SUMMARY

ELECTRONIC CUSTOMER RELATIONSHIP MANAGEMENT – A COMPARATIVE STUDY OF BANKS IN HARYANA.

Introduction:

This is an era of company loyalty towards the customer in order to obtain customer loyalty towards the company. The last several years witnessed the rise of Customer Relationship Management (abbreviated CRM) as an important business approach. Its objective is to return to the world of personal marketing. The concept itself is relatively simple. Rather than market to a mass of people or firms, market to each customer individually. Thus “CRM implies building long term relationship with customers and understanding their needs and responding through multiple products and services through multiple channels. It enables a targeted, mutually beneficial, profitable relationship with individual, and groups”. Traditional (Mass) marketing doesn’t need to use information technology extensively because there is no need to distinguish, differentiate, interact with and customizes for individual customer needs. It is widely acceptable the information technology has a major role in CRM. Because of this, the approach of personal marketing base is transforming from CRM to electronic customer relationship management (abbreviated as ecrm) from the last few years.

Thus “ecrm is the phenomenon of building relationship with customers via the internet or the relationship that is web-based is known as electronic CRM (ecrm)”. 
ecrm In Banks:

ecrm is the marketing concept. Marketing in terms of banking can be defined as the creation and delivery of consumers satisfying products (goods and services) at a profit to a bank. Every business wants to grow day by day. It wants to attain a growth which knows no end. It must continue to try to attract customers at all times during its lifetime without a single day’s pause.

If the marketing concept is applied to a bank, it would mean that:

1. The bank should continue to create new services for the use of customers and deliver the existing services to consumers most efficiently.
2. Bank marketing must be consumer oriented. It is critical that customer’s needs and wants be fulfilled by the product or the services the bank offers.
   There is a complete shift in focus as how banks look at customers.

The evolution of marketing can be seen as under:

- 1960’s Mass marketing
- 1970’s Segment marketing
- 1980’s Transaction marketing
- 1990’s Relationship marketing/CRM
- 2000’s ECRM

CRM in banks can be defined as the ability to understand, anticipate and manage the needs of the customer, interaction and relationship resulting in increased profitability through revenue and marginal growth and operational efficiencies.

“ecrm in banks can be defined as the use of the web/internet and various other electronic channels, technologies that enable automated and electronic management of customer relations”.

JUSTIFICATION OF THE PRESENT STUDY
The review of literature highlighted gaps in the existing studies showed that there was a need to make a fresh attempt to understand the concept and impact of ecrm in Indian Banking Sector as a number of improvements can be incorporated on account of gaps in the existing literature. Hence, the proposed study was conducted and it was a systematic attempt to analyze diverse dimensions of ecrm in Indian Banking sector because the customer retention capacity of the organization depends upon the strategy, management directives, employee’s involvement and type of technology adopted by the organization to interact and maintain relationship with the customers for customer satisfaction and to improve customer retention. The present study had made an attempt to overcome the gaps by taking into consideration: selected banks of India; all level of management and employees; behavioural aspect of account holders/customers; both primary and secondary data; and combination of technical and managerial aspect of ecrm technologies. Above all, the study had followed a macro approach by studying perceived quality of ecrm technologies offered by Indian Banking sector; related service dimensions; behavioural aspect of management and employees etc. so that the results of these studies can be generalized in Indian context. The broad objectives of the present study were as under:

**OBJECTIVES OF THE STUDY:**

1. To analyze the level and objective of adoption of ecrm technologies amongst the banks
2. To compare the level of customer knowledge and usage regarding ecrm services offered by different banks
3. To compare the level of ecrm service quality offered by different banks
4. To analyze the impact of ecrm technologies on the customer satisfaction & customer loyalty level
5. To measure the impact of ecrm on different aspects of banks viz.-
   - Business (loans and deposits, No. of branches)
- Secure and reliable business
- Increase in efficiency

**RESEARCH METHODOLOGY:** The methodology adopted in the present study is as follows:

1. **Nature of the present study:** The present study is exploratory cum descriptive in nature because ecrm activity in India are in its early adapter stage.

2. **Data Collection:** The present study is empirical in nature, it require mainly primary data which was collected from selected sample. It was supplemented and supported by secondary data also, so as to establish link between the data and draw conclusions.

3. **Sample design:** The sample design of the present study comprises of following elements.

   1. **Sampling Unit:** There are two sampling units: Customer and Bank Employs.

   2. **Sampling Technique:** Non Probability sampling technique was used. The selection of units was made on the basis of quota sampling.

   3. **Area covered under the study:** The researcher has conducted the study in whole of Haryana state. Therefore Haryana was divided in five different Zones. Therefore zone wise and bank wise distribution as follows.

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Data Analysis: The collected data was edited, tabulated and then interpretation of data was need. Statistical techniques apply were simple average, percentage, weighted average and mean score. Exploratory research required some advance tools therefore to find out and analyses the results statistical test like comparative mean, gap analysis, standard deviation, Correlation, ANOVA and Post-hoc analysis were used. A seven point’s likert scale was also used.

Objective wise Analysis and Conclusions:

1. To analyze the level and objective of adoption of ecrm technologies amongst the banks: The results clearly indicated that almost all the selected banks has adopted and offer ecrm services inquired in questionnaire. All the selected banks strongly believed that ecrm services were essential for survival in banking sector.
   The first part of the employees’ questionnaire was used to collect the views of the employees. The results firmly indicated that on overall bases, to improve our ability to increase market share (mean 4.10) was assigned first rank. Meaning there by the employees strongly admitted that to improve our adopted ability to increase market share was the most inspiring factor for adopting of ecrm services in selected banks.

   Techniques: In order to analyze this objective the following techniques were used that were ranks, inter comparison of ranks, ANOVA and post hoc analysis.

   Hence, the officials of the selected banks’ should take instant steps to consider these factors considered as sources of motivation for employees to enhance the customer satisfaction and loyalty level.

2. To compare the level of customer knowledge and usage regarding ecrm services offered by different banks: To verify and compare the level of customer knowledge and usage regarding ecrm services offered by different bank, the technique, ranks and percentages were used.
On overall basis the study find that 650 respondents received information through advertisement (Print and electronic). The inter comparison of individual bank ranks showed that ICICI was leading in providing information and PNB leading in other category of sources of information through bank employees, family and friend and another sources.

The result clearly showed that out of 848 usable responses 788 respondents of selected banks of were aware regarding official website and ecrm services offered by their respective banks.

Similarly regarding usage pattern on overall basis, the result showed that 265 respondents of all the selected banks used e services daily. Similarly on overall basis regarding purpose of using ecrm services offered by selected banks, most of the respondents (198) used ecrm services for account statements.

Thus in the last the study on the basis of results concluded that customer were well aware ecrm services and well user of ecrm services.

3. **To compare the level of ecrm service quality offered by different banks:**

To analyze this objective gap analysis was used.

Overall unweighted GAP score for the total 848 respondents was .69. It was in positive zone. Meaning there by that the account holder perception were more than their expectation. Account holder perceived that ecrm services provided to them were of good quality.

Similarly weighted GAP score also positive (9.31). This shows that banking organizations of Haryana were providing quality ecrm services to their account holders.

Further the researcher also calculated unweighted and weighted GAP score in all seven quality of ecrm services offered. SBI was accorded best unweighted and weighted GAP score in all the seven quality dimension of ecrm services offered. PNB accorded best unweighted and weighted score in two dimensions (that is competence .10 and 1.01 and product portfolio .11 and 1.12). The respondents of ICICI best weighted and weighted GAP score in two dimension
that is .06 and .87 to responsiveness and easy to use. Whereas HDFC was accorded the best weighted and unweighted score 1.51 and .08 in security service dimension.

The results of the above analysis indicated that the security, convenience and easy to use had been identified by the respondents to be the most important dimension of ecrm services quality in the selected banks. All of the services quality dimensions of ecrm were found to have a positive gap implying that account holder expectations regarding ecrm services in the selected banks were met by the selected banks of Haryana.

4. **To analyze the impact of ecrm technologies on the customer satisfaction & customer loyalty level:** To analyze the impact of ecrm technologies on the customer satisfaction & customer loyalty level mean variations, one way analysis of variance (ANOVA), Post-hoc analysis and paired sample t-test were applied.

Account holders responses regarding overall satisfaction and overall loyalty levels were compared both before using ecrm services and after using ecrm services offered by selected banks of Haryana in the present study. The study revealed that:

- In the case of overall customer satisfaction level after experiencing ecrm services, the overall mean value of all the selected banks had exceptionally increased i.e. from 3.44 to 5.24. This showed that the accountholders/respondents were more satisfied.

- That the individual customer satisfaction level mean value of all the selected banks had improved after experiencing ecrm services. It was also clearly depicted that the accountholders/respondents of State Bank of India [by replacing Punjab National Bank (5.13)] were having high mean score (5.46) after experiencing ecrm services. It indicated that accountholders/respondents of SBI were more satisfied.
that in the case of overall customer loyalty level after experiencing ecrm services, the overall mean value of all the selected banks regarding overall customer loyalty level was admirably increased i.e. from 3.41 to 4.86. This showed that the accountholders/respondents were more satisfied.

that the individual customer loyalty level mean value of all the selected banks had enhanced after experiencing ecrm services. It was also revealed that the accountholders/respondents of HDFC [by replacing ICICI (4.94)] were having high mean score (5.00) after experiencing ecrm services, which showed that the accountholders/respondents of HDFC were more satisfied.

Apart from the above facts the significance value of both Paired Samples t-TEST [overall customer satisfaction level (0.000) and overall customer loyalty level (0.000)] strongly confirmed that there was a significant positive influence of ecrm services offered by the selected companies on customer satisfaction and loyalty level.

In the context of banks of Haryana, it could be concluded that service quality had a greater influence on satisfaction and loyalty. The top management of banks must, therefore, focus more on delivering quality ecrm services to their accountholders/respondents.

5. To measure the impact of ecrm on different aspects of banks viz.-

- **Business (loans and deposits, No. of branches), Secure and reliable business, Increase in efficiency:** To analyse the impact of ecrm on different aspects like business (loans and deposits, No. of branches), Secure and reliable business, Increase in efficiency. The techniques, Ranks, inter comparison of ranks, ANOVA, and Posthoc analysis were used. The findings were as follows:

- that on the overall basis bank business has been increased after launching of ecrm services was assigned first rank (mean 3.11) means that the employees considered it as a major impact of ecrm services. While Level of work stress on bank employees has been decreased because of ecrm services was
considered least important (mean 7.41) by the respective employees.

- that the individual results of the selected banks’ regarding impact of offering ecrm services were diverse from overall results.
- that a significant relation existed between factors related to impact of offering ecrm services and the selected banks except bank provides 24/7 online customers services variable (Significance Value .056)

Hence the governing bodies of the selected banks should take instant steps to manage all these factors considered as impact of offering ecrm services.

**Recommendation:**

Keeping in view of ecrm service quality, customer satisfaction, retention, and ecrm projects failures, the banks of India should take into consideration the following recommendations for further improvements to meet the challenges of the millennium.

- There should be greater synergy amongst the branches and departments failing which effective ecrm cannot take place and process efficiency will also drop. Banks need to priorities customer centricity and this will lead to a positive effect on corporate performance. Otherwise, this will further reflect in high customer churn, low customer satisfaction, falling employees morale, decreasing market share and increasing costs because of fragmented business approach.
- In order to target the messages more effectively, more reliable information about the customer is required. This will of course, result in increase in sales and reduction in general as well as administrative costs. The customers can be approached more effectively if accurate information is available.
- A customer-centric bank must have a ecrm package from the core of the technology platform, but it should optimise for Customer Life Cycle Care (CLC). ecrm will fulfill its potential of maximizing profit and value only when the foundation (customer-centric technology, data quality, people and process)
are integrated and leveraged fully.

✓ An integrated customer-centric technology backbone ensures that the total requirements of the customer is in consistent with the entire organization and provides the right information at the right time, to the right person and optimise the customer enterprise relationship. The technology backbone should also be extended throughout the enterprise to include value added networks.

✓ For any bank, it is essential to identify customers with respect to their net worth and retaining them. Customer demand personalized services across all channels, and organizations must align their resources appropriately to cater to the needs of the customers. A successful organisation should have a deep insight into the departmental initiatives as well as the departmental jurisdictions, which should be kept flexible.

✓ There are many pieces of software available that offer customer relationship management features, but in reality, ecrm goes beyond software implementation. It’s business strategy that often involves using multiple pieces of software, as well as implementing possibilities that promote the collection of customer information, and the use of that information by individuals throughout the company in order to maximize customer service and increase sales.

✓ While ecrm is an organisation-wide strategy, best results will be achieved by rolling it out on a phased basis, rather than across the whole company at once. By testing and proving the strategy and business case before incrementally rolling it out to further channels, divisions, customer groups and product sets, companies can see what's working and what's not in a relatively low-risk environment and make improvements accordingly.
LIMITATIONS OF STUDY:

The rapid growth of adoption of ecrm technologies and the anonymous nature of ecrm services created new opportunities for the researchers to gather and analyze data in order to learn about individuals, companies and societies. Thus, the topic ‘ecrm’ offered a vast scope for the study. However, it was not possible to cover all the aspects of ecrm approach. Hence, the researcher restricted to study the ‘Electronic Customer Relationship Management : A Comparative Study of Banks in Haryana’. The present study is not an exception. The present study has also been conducted under certain limitations and is based on some assumptions. Some of the most important are given as under:

- As the main objective of the present research was to study the business application aspect of ecrm services in banking sector in the Indian context, technical aspect of ecrm technologies was not covered properly.

- Since the scope of the study in this particular field was really very vast and the collected data provided huge information; therefore the researcher might reveal some other interesting results. But, the researcher limited the result of present study according to objectives of the study. However, the researcher tried to include all the necessary information for justifying the result of the study.

- The sample size of present study was relatively small to generalize the results in the Indian context. But time and financial factors did not allow the researcher to select very large sample size. However the researcher made the justification by taking into consideration four selected Banks of India on basis of their market share, and the region selected for study was really highly technical. Therefore, it would be logical to conclude that the result might be generalized in the Indian context. But, for future research this factor should be taken into consideration.

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- The result of the present study was based on the opinions and experiences of the respondents. In opinions survey there would always be possibilities of individual biasness in opinions, and results look unreliable. This biasness could not be eliminated.
- There might be drop error i.e. the respondents who are willing as well as able may not be contacted.
- There might be go error i.e. the respondents who are unable or unwilling may included in the sample. However, the large sample base as well as the pre-testing would further reduce the chances of these errors.
- There might be chances of different perceptions on the wording of the questionnaire or scale. Besides, training was also imparted to the survey staff so that the wording as well as the presentations can homogenized.

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