Chapter I
Introduction

Concept of eCRM

“I know who you are, I remember you. I get you to talk to me. And then, because I know something about you, my competitors don't know, I can do something for you my competitors can't do - not for any price”

--NEWELL, 2000

Over a century ago, in a small-town of India, before the advent of the supermarket, the shopping mall, and the automobile, people went to their neighborhood weekly haat or general store to purchase goods. The proprietor/owner and the small staff recognized the customers by name and knew the customer's preferences, needs, likings and wants. The customer, in turn, remained loyal to the store and made repeated purchases. This idyllic customer relationship disappeared as the nation grew, the population moved from the farming community to large urban areas, the consumer became mobile, and supermarkets and departmental stores were established to achieve economies of scale through mass marketing.

Although prices were lower and goods were more uniform in quality, the relationship between the customer and the merchant became nameless and faceless. The personal relationship between merchant and customer became a thing of past. As a result, customers became fickle, moving to the supplier who provided the desired object at lowest cost or with the most features.

This is an era of company loyalty towards the customer in order to obtain customer loyalty towards the company. The customer is more knowledgeable; companies have to be faster, more agile, and more creative than they were, a few years ago (Gray and Byun, 2001).

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. The objective of this one-to-one approach is to return to the world of personal marketing (McGarry 1950, 51, 53, 58).

To achieve this approach, information about a customer (e.g., previous purchases, needs, and wants) is used to frame offers that are more likely to be accepted. Observers such as McKie (2000) believe that the environment is fragmented and thus results in CRM meaning different things to different people. According to Peter Keen, the well-known author of Shaping the Future (1991) and The Process Edge (1997) defines CRM as:

“Customer relationship management is the commitment of the company to place the customer experience at the centre of its priorities and to ensure that incentive systems, processes and information resources leverage the relationship by enhancing the experience”.

CRM consists of three components:

- Customer
- Relationship, and
- Management

**Customer** : The customer is the only source of the company’s present profit and future growth. However, a good customer who provides more profit with less resource, is always scarce because customers are knowledgeable and the competition is fierce. Sometimes it is difficult to distinguish who is the real customer because the buying decision is frequently a collaborative activity among participants of the decision making process. Information technologies can provide the abilities to distinguish and manage customers.

**Relationship** : The relationship between a company and its customers involve continuous bi-directional communication and interaction. The relationship can be short-term or long-term, continuous or discrete and repeating or one time. Relationship can be attitudinal or behavioral. Even though customers have a positive
attitude towards the company and its products, their buying behavior is highly situational (Wyner, 1999).

Management: CRM is not an activity only within a marketing department. Rather it involves continuous corporate charge in culture and processes. The customer information collected is transformed into corporate knowledge that leads to activities that take advantage of the information and of market opportunities. CRM required a comprehensive change in the organization and its people.

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”. Customer relationship management is a broader concept than marketing because it covers marketing management, manufacturing management, human resource management, service management, sales management and research and development management. Thus CRM requires organizational and business level approaches which are customer centric to doing business rather than a simple marketing strategy. This approach is made possible by advances in Information Technology. The Information Technology permits firms to establish a personalized customer experience through –

- Online help
- Purchase referrals
- Quicker turn around on customer problems
- Quicker feedback about customer suggestions, concerns and questions

Evolution of CRM

The first surf of CRM solutions came in the late 1980s and early 1990s (Table No. 1). The providers of these products were clarify (now owned by Nortel Networks Corp.), Onyx Software, Oracle, Vantive (acquired by PeopleSoft) and Siebel Systems. These packaged solutions emphasized automating and standardizing the internal processes which related to acquiring, servicing and keeping customers. These processes ranged from capturing sales leads to creating scripts for customer service
agents to enable consistent service and support across product lines and divisions. The foci for these CRM solutions were on automating and standardizing the internal processes to make the customers an asset. Although these processes addressed the companies' needs, they were very expensive and not easy to maintain.

Then in the mid-1990s the Web emerged. It changed both the CRM market and customer-related business requirements of all sizes of companies. The new CRM system meant that the existing and potential customers were now able to interact and communicate with corporations. More importantly the client/server architecture behind existing CRM applications would disappear. The big vendors such as Siebel were slow to respond to the Internet. This left more opportunities to start-ups. A new market segment of eCRM emerged (3com Corp., 2001).

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Evolution of CRM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Year</td>
</tr>
<tr>
<td>Introduction</td>
<td>1980s to early 1990</td>
</tr>
<tr>
<td>Growing</td>
<td>Mid-1990 to end 1990</td>
</tr>
<tr>
<td>Paradigm Shift</td>
<td>2000</td>
</tr>
<tr>
<td>Ubiquitous</td>
<td>After 2000</td>
</tr>
</tbody>
</table>

The market for CRM application was shooting skyward. The best word to describe CRM market is "profitable". It was predicted that the total aggregate revenue
of the CRM market was anticipated to grow from $1.2 billion in 1997 to $11.5 billion in 2002 with an annual growth of more than 50 percent. CRM license revenue would top $7.5 billion by 2002 against $762 million in 1997. CRM applications and market penetration was expected to significantly grow to new levels when the market was continuing striving to leverage the strategic advantages. Now CRM was becoming one of the hottest areas in enterprise applications (NameProtect, 2001a).

In 1999, SAP introduced CRM software with the application for the Web. It included SAP Internet pricing and configuration application, which companies could use to let clients, distributors and salespeople calculate prices and come up with features for products and services. This signified SAP's plan to move to the front-office market (Oracle, 2001).

With the involvement of the Internet in CRM, its functions changed a lot. By using the Web, CRM became more interactive. Customers were actually transacting with the companies. The new customer-facing products and services could be implemented more quickly. Besides, the customers served were actually world-wide. Here comes eCRM. Companies' adoption of eCRM was slow but success rates were high due to its complexity (IT-Analysis.com, 2001).

Some recent eCRM packages integrated the speech-enabled specific application functions which embrace customer support, order management, and sales force automation or modules within individual applications. These products were provided by companies such as Siebel Systems, Oracle, and SAP. With an actual interface, a critical component of the application, lengthy and costly custom development by systems integrators could be avoided during the product development and deployment. This enabled systems integrators such as eLoyalty to simply perform application level integration between the speech-enabled solutions and the packaged application (www.crmguru.com).

Traditional (Mass) marketing doesn’t need to use information technology extensively because there is no need to distinguish, differentiate, interact with and customize for individual customer needs. It is widely acceptable the information technology has a major role in CRM. (Computing 2000) Because of this, the approach of personal marketing base is transforming from CRM to electronic customer
relationship management (abbreviated as e-CRM) from the last few years. e-CRM has been growing steadily from the last few years and is now seen as the way forward for any business wishing to thrive in the ‘e-future’.

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

**e-CRM** focuses on electronic channels mainly on the Internet and on technologies that enable automated and electronic management of customer relations.

Information Technology permitted firms to establish a personalized customer experience through online help, purchase referrals, quicker turn-around on customer problems, and quicker feedback about customer suggestions, concerns, and questions. 

CRM means different things to different people. **The concept of CRM, when seen in the context of eBusiness, it translates into eCRM** (Mittal and Kumra, 2001).

**eCustomer Relationship Management is the establishment, development, maintenance and optimisation of long term mutually valuable relationships between consumers and organisations. Successful eCRM focuses on understanding the needs and desires of the consumer and is achieved by placing these needs at the heart of the business by integrating them with the organisation’s strategy, people, technology and business processes.** (CRM (UK) Ltd, 2000)

*e-CRM’s 360 degree customer view provides a comprehensive, up-to-date profile that is as reliable as it is easy to create. The e-CRM is also allowing sales representative to view customer information from any where, anytime and has freed up customer service representatives to focus on obtaining new customer (Mc-Call, 2002).

**e-CRM** concentrates on the retention of customers by collecting all the data from every interaction, every customer makes with a company from ‘all’ access point whether they are –

**Online**: E-mail, website, call centres, online chat.

**Offline**: Phone, mobile phones, fax, face to face through sales agent.

The term **“touch points”** is used in e-CRM refers to many ways in which customers and firms interact. (Paul Gray, 2001) The company then use this data for
specific business purposes, marketing, service, support or sales whilst concentrating on a customer service centric approach rather than a product centric (Cliff Findlay, 2000).

Objectives of e-CRM : The objectives of e-CRM are:
- To provide better customer service
- To discover new customers
- To increase customer loyalty/retention
- To help sales staff close deals faster
- To simplify marketing and sales processes.
- To reduce the costs (like administrative)
- To increase the profitability, goodwill etc. by increasing the customer satisfaction level.

Features of e-CRM:
- e-CRM is based on various electronic channels eg. Phone, mail, web etc.
- e-CRM is 360-degree customer focussed.
- e-CRM is different from traditional mass marketing.
- e-CRM goes beyond increasing transaction volume.
- e-CRM focuses on long term relationship with customers.
- e-CRM mainly concentrates on retention of customer.
- e-CRM provide better customer services.
• e-CRM considered the customer as the king. Therefore, provide the goods according to his needs and wants.
• e-CRM focuses on increasing customer life time value.
• e-CRM reduces the cost.

Why employ e-CRM?

Company is need to take firm initiatives on the e-CRM frontier to:
1. Optimise the value of interactive relationships.
2. Enable the business to extend its personalized reach.
3. Co-ordinate marketing initiatives across all the customer channel.
4. Focus the business on improving customer relationship and earning a greater share of each customer’s business through consistent measurement, assessment and “actionable” customer strategies.

Principles of e-CRM: e-CRM is based on principles like –

• Differentiating customers
• Differentiating offerings
• Retaining current customers
• Maximizing lifetime value of customers
• Increased customers loyalty

Business drivers of e-Customer relationship strategy:
The tangible revenue drivers for CRM include the following issues:
a. Cross-selling: Cross-selling is the process by which you offer existing customers new products/services.
b. New customer: The ability to attract additional customers as a result of being able to deliver a more personalized level of service.
c. Customer retention: The ability to sell products or services to customers that otherwise would have defected to competitor; understanding what actions can reduce the defection rate.
d. **Reduced cost of service**: As processes and business rules changes, cost can be reduced in many areas including order entry, distribution, customer inquiry handling etc.

e. **Reduced channel costs**: As a company offers customers more contact methods, such as ordering over Internet, direct sales cost may be reduced.

f. **Higher employee productivity**: In addition to these revenue drivers, there are intangible non-revenue drivers.

g. **Relationship equity**: A loyal customer is an excellent referral source and can serve as a vital reference.

h. **Long term reputation**: Studies have shown that a dissatisfied customer will tell between 7 and 10 people. Loyal customers are positive influences on company and brand image.

i. Building closer relationship with customers will in turn yield better returns to the company through increased use of company services by loyal customers and charging of price premiums for customized services.

**Six E’s of e-CRM**: 

- e-CRM embraces Six “e’s”. They are:
  1. **Electronic channels**: e-CRM relies on new electronic channels such as web and personalized e-messaging. They have become the medium for fast, interactive and economic communication.
  2. **Experience**: Through e-CRM a company gains the means to touch and shape a customers experience through sales, services and concern offices. The people manning these operations should understand and assess customer behaviour.
  3. **Empowerment**: Nowadays, many customers have the power to decide when to communicate with the company, how to communicate with the company, through what channel to communicate with the company. e-CRM strategy should be structured to deliver timely, relevant and information that a customer expects in exchange for this attention.
4. **Economics**: An e-CRM strategy ideally should concentrate on customer economics. It should result in smart asset-allocation decisions by directing efforts at individuals likely to provide the greatest return on customer – communication initiatives.

5. **Evaluation**: Understanding customer economics relies on a company’s ability to attribute customer behaviour to market programs, evaluate customer interactions along various touch point channels and compare anticipated ROI against actual return through customer analytic reporting.

6. **External Information**: The e-CRM solution should be able to gain and leverage information from such sources as third party information networks and web page profiles application.

**Areas of e-CRM:**

e-CRM is divided into three areas:

1. Marketing
2. Sales
3. Services

1. **Marketing**:

Marketing was the function most often associated with CRM (Kincaid, 2003). CRM was founded in marketing (Russell-Jones, 2002) and relationship marketing (Ryals and Knox, 2001). Ling and Yen (2001) had described the evolution of CRM from direct sales to mass marketing, target marketing, and then to customer relationship marketing thus emphasising that marketing and CRM were inseparable.

Marketing aspect of e-CRM is divided into three parts:

- Analytics
- E-marketing
- Personalization

**Analytics**: Analytics help an organization to understand the customer. Analytics software creates information from data gathered from a number of customer touch points. Combining demographic data with sales information from customer records can indicate how purchases vary by demographic group. Online activity records
convey what particular groups of customers buy, what web pages they tend to visit and their tastes. Hoover’s online used analytic software to analyze websites traffic, create customer profile and classify customers by market segment. They were able to analyze where people were going and promote areas that they were ignoring.

**e-Marketing:** e-Marketing software is used to keep track of which marketing companies succeed and which fail. It is also used to plan future marketing programmes.

**Personalization:** Personalization software allows businesses to offer products uniquely relevant to the individual visitor to a website by creating web experience tailored to that individual’s taste.

2. **Sales**

The sales function is direct interaction with customers, which made up CRM (Kincaid, 2003). It was important to develop sales strategies at the customer level to build and maintain relationships with customers to achieve revenue goals (Ingram et al., 2002). With technologies emerging for the sales function, it was possible to make the sales process more efficient and automated to increase sales. Today sales person must not only be proficient in traditional sales skills but he/she must be able to explain and sell increasingly complex, bundled products and/or customized solutions. In this fast moving global business environment, businesses improve the productivity of their sales forces by delivering relevant information and knowledge to the sales representatives. The information should satisfy the current, specific dictates of the sales situation just in time. Just in time know-how is the by word of the sales process. It must be relevant to the current situation. It must be presented in an appropriate form. It must be available for immediate use by the sales representative. If the sales representatives know what they need and there is a repository of useful information, they can readily access the information when they need it.

However, in many instances, they ‘don’t know’. Information may be available within the company that is critical to the sales situation but sales representatives are an-aware of its availability and there is no mechanism for linking the source to point of need. The solution must deliver know how based on events within the sales process.
and also on the account planning, forecasting and order processing databases created by sales force automation tools.

3. Customer service

High quality customer service and support was the key to improving customer retention rates and maintaining a good relationship with customers (Yelkur, 2000). In today’s highly competitive environment, companies must pay attention to fulfilling the needs of each customer quickly and accurately. Customer satisfaction was hard to win and easy to lose. If customers were not satisfied, they would simply move on to other companies. Enterprises can achieve competitive advantage and differentiation through customer service. Customer service personnel providing support to customers require operational integration with field service personnel and the sales force. e-CRM can help in integrating these groups with the operational organization as a whole and the sales force.

Many organizations such as silicon graphics and sun microsystems are using the Internet to provide customer support. They ability to provide immediate answers to problems on-line, through resolution guides, archives of commonly encountered problems, electronic mail builds customer confidence and retention.

Steps to build a successful e-CRM initiative

Building a successful e-CRM initiative involves three steps:

Step I: Segmentation

Specific customer should be identified and the strategy should be focussed towards the targeted customers. Parteto’s analysis can help here. On the basis of this, we can generalize that 20 percent of the customers provide 80 percent of the sales. A company should identify them and target them. Customer lifetime value is the key factor that needs attention. An organization should take appropriate measures to assess their customer’s lifetime value.
Step II : Personalization

The whole activity of e-CRM is a combination of people, tools, past data, new information (both primary and secondary), behavioural pattern preferences, attitudes, values, responses and above all leaving to achieve one to one relationships with customer. By integrating all these, a company can develop a personal dialogue effectively with its customers. It is a crucial but critical activity. Here utmost care should be taken to respect the ultimate privacy of the customers.

Step III : Evaluation

After successfully building a strong rapport with the customers one can evaluate the results of one’s strategies.

Customization : When a customer is lost or has switched his loyalty, the company should re-establish the contact with the same customer. If the company thinks that it would be advantageous to regain the customer, it should get back to same.

The company already has the requisite information to develop an appropriate profile of the customer. This is possible because of the advancement of information technology. This profile would help the company in understanding the buying patterns of the customers. This in turn will enable the company to design more suitable and customized product or service to offer. The company can make proposal to its former customers to re-consider their offer and thus the lost customers can be won back.

Differentiation strategy : In this case, customers are segmented on the basis of status. The status can be existing customer, lost customer and new customer. The potential of each of these will be different. Differentiation is the ability to provide unique and superior value to the customer in terms of service, quality, special features and after sales services on the lines of individual requirements.

As the customers are segmented, every segment of customer should be addressed in a unique way. This strategy can be used to woo back the lost customers or attract new customers.

Benefits of e-CRM :

The technology (both hardware and software) available can deliver significant benefits if driven by well focussed business objectives. An e-CRM can bring
substantial benefits to an organization by threading these interactions and linking to the organization. It helps in following:

- Eliminating slip through of customer interactions
- Improved response time
- Increased customer referrals
- Adding higher revenues through cross-selling and upselling
- Reduced customer queries by web self resolution
- Increased user productivity
- Savings from automated routing, automated reporting and using auto responses.

Conclusion

It is clear from the above discussion that electronic customer relationship management is a buzz word of today’s corporate world and a firm will be better known by the quality of services, it provides rather than its market share or profit earning capacity. In order to be sure that they are really delivering the best services, business houses should first know clearly what the customer expects and ensure that the service delivered. This would have a ballooning effect on the business as it would spread the good words around. In this way the customer base can be widened to a great extent. It is not for nothing that one says a satisfied customer is the greatest brand ambassador.

e-CRM In Banks

“A customer is the most important visitor in our premises. He is not dependent on us. We are dependent on him. He is not an interruption on our work. He is the purpose of it. He is not an outsider on our business. He is a part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us an opportunity to do so”.

--Mahatma Gandhi

These words said by Mahatma Gandhi, have much importance in a service oriented industry like banking.
Gone are the days when bankers could afford to sit back and wait for businesses to come to their door steps. Today the banker is required to go and knock at the door of customers for getting good business. All the activities of a bank should be focused on its existing or current and prospective customers. Therefore in order to retain existing customers and acquire new customers it is better for the bank to maintain good long term relationship with its customers. This can be done if the bank understands the needs and wants of its customer and then provide the better services/customer services. Therefore, whether a bank is going to succeed or fail in its trade area is determined to a large extent by how well the needs of its customers have been understood and satisfied. Therefore, it is rightly said by Peter F. Drucker that

“The customer defines the business. To satisfy the customer is the mission and purpose of every business”.

In today's deregulated world, members of banking services sector were continuously forced to seek new ways to gain on their competitors and to outdo one another in terms of effectively reaching to retail customers’ demands for increasing sophisticated financial products and services. As they had moved away from traditional broad based marketing to retail relationship service provision to attract and hold customers, to cross-sell products and most importantly to turn customers to avail multi-products and services, customer relationship management was of utmost importance to financial services industry for survival and growth. To keep customers in today's competitive environment, financial institutions are increasing the depth of relationship through implementation of customer relationship management programs.

A successful customer relationship management program in banking sector addressed four key areas of business: strategy, people, technology and process. The processes in the organizations were the drivers of change that gave direction to the organization. The strategic direction moved the two enabler’s people and technology and their systematic interaction lead to a successful customer relationship management program.

Knowledge focused organizations collected data on their customers to provide them with a framework to build an understanding of their market. Innovations in technology had played the role of an enabler in capturing customer data, in
developing an ability to store, share, analyze and transfer vast amount of data at low costs. Growth in the use of sophisticated databases, data warehouses and data mining software applications made it possible for organizations to analyze customer behavioral patterns, individual levels of profitability and lifetime value of their customers.

In the banking sector it was untypical to find website interactions in one database, agreements in an administration system, call center history in another and payment history in accounting system. Though difficult to do but integrating such a huge information system could provide valuable insight into financial customer's behavioural pattern, preferences and signals for intended behaviors. One solution of this was Electronic Customer Relationship Management (eCRM). Advanced data analysis models of eCRM could provide valuable information on customer behavior and could help in projecting behavior in more accurate way about the likelihood of purchase of specific products and services, the best next offered information and the probability of defection to the competitor brands. These models were customized to that organization's business domain and customer behavior and were not based on any behavioral or non-behavioral correlates but are purely based on actual interactions of customers with banking service providers.

e-CRM 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 E-CRM

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.

“e-CRM 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”. e-CRM, on the other hand refers to other factors like personalization, customization, one to many and many to many transaction. It permits business speed and real time response to customer or markets through the new tools such as e-mail, internet, telephone, chat facility etc. which reduces the cost of customer contact.

To serve more and retain customers banks in India have changed the old concept of accepting deposits and lending money. Use of technology by banks has increased the productivity very fast through automation of banking operations. The electronic technology instruments adopted by Indian banks are:

1. Automated Teller Machines (ATMs)
2. Telex
3. Fax
4. Internet
5. Tele Banking / Phone Banking
6. E-Banking
7. Electronic Clearing Services
8. Online Banking
9. Infinite
10. Swift
11. Mobile Banking
12. Data Warehousing and Data Mining
13. Wireless Banking Services
14. Electronic Fund Transfer (EFT)
15. Total Branch Mechanization (TBM)

With the introduction, implementation and adoption of above techniques/instruments by the bank have totally revolutionized the functions, operations, administration, decision making and management information system. All these techniques/instruments helped the banks in retaining the existing customers, attracting new customers, and provide lot of services with the help of these instruments to give them satisfaction. The detailed discussion of these are:

1. **Automated Teller Machines (ATMs):**

An ATM is basically a machine that can deliver cash to the customers on demand after authentication. This banking service is made available 24 hours a day, 7 days in a week and 365 days of the year through ATMs. ATM is user-friendly system and customer does not require any training to use it. It is totally menu driven which displays step by step instructions to operate the transactions.

2. **Phone Banking / Tele Banking:**

Technology development has totally changed the face of banking industry. Phone/tele banking means carrying out of banking transaction through telephone. A customer can call up the banks help line or phone banking number to conduct transactions like transfer of funds, making payments, checking of account balance, ordering cheques etc. This also eliminates the customer of the need to visit the banks branch.

3. **Internet Banking – e-Banking:**

Net banking means carrying out banking transactions via the Internet. It comprises a variety of projects that aim to improve not only the bank’s efficiency, but customer service levels as well. E-Banking program allows customers to use the Internet for basic functions in corporate and retail banking and credit cards. These include making inquiries about account balance and getting statements and real time funds transfer’s security with other financial institutions. Thus the need for a branch is completely eliminated by technology. Also this helps in servicing the customer better and tailoring products better suited for the customer. Net banking helps a bank spread its reach to the entire world at a fraction of the cost.
4. **Mobile Banking**:

Banks can now help a customer conduct certain transactions through mobile phone with the help of technologies like WAP, SMS etc. This helps a bank to combine the Internet and telephone and leverage it to cut costs and at the same time provide its customer the convenience.

Thus, it can be seen that tech savvy banks are tapping all the above alternative channels to cut costs improve customer satisfaction.

5. **Total Branch Mechanization (TBM)**:

TBM had suggested by Dr. Rangarajan Committee – II in 1988. Local Area Network has installed by banks at the major centres of the country to make all banking services available at single window to their customers.

6. **Electronic Funds Transfer (EFT)**:

Electronic fund transfer has been introduced by the RBI for public sector banks to help them offer their customer money transfer service from any bank’s branch to any other bank’s branch. EFT system presently covers more than 4800 branches of PSB’s at four metro cities.

7. **Communication Technology (SWIFT)**:

Society for Worldwide Inter Bank Financial Tele Communication (SWIFT) has formed as a cooperative organization by international banks and foreign investors. It provides a computerized network for real time transmission amongst international banks in the member countries. This technology made available the fastest banking services/facilities to customers who are engaged in international business.

8. **INFINET and VAST Network**:

Indian Financial Network (INFINET), a closer user group (CUG) network for banking and financial sector has been initiated by RBI in India to upgrade the country’s payment and settlement system. INFINET uses VSAT (very small aperture terminal) technology. Some of the major applications of INFINET in banking services/operation are listed below:
9. **Wireless Banking Services**:

Wireless banking services is an imaging trend in banking. Wireless banking service enables one to manage their accounts with GSM/GPPS WAP (Wireless application protocol) technology to allow access to accounts more convenient, secure and flexible.

With wireless banking service the following operations can be performed:

- Check account balance and transaction details
- Make fund transfer to self or third party accounts
- Buy and sell foreign currency
- Trade securities
- Inquire mutual funds and securities trading a/c portfolio and account balance
- Personalized stock watch list to monitor stock price performance
- Inquire free real time stock quotes
- Inquire deposits / exchange / loan rate.

To avail wireless banking services, one just needs to log in the wireless banking service with their existing customer ID and pin provided for e-banking. In wireless banking all data is secured because all communications generated from the wireless banking service will be strongly encrypted to safeguard customer privacy.

10. **Electronic Clearing Services**:

It is simple, reliable and cost effective solution for bulk and repetitive payment transactions like salary, pension, interest, commission, dividend etc. by public or private companies and government departments through banks. Under this system the companies which have to make bulk payment to a large number of beneficiaries prepare the credit instructions on the magnetic media and submit the same to reserve bank of India through their bankers. RBI processes the data, arrive at inter-bank settlement and provide bank and branch wise reports containing the details of payments to facilitate fast payment to the beneficiaries.
11. **Point of Sale Terminal:**

   It consists of two key components—a computer terminal that is linked on line to computerized customer information file in a bank and a plastic magnetically encoded transaction card that identify the customer’s account is debited and the retailer’s account is credited by the computer for the amount of purchase.

12. **Data Warehousing and Data Mining:**

   This technique is used to develop and use customer data to check their profile, retention, and loyalty patterns. They provide valuable inputs for retaining customers and developing products and services for the future.

   Thus from the above we found that the technology in banking has been used in four major ways:

   - To handle a greatly expanded customer base
   - To reduce substantially the real cost of handling payment
   - To liberate the banks from the traditional constraints on time and place
   - To introduce new products and services

**BENEFITS OF e-BANKING**

**To the customers**

1. Anywhere banking – no matter wherever the customer is in the world, online banking is just a web-site away. Balance enquiry, request for services, issuing instruction etc. from anywhere in the world are possible.
2. Anytime banking – managing funds in real time and most importantly, 24 hours a day, 7 days a week.
3. Convenience acts as a tremendous psychological benefit all the time.
4. It brings down “cost of banking” to the customers over a period of time.
5. Cash withdrawal from any branch or ATM
6. Online purchase of goods and services including online payment for the same.

**To the bank**

1. Innovative, secure, addresses competition and presents the bank as technology driven in the banking sector market.
2. Enabled banks to render 24 hours, all days services to customers.
3. Reduces customer visits to the branch and thereby human intervention.
4. Excellence in customer services, prompt attention to their needs and quick disposal of grievances
5. Inter branch reconciliation is immediate thereby reducing chances of fraud and misappropriation.
6. Online banking is effective medium of promotion of various schemes of the bank.
7. E-Banking site can act as a resource earlier through promotion activity by consumer corporates.
8. Integrated customer data provides the way for individualized and customized services.
9. Quick decision making at all managerial and executive levels.
10. Faster movement if inventory records
11. Paperless transactions
12. Faster realization of money
13. Better communication, information and co-ordination

Thus with the introduction of electronic banking banks are moving their focus of payment from the physical presence of money to the use of electronic money. Customer can perform banking transactions without having to step into the office of the branch. The bank which provides value added services and satisfaction to customers is bound to become winners in the market. By way of launching new products the banks are trying to make the “near” customer to “dear” ones.

**Conclusion**

e-CRM in banks has enabled banks to get a global presence. They become customer focused organizations by using the various electronic channels. These channels greatly help the banks in understanding their needs and wants and providing them various services. All this make the customers loyal and happy. Bank also benefited by using the electronic channels. Thus in this way with the utilization of various electronic, automated channels banks are making long term relationship with their customers and gets various benefits.
Thus e-CRM pay off –

- Increased sales revenues
- Increased convenience
- Improved customer service rating
- Decreased administrative costs
- Ability to introduce new schemes at a faster rate.
- Facility to the customer in his mobile business life
- Improved speed of dissemination of information
- Reduced subjectivity in operations

There are however some drawbacks which are common to all e-CRM dependent businesses. There is no personal interaction between the customer and the supplier. Businesses have become impersonalized with very powerful means of communication like body language and judgement skills becoming non-existent. Banks are not able to gauge their customers at all since the complete process has become over the computer screen.