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# A Study on Customer Acquisition and Retention of Axis Bank

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**ABSTRACT:** The paper conducts a thorough examination of Axis Bank's client acquisition and retention methods, exposing a diversified approach to satisfying the diverse needs of modern consumers in the changing banking market. Through a variety of programs, the bank strategically leverages digital channels for acquisition, improves personalized customer service, streamlines banking operations, promotes financial literacy, and develops financial inclusion. Axis Bank's significant investment in digital platforms aims to provide seamless experiences to tech-savvy consumers and acquire a competitive advantage. Proactive attempts to improve service, streamline operations, and promote financial literacy show a dedication to decreasing customer effort while increasing engagement. Initiatives such as 'Axis Sahyog' and 'Axis Pragati' demonstrate commitment to underrepresented segments, hence extending the client base. Overall, the research underlines Axis Bank's comprehensive strategy, which positions it for long-term growth and success in the changing financial sector.

## I. INTRODUCTION

Today's banking industry is defined by extreme rivalry and frequently changing consumer tastes. Client acquisition and retention are critical for a sustainable growth and preserving an advantage over the competitors. Financial organizations, like HDFC Bank, ICICI Bank, Axis Bank, etc. are always creating new strategies, and innovating to acquire new clients while also emphasizing on retaining the old ones.

Understanding the complexities of customer acquisition and retention is critical for banks like Axis Bank if they want to succeed in today's competitive market. This study aims to identify insights that can influence strategic decision-making and promote continuous improvement by thoroughly analyzing Axis Bank's tactics like marketing campaigns, product offers, customer service practices, and technology developments.

## II. LITERATURE REVIEW

Customer Acquisition:

Bringing in new clients is crucial for a business's sustainability and growth. There are various reasons why businesses emphasize customer acquisition:

- i. New clients represent new revenue streams, which is especially important when earnings are low or new areas must be explored for expansion.
- ii. In highly competitive marketplaces, recruiting new consumers helps to increase market share and stay ahead of competition.
- iii. Bringing a new product or service to a new market demand obtaining new clients.
- iv. Stakeholders and investors expect growth; thus, customer acquisition is a top goal for demonstrating progress and potential.

Customer Retention:

Maintaining satisfaction and engagement with existing customers leads to long-term relationships. Companies may prioritize retention over acquisition for a variety of reasons.

- i. In a highly competitive market, retaining existing clients might provide a long-term benefit because consumers can easily switch brands.
- ii. Having a loyal client base ensures revenue stability and allows for better revenue modeling in financial planning.
- iii. By focusing on retention, firms can take advantage of upselling and cross-selling opportunities, particularly with new product lines.
- iv. Long-term client relationships provide useful information for product development and enhancement based on usage and experience.

Theoretical Frameworks in Banking Industry:

The Indian banking system, which is critical to economic progress, includes 137 scheduled commercial banks, cooperative banks, local area banks, and non-banking financial corporations (NBFCs). Scheduled Commercial Banks include public, private, foreign, regional rural, small finance, and payment banks, assuring national sectoral coverage.



The RBI regulates cooperative banks, which largely serve farmers, small-scale industries, and self-employed workers. All India Financial Institutions (SIDBI and NABARD) provide medium- to long-term financing for a variety of sectors, promoting inclusive growth. The RBI regulates NBFCs, which play an important role in supporting consumption demand and capital development in small and medium-sized companies. India's banking and financial ecosystem is constantly evolving, with regulatory modifications ensuring stability, inclusion, and growth.

Axis Bank:

Axis Bank, founded in 1994, is one of the pioneering new-generation private sector banks. It is India's third largest private sector bank, provides a wide range of financial services to a variety of customer groups, including large and mid-sized corporations, MSMEs, agriculture, and retail businesses. Axis Bank guarantees accessibility and convenience for its customers through a huge network of 5100+ domestic branches and 15,000+ ATMs and cash recyclers across the nation. Furthermore, the bank runs six Axis Virtual Centres with approximately 1,500 Virtual Relationship Managers who provide individualized services. The bank's aim is to become the preferred financial solutions provider by excelling in customer service through insight, empowered personnel, and strategic use of technology. Furthermore, Axis Bank is guided by key principles such as customer centricity, ethics, transparency, teamwork, and ownership, which reflect the company's dedication to excellence and integrity in all activities.

### III. OBJECTIVE

This research report aims to analyse and evaluate Axis Bank's client acquisition and retention techniques. The study intends to achieve the following objectives by conducting a thorough evaluation of data acquired from Axis Bank's website and other secondary sources, including annual reports, industry journals, and recognized financial analysis platforms.

1. Examine Axis Bank's present practices and strategies for client acquisition and retention.
2. Identify major elements that influence the success or limitations of Axis Bank's customer relationship management strategy.
3. Provide information about the strengths and shortcomings of Axis Bank's client acquisition and retention strategies.

By addressing these objectives, this research paper hopes to add to the existing knowledge base on effective customer relationship management strategies in the banking sector while also providing practical insights for Axis Bank to better serve its customers and strengthen its market competitiveness.

### IV. METHODOLOGY

The data collected for this research work is completely secondary (secondary sources such as reports, announcements, brochures, etc are used). The data is provided by Axis Bank in the public domain. By using this data an effort is made to understand and compare the customer acquisition and retention strategies implemented by Axis Bank. By analysing the data an effort is made to identify the pattern in the growth in customer acquisition. Further more an effort is made to examine the effectiveness of the retention strategies.

### V. ANALYSIS & DISCUSSION

The review of Axis Bank's customer acquisition and retention methods reveals a varied approach aimed at fulfilling the changing needs of modern clients. First and foremost, the bank's strong investment in digital channels such as mobile banking and internet banking demonstrates its dedication to delivering convenient and fast banking options. This strategy focus on digital innovation intends to attract tech-savvy consumers while also increasing the bank's competitiveness in the digital banking field.

Axis Bank's proactive attempts to improve customer service stand out as a key component of its acquisition and retention strategy. Initiatives like specialized loan servicing centres and dedicated call centres for rural lending illustrate the bank's commitment to provide personalized and efficient service to a wide range of customers. Axis Bank seeks to develop long-term partnerships and client loyalty by focusing customer pleasure and meeting their needs through specialized products.

Axis Bank's emphasis on simplifying banking processes and encouraging financial literacy demonstrates a dedication to minimizing client effort while improving knowledge. Axis Bank aims to increase client engagement and loyalty by providing knowledge and making banking services more accessible. Furthermore, the bank's emphasis on financial inclusion through projects such as 'Axis Sahyog' and 'Axis Pragati' demonstrates its dedication to serving underserved



populations and expanding its customer base. Overall, Axis Bank's integrated strategy to customer acquisition and retention prepares it for long-term growth and a competitive advantage in the banking sector.

## **VI. STRATEGIES OF CUSTOMER ACQUISITION AND RETENTION**

Axis Bank's customer acquisition and retention strategies focus on providing convenient digital banking services, improving customer service, simplifying processes, promoting financial literacy, customizing products, expanding its network, and embracing innovation to effectively meet its customers' diverse needs.

Axis Bank has made significant investments in digital banking services such as mobile and online banking. These platforms not only attract new clients who prefer digital channels, but they also keep existing customers by offering convenient and fast banking services.

Axis Bank has undertaken proactive customer service efforts, such as the establishment of 'Saksham' loan servicing centres and specialised call centres for rural lending. These programs strive to provide personalized and efficient service, resulting in increased customer satisfaction and retention. To make banking more convenient for consumers, the bank has simplified customer agreements, updated brochures, and customized passbooks. Simplified processes decrease client effort while improving the entire banking experience, boosting the likelihood of retention.

Axis Bank's activities in financial literacy camps and digital financial literacy programs, benefit society while also serving as client acquisition platforms. By providing individuals with financial knowledge and digital banking skills, the bank may attract new customers and maintain existing ones through improved engagement.

Axis Bank provides customized products for certain customer segments, such as Axis Sahyog for women's empowerment and Axis Pragati for Self-Help Group (SHG) lending. Understanding the unique demands of different customer segments and providing focused solutions allows the bank to attract and keep customers more successfully. As noted in the presented data, Axis Bank's substantial branch and ATM network makes banking services more accessible to clients. This physical presence aids in the acquisition of new clients, particularly in underdeveloped areas, and strengthens customer loyalty by providing easy access to banking services.

During the demonetization era, Axis Bank displayed responsiveness and support to customers by extending branch hours, waiving gasoline surcharges, and establishing control rooms for monitoring. Such efforts not only increase client trust, but also aid in customer retention during difficult circumstances. Axis Bank's commitment to innovation, as seen by its investments in advanced data management, analytics, and infrastructure, keeps it ahead of the curve in meeting changing client demands. By regularly delivering new products and services, the bank can attract tech-savvy customers while also retaining existing ones who appreciate innovation and ease.

## **VII. SUGGESTION**

My recommendation is that Axis Bank continue to emphasize its investment in digital banking platforms and technology-driven solutions to improve client acquisition and retention. This includes guaranteeing continuous innovation and development in digital channels like mobile banking and internet banking to stay up with changing client preferences and industry trends. Furthermore, the bank should focus on tailoring its customer service offerings to meet the specific needs of various customer categories, thereby enhancing customer connections and promoting loyalty. Furthermore, Axis Bank might look into new ways to streamline banking operations and promote financial literacy, such as broadening the scope of financial literacy programs and improving access to banking services for underserved populations. By keeping committed to these strategic goals and reacting to changing consumer dynamics, Axis Bank can maintain its position as a dominant player in the competitive banking sector while achieving long-term growth and customer happiness.

## **VIII. CONCLUSION**

In conclusion, Axis Bank's strategic framework for client acquisition and retention is designed to adapt to the changing banking industry. The bank's strong investment in digital channels such as mobile banking and online platforms demonstrates its understanding of the importance of technical innovation in fulfilling modern consumer expectations and maintaining a competitive advantage in digital banking. Furthermore, Axis Bank's proactive approach to improving customer service, as evidenced by the establishment of specialized loan servicing facilities and rural lending call centers, demonstrates its dedication to personalized and efficient service across diverse customer segments, fostering long-term relationships and loyalty in a competitive market.

Furthermore, Axis Bank's emphasis on simplifying banking processes and encouraging financial literacy seeks to reduce client effort while increasing awareness. Initiatives such as 'Axis Sahyog' and 'Axis Pragati' demonstrate the bank's commitment to financial inclusion and assisting underserved communities, consequently increasing its customer



base. Overall, Axis Bank's overall strategy, which includes digital innovation, personalized service, process simplification, financial literacy development, and inclusive policies, prepares it for long-term growth and a competitive advantage in the dynamic banking business. As market conditions change, Axis Bank remains ready to adapt and thrive, driven by its unrelenting commitment to addressing various customer needs.

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