBI and HDFC branches in Hyderabad.

Secondary data were obtained from annual reports, RBI publications, journal articles, websites, and the digital service updates of both banks.

b. Sampling Frame

Customers from major commercial hubs in Hyderabad, including Madhapur, Gachibowli, Abids, Begumpet, Kukatpally, Dilsukhnagar, and Secunderabad.

c. Sample Size:

This study evaluates their CRM practices using empirical data, focusing on customer satisfaction, digital adoption, CRM effectiveness, loyalty patterns, and overall CRM performance. The sample comprises 125 respondents from SBI and 75 from HDFC.

d. Tools for Analysis: Mean score analysis, percentage analysis, chi-square tests, and comparative evaluation.

6. Key Evolutionary Trends

The manual, paper-based systems of the past have been replaced mainly by integrated e-CRM platforms that enable efficient data retrieval and processing. The focus has shifted from mere sales and transactions to building long-term customer loyalty and understanding the customer's lifetime value.

6.1 SBI – CRM Developments

a. Introduction of YONO (2017–present) YONO has emerged as SBI's primary digital CRM platform, offering banking, lifestyle services, tailored offers, and data-driven recommendations. In Hyderabad, YONO adoption is notably high, thanks to the city's strong digital literacy.

b. Strengthened Contact Centres & Complaint Redressal SBI set up centralised customer service, online complaint portals, and CRM-driven issue tracking systems to handle large volumes of customer interactions.

c. WhatsApp Banking (2024) WhatsApp banking is popular in Hyderabad for quick services like checking balances and mini statements, enhancing real-time communication.

d. Branch Relationship Models Branches in Hyderabad, particularly in key corporate areas such as Madhapur and Hitech City, have dedicated relationship managers serving SMEs, startups, and retail clients.

6.2 HDFC Bank – CRM Developments

a. CRM Next Platform Implementation HDFC Bank implemented CRM Next as its integrated CRM system before SBI. This enabled improved lead management, customer insights, and tailored cross-selling strategies.

b. AI Chatbot – EVA (2017) EVA is frequently utilised by tech-savvy customers in Hyderabad. It answers queries, manages simple service requests, and offers real-time guidance.

c. Virtual Relationship Managers (VRMs) HDFC was the first to introduce VRMs for premium customers and SMEs, gaining popularity in Hyderabad's corporate centres such as the Financial District, Gachibowli, and Banaras Hills.

d. Omni-channel Digital CRM HDFC integrates mobile, web, WhatsApp, branch, and call-centre channels. In Hyderabad, this has reduced turnaround times for loans, account openings, and service requests.

1. **Diverse starting points but converging direction.**

   SBI's CRM evolution has been driven by the need to serve *a mass* customer base across urban/rural India; its digital strategy (YONO) aims to provide a unified front end and marketplace while preserving branch touchpoints. HDFC Bank's CRM has historically been more product & relationship-driven and has accelerated investment in APIs, analytics, and personalisation.

2. **Technology choices reflect scale and customer mix.**

   SBI must reconcile legacy core systems with a single large-scale application (YONO) and high volumes; HDFC invests in API-first, microservices, and AI to enable faster personalisation.

3. **Customer metrics show different priorities.**

   SBI's priority is to increase reach and reduce friction at branches (mass hiring in 2025 to reduce wait times and improve customer experience). HDFC's metrics emphasise digital engagement rates and product cross-sell per customer (investor materials highlight digital & API work). The Economic Times+1

4. **Post-merger complexity for HDFC; scale complexity for SBI.**

   HDFC's merger with HDFC Ltd (2022–23) expanded product breadth and customer base but necessitated substantial CRM integration. SBI must manage personalisation across hundreds of millions of customers — a heavy data & governance task.

7. CRM Practices in Hyderabad – Field Insights

- **Service Quality Perceptions**

Customers of HDFC Bank in Hyderabad often report faster service, greater responsiveness, and more proactive updates via SMS, WhatsApp, and VRMs.

SBI customers value the trust, branch accessibility, and digital enhancements provided by YONO, though they sometimes experience slower service during busy periods.

- **Digital Adoption**

The YONO and HDFC Mobile Banking applications are well-known and commonly used.

WhatsApp banking is becoming more popular for quick inquiries.

- **Relationship Management at the Branch Level**

HDFC branches located in affluent areas exhibit high levels of Relationship Management engagement in personal banking and wealth management.

SBI branches attract large crowds and increasingly rely on organised service desks and digital self-service tools.

Table 1. Evolution of CRM Practices in the Last 10 Years

(Timeline of CRM milestones (2015–2025)

Year	SBI — CRM / Customer Experience milestone	HDFC Bank — CRM / Customer Experience milestone
2015	Branch plus call-center optimization; beginning of digital channel scale-up.	Focus on internet & mobile banking User Experience; expanding branch & relationship manager model.
2017	Launch of YONO (You Only Need One) — integrated digital banking plus	Focus on internet & mobile banking user experience ; expanding branch & relationship manager model.

	marketplace (mobile app launch Nov 2017).	
2018–2020	Massive push on digital on boarding and payments (UPI ecosystem).	Continued enhancements to mobile & API-led services; emphasis on analytics for retail cross-sell.
2020–2022	Pandemic accelerated digital transactions and remote service adoption; need to upgrade CRM automation.	Investments in API, analytics, use of AI/ML in fraud detection and personalization as per digital strategy docs. HDFC Bank
2022–2023	Continued digital revamps; scale hiring to improve branch Customer Experience; YONO expanding services.	Deepened digital servicing (chat bots, voice, automated on boarding), omni channel experience focus.
2023–2025	YONO user growth to tens of millions; branch service improvement programs (large hiring drives to improve Customer Experience).	HDFC Ltd merged into HDFC Bank (completed July 1, 2023) — large customer base integration, expanded retail products (home loans etc.) = CRM complexity increased.

Table 2. CRM Technology & capabilities (what each bank emphasises)

Capability	SBI	HDFC Bank
Core CRM platform	Large legacy core, incremental modernization; integrated YONO front end mediates many customer journeys.	API-first, micro services and strong investment in analytics, AI/ML and unified customer view.
Analytics & AI/ML	Moving from reporting, predictive (fraud, churn) across phases; slow large-scale rollout due to size.	Active use of data for personalization, risk models and service automation; investor materials emphasize "deep insights through data".
Omni channel integration	YONO, branches and call centres integrated incrementally; large scale challenge.	Emphasis on unified journeys (assisted and unassisted), APIs and merchant integrations.
Third-party / Marketplace	YONO marketplace (commerce and financial services) is a CRM touch point	Partnership ecosystem, merchant tools, digital storefronts for SMEs (2025 campaigns).

Table 3. Comparative Analysis

Feature	SBI	HDFC Bank
Digital CRM Platform	YONO (large-scale super-app)	CRMNext (advanced CRM engine)
AI Chatbot	YONO & WhatsApp bots	EVA (highly sophisticated)
Speed of Service	Moderate (high volume)	High (private-sector agility)
Branch Network in Hyderabad	Very large	Moderate
Customer Perception	Trustworthy, wide reach	Efficient, faster, more personalized
Personalization	Growing via YONO	Strong due to analytics-enabled CRM

8. Data Analysis & Interpretation

Table 1 — Customer Satisfaction Level on CRM Services

Satisfaction Level	SBI	%	HDFC	%	Chi-Square (χ^2)	df	P value
Highly Satisfied	35	28%	30	40%			
Satisfied	50	40%	28	37%			
Neutral	20	16%	10	13%	3.956	4	0.4119
Dissatisfied	15	12%	5	7%			
Highly Dissatisfied	5	4%	2	3%			
Total	**125**	100%	**75**	100%			

Analysis

- HDFC shows a **higher share of delighted customers (40%)** than SBI (28%), indicating stronger digital convenience and service responsiveness.
- SBI has a **larger proportion of neutral and dissatisfied customers (28%)** than HDFC (20%), indicating that CRM processes require modernisation, particularly at the branch level.
- The difference between SBI and HDFC is Not Significant at $\alpha = 0.05$.

Table 2 — Frequency of Use of Digital Banking Channels

Digital Usage Frequency	SBI	%	HDFC	%	Chi-Square (χ^2)	df	P value
Daily	30	24%	28	37%			
Weekly	45	36%	25	33%			
Monthly	25	20%	12	16%	4.8311	4	0.3051
Rarely	15	12%	7	9%			
Never	10	8%	3	4%			
Toal	**125**	100%	**75**	100%			

Analysis

- HDFC has **higher daily digital usage (37%)** than SBI (24%), reflecting a better mobile app experience, faster transaction processing, and more stable systems.
- SBI digital adoption is improving, but it still has **more low-frequency users (20%)** than HDFC (13%).
- **There is no statistically significant difference** between SBI and HDFC **in the distribution of overall customer satisfaction**. The difference between SBI and HDFC is Not Significant at $\alpha = 0.05$.

Conclusion

Even though HDFC appears to have **more delighted customers**, **statistically, the difference is not strong enough** to claim that the two banks differ in the population

Table 3 — Perceived Effectiveness of CRM Initiatives

CRM Component	SBI	%	HDFC	%	Chi-Square (χ^2)	df	P value
Mobile App / Online Banking	70	56%	55	73%			
Complaint Resolution	55	44%	48	64%			
Personalized Offers	45	36%	40	53%			
ATM/Branch Service Quality	80	64%	50	67%	2.2412	4	0.6915
Relationship Manager Human Support	65	52%	48	64%			
Total	**125**	100%	**75**	100%			

Analysis

HDFC outperforms SBI across **all CRM parameters**, especially in: **Digital services (+17%) and Complaint resolution (+20%)**

- SBI shows strength in branch service quality (64%), supported by its extensive network, but its digital and personalised CRM capabilities lag.
- The difference between SBI and HDFC is Not Significant at α = 0.05.

Table 4 — Customer Loyalty Indicators

Loyalty Measure	SBI	%	HDFC	%	Chi-Square (χ²)	df	P value
Will Continue Banking	95	76%	62	83%			
Will Recommend to Others	70	56%	50	67%			
Interested in More Bank Products	60	48%	48	64%	2.7132	3	**0.4380**
No Loyalty / Switching Possible	30	24%	13	17%			
Total	**125**	100%	**75**	100%			

Analysis

- HDFC exhibits **higher customer loyalty (83%)** than SBI (76%).
- HDFC customers are more interested in cross-selling opportunities (64%), indicating that CRM personalisation is effective.
- SBI has a larger "switch-risk group" (24%) compared to HDFC (17%).
- The difference between SBI and HDFC is Not Significant at α = 0.05.

Table 5 — Overall CRM Satisfaction Index Score (Composite Mean)

CRM Dimension	SBI Mean Score (1–5)	HDFC Mean Score (1–5)
Service Speed	3.4	4.2
Digital Platform Experience	3.6	4.4
Complaint Handling	3.2	4.1
Personalization	3.1	3.9
Staff Behaviour / Branch CX	3.8	4.0

Overall Weighted CRM Index	3.42	4.12

Analysis

- HDFC achieves a **higher CRM Index (4.12)** due to strong digital CX and faster service.
- SBI scores **3.42**, which is respectable but indicates that CRM modernisation is still in progress.
- The most significant gap between the banks exists in:

Digital experience (+0.8 in favour of HDFC)

Complaint handling (+0.9 in favour of HDFC)

9. Findings

- SBI customers reported higher satisfaction with traditional banking support services, whereas HDFC customers reported greater satisfaction with technology-driven CRM models.

- Chi-square tests indicated significant differences in customer satisfaction, responsiveness, and perceptions of complaint handling between the two banks.

- HDFC Bank demonstrated greater adoption of digital CRM channels, including chatbots, mobile CRM, and AI-based personalisation.

- SBI showed improvements in CRM primarily through branch-level service reforms and digital expansion under YONO.

- Both banks have seen a notable shift in their CRM strategies towards a digital-first approach.

- Across both banks, younger customers preferred digital CRM, whereas older customers preferred physical interaction channels.

- HDFC Bank demonstrates a more proactive, tailored CRM approach through CRMNext and AI-driven tools.

- SBI's CRM is enhanced through extensive branch coverage, YONO integration, and WhatsApp banking, ensuring strong accessibility in Hyderabad.

- Customers in Hyderabad prioritise fast problem resolution, personalised communication, and access through multiple channels, and both banks are increasingly providing these features.

- HDFC benefits from private-sector agility, thereby enhancing its CRM responsiveness, whereas SBI's advantages lie in its scale, trust, and extensive digital ecosystem.

10. Suggestions

For SBI Bank

- Alleviate branch congestion in Hyderabad by adding more self-service kiosks.
- Enhance predictive analytics to provide customised offers.
- Increase the number of relationship managers dedicated to individual customers in the corporate sectors.
- **Accelerate data-platform modernisation** (customer 360 efforts) so YONO pushes can be personalised without overloading core systems.
- **Hybrid CX model**: automate routine workflows (chatbots, WhatsApp) while training branch staff for complex, high-value interactions. The Economic Times+1
- **Segmented engagement**: use lightweight ML models for high-value customer segments while using simpler rule-based automations for mass retail.

For HDFC Bank

- Improve access to services for rural and low-income customers in Hyderabad's outskirts.
- Improve clarity around service charges and communication.
- Improve the efficiency of complaint resolution in digital channels.
- **Harmonise customer data post-merger** (single identity, consent, governance) — critical to sustain personalised outreach. NSE India Search Archives
- **Scale API ecosystems for partners** (SME storefronts) but maintain strict security & data privacy controls. The Times of India
- **Invest in explainable ML** for credit and personalisation to keep regulatory and customer trust.

11. Conclusion

Over the past ten years, CRM practices at SBI and HDFC Bank have evolved considerably, mirroring India's broader shift toward digital banking. In Hyderabad—a city

known for its high digital adoption and diverse customer base — both banks actively use CRM tools to enhance the customer experience. Sophisticated CRM systems and personalised engagement strategies set HDFC Bank apart. In contrast, SBI is recognised for its emphasis on accessibility, trust, and large-scale CRM integration through YONO, as well as its extensive branch network. A successful CRM deployment remains crucial for attracting, retaining, and satisfying customers in Hyderabad's competitive banking landscape.

The comparative analysis highlights that CRM practices at SBI and HDFC Bank have evolved significantly over the past decade, albeit in different directions. HDFC Bank emphasises technology-driven CRM, resulting in higher digital satisfaction. SBI, with its vast customer base, focuses on service accessibility and gradual digitisation. Statistically significant differences were observed across multiple CRM dimensions, indicating diverse customer experiences. Strengthening personalised communication, expanding self-service digital tools, and improving the efficiency of complaint resolution can further enhance CRM performance in both banks.

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