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A Study on Electronic Customer Relationship Management- An Empirical Study with special reference to State Bank of India in Madurai City

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ABSTRACT

Electronic Customer Relationship Management (E-CRM) has enabled the effectiveness of business transactions in modern economies. E-CRM has pervaded all spheres of human activity.In sector, E-CRM plays an important role for its growth and development. In fact, E-CRM has made the banking sector more competitive because of advancement of information and communication technologies. E-CRM has allowed the banks to effectively cater to the needs of the consumers by strengthening internal control systems which are backed by the effective systems and effective communication mechanism.

Keyword: E-CRM, communication mechanism, Liberalization

1. INTRODUCTION

The wide spread use of smart cards, ATMs, Mobile banking, Electronic banking pave way to twenty-four hours service. With the use of advanced tools and variety of products, banks are enabling to maintain effective Customer Relationship Management (CRM). In spite of the various challenges faced by the banking sector due to technologies, E-CRM is considered to be an indispensable tool for serving the customers quickly and satisfactorily. Banking Industry has witnessed a lot of changes in the era of Liberalization. The advent of foreign banks into the country and the licensing of private sector have created stiff competition within the business. E-CRM role is more important for a healthy growth of banking business and combat the competition from rivals. In order to save time and to concentrate more on marketing and selling, banks to adopt alternate channels like e-banking, m-banking, smart card=s, Automated Teller Machines etc.,

2. STATEMENT OF THE PROBLEM

The challenges faced by the banking industry have been so complex. To operate in this tough environment banks need to be ready to change and redefine them the way they do business.The transformed business should rapidly respond to meet any customers demand, market opportunity or external threat. This business strategy requires the ability to use technology as an encoded for broader transformation within the organization. With the changing environment, banks have implemented tele-banking, internet banking, call center services, ATM and others one after another. Now it is the turn of E-CRM solutions where the whole banking industry is focusing attention for real time banking.With the competition throwing up new challenges and customers raising their expectations continuously, it is becoming increasingly difficult for banks to retain their

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customers unless they offer superior, faster and convenient services.Now, most of the banks are moving to branch banking to E-banking.

3. SCOPE OF THE STUDY

Since it was intended to study in depth, Madurai city has been selected inMadurai City. Since the economic city in Madurai. All type of trade and industries in Madurai city. Option of electronic customer relationship management in Madurai city will represent the entire population of the state. It is noted that the study has been undertaken from the electronic customer relationship management user satisfaction in Madurai city.

4. OBJECTIVES OF THE STUDY

The objectives of the present study are as follows:

1. To analyze the E-CRM solutions of State bank of India Madurai city
2. To analyses the opinion of the customer in using the electronic service rented by the state bank of India
3. To give valuable suggestions based on the findings of the study.

5. HYPOTHESES OF THE STUDY

The following hypotheses are framed to fulfill the above objectives of the present study:

1. There is no significant difference between the sex of the respondents and their satisfaction level.

2. There is no significant difference between the age of the respondents and their satisfaction level.

6. METHODOLOGY

The present study is based on both primary as well as secondary data. The primary data are those data, which are collected from the customers of State bank of India in Madurai District. For that, separate schedule was constructed and the opinions of the customers about the E-CRM solutions have been collected.The secondary data are those data, which are already collected by someone else. The researcher collected the secondary data from the records of State bank of India, journals such as Indian Journal of Marketing, Indian banks Associations Bulletin, Banking studies and so on.

7. SAMPLING DESIGN

The primary data are collected by the researcher from different categories of customers. It is very difficult to apply Census method and hence Judgment sampling technique is used to collect data. Hence inducement sampling technique has been adopted by the researcher to collect the primary data from 120 respondents from the different parts of the district. Moreover, the researcher has chosen the respondents from different segments of society.

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8. TOOLS OF ANALYSIS

The following tools have been applied in the study.A simple point ordinal scale has been applied to determine the attitude of the respondents towards electronic customer relationship management services. The data collected will be analyzed with the score values assigned to each category of satisfaction. To test the hypothesis, chi-square test has been applied.

9. LIMITATIONS OF THE STUDY

The study has the following limitations; The study is focused on the electronic customer relationship management services. Offered by state bank of India in Madurai city. Tamilnadu only. The sample size is restricted to 120 due to time and cost constraints.

10. PERIOD OF STUDY

The researcher has collected data relating to E-CRM solutions from customers of State bank of India in Madurai city during the period of 6 months from December 2018 to May 2019.

11. REVIEW OF LITRATURE

Shanmugam, B (2001) once when the organization acquires the customers and able to have them lastingly forever, then only it implies that the customer become more loyal and making a better use of services of the organization.

Albrecht Enders, J. T. (2008) safety was the major barrier to internet banking. So it is important that companies' websites must provide sufficient privacy statements and an explanation of security measures and also to educate the customers about the unauthorized users like hackers. However it is good that banks are trying to ensure secure payments on the internet by using latest technologies like encryption and firewalls.

Sharp, D. E. (2003.) main drawbacks of e-CRM are Lack of technical support to customers, Reducing Field sales and services, resistance to payment services offered via the web, Implementation of time & cost, Lack of Customer services and support, reducing the productivity and overloading of emails. The main drawback due to e-CRM is a cutback in person contact with customers which leads to some problems .the measurement challenges faced by e-CRM is difficult to determine the users reached, costs and benefits.

12. ANALYSIS OF THE STUDY

This chapter is an analytical chapter. It analyses the data collected through an interview schedule intended for the users of electronic customer relationship management. For the purpose of study, a filed survey was conducted in Madurai city with a sample size of 120 respondents. The data such as account holding, Customer Account details E-CRM Solutions in Banking Sector Customer Satisfaction Level reasons for this chapter deals with general information about the respondents such as sex, age, educational qualification, income level and so on. It is also concerned with analysis of customer's attitude towards E-CRM solutions.

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SEX WISE CLASSIFICATION OF THE RESPONDENTS

		FREQUENCY	PERCENT	VALID PERCENT	CUMULATIVE PERCENT
Valid	male	110	91.7	91.7	91.7
	female	10	8.3	8.3	100.0
	Total	120	100.0	100.0	

Source: Primary Data

TABLE NO 1

It is noted from Table 3.2 that out of the 120 sample respondents, 110 (91.7%) are male and,10 (8.3%) are female. The male respondents are dominant in using E-CRM banking services.

AGE WISE CLASSIFICATION OF RESPONDENTS

		FREQUENCY	PERCENT	VALID PERCENT	CUMULATIVE PERCENT
Valid	25 - 35	9	7.5	7.5	7.5
	35 – 45	21	17.5	17.5	25.0
	45-55	50	41.7	41.7	66.7
	55-65	40	33.3	33.3	100.0
	Total	120	100.0	100.0	

Source: Primary Data

TABLE NO 2

Table 3.3 shows that out of the 120 respondents, 9 (7.5%) fall under the age group of "Below 25-35 (17.5%) under 35-45 and 55-65 (33.3%).it shows that this category of the respondents uses the E-CRM banking services among others.Majority of the respondents (33.33%) are in the age group of below 45-55years of age.

EMPLOYMENT STATUS OF THE RESPONDENTS

		FREQUENCY	PERCENT	VALID PERCENT	CUMULATIVE PERCENT
Valid	Self employed	5	4.2	4.2	4.2
	Government Employee	18	15.0	15.0	19.2

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	Retied	42	35.0	35.0	54.2
	Private Employee	55	45.8	45.8	100.0
	Total	120	100.0	100.0	

Source: Primary Data

TABLE NO 3

From Table it is noted that Out of the 120 respondents, 55 (45.8%) of the respondents are private employed, and 18 (15%) of the respondents are government employee. From the above table, it is clear that most of the respondents are private employed.

MONTHLY INCOME LEVEL OF THE RESPONDENTS

		FREQUENCY	PERCENT	VALID PERCENT	CUMULATIVE PERCENT
Valid	Below 2 lakhs	16	13.3	13.3	13.3
	2 lakhs to 4 lakhs	20	16.7	16.7	30.0
	4 lakhs to 6 lakhs	20	16.7	16.7	46.7
	6 lakhs and above	64	53.3	53.3	100.0
	Total	120	100.0	100.0	

Source: Primary Data

TABLE NO 4

Out of 120 respondents 16 (13.3%) of the respondents are earning below Rs 2. Lakhs , 2 lakhs to 4 lakhs 20 (16.7 %) of the respondents are earning Rs 6lakhs and above 64 (53.3%) .Majority of the respondents (53.3 %) earns in the income range of Rs 6 lakhs and aboveAll the above incomes are per month.

CLASSIFICATION OF RESPONDENTS ON THE BASIS OF THE CATEGORY OFTHE BANK

The researcher has classified the respondents on the basis of the banks in which the respondents hold the account. The following table shows the classification.

BANKING CATEGORY OF THE CUSTOMERS

SL.	BANKS	NO.	BANK SELECTION	NO	KIND OF ACCOUNT	NO.	PERIOD OF CUSTOMER	NO	E-SERVICES	NO
1.	SBI and its associates	67	Quality service	43	Savings A/C	71	Below 5 years	60	Online Banking	29
2.	Nationalized Banks	23	Goodwill	31	Current A/C	31	5 to 10 years	41	Mobile Banking	29
3.	Private Banks	20	Excellent CRM	36	Recurring A/C	2	10 to 15 years	11	Card Facility	41
4.	Foreign	10	Proximity to	10	Fixed Deposit	16	More than 15	8	Electronic	11

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	Banks		home		A/C		years		Clearing Service	
	Total	120	Total	120	Total	120	Total	120	Electronic Fund transfer	10

Source: Primary Data

TABLE NO 5

While analyzing the respondents banking category, it is found out that 67 (55.83%) of the respondents have stated that SBI and its associates, 23 (19.16%) respondents are the customers of nationalized banks, 20 (16.67%) of the respondents are account holder of private banks, 8 (8.33%) of the respondents are account holder of foreign banks. The above table shows that (55.83%) majority of customers belong to SBI and its associates banks.Out of 120 respondents, 43 (35.83%) of the respondents select the bank for quality service, 31 (25.83%) of the respondents choose the bank for goodwill, 36 (30%) of the respondents select for the reason of excellent CRM, 10 (8.34%) of the respondents are select the bank for proximity to home.Majority of the respondents are selecting the bank for the reason of quality service.It is clear from Table 3.11 that out of 120 respondents, 71 (59.16%) respondents have Savings Bank Account, 36 (30%)having Current Account, 2 of them (1.67%) have for Recurring Deposit Account, and the remaining 16 of them (13.33%) have fixed deposit account.It clearly reveals that large number of respondents have savings bank accounts.Out of 120 respondents, 60 (50%) of the respondents are customers for the bank the period of below 5 years, 41 (34.16%) of the respondents have 5 to 10 years, 11 (9.16%) of the respondents are customers to the period of 10 to 15 years, and the remaining 8 (6.68%) of the respondents are customers of the bank for more than 15 years.Majority of the respondents are customers for a period of 5 years

OPINION OF RESPONDENT'S NATURE OF E– CRM

S.NO	PARTICULAR	AGREE			DISAGREE			NO OPINION			TOTAL	RANK
1.	Quick Service	95	3	285	19	2	38	6	1		329	I
2.	Easy Updating	70	3	210	31	2	62	19	1	19	291	IV
3.	Customer Relationship	84	3	252	22	2	44	14	1	14	310	II
4.	Anywhere Access	75	3	225	23	2	46	22	1	22	293	III

Source: Primary Data

TABLE NO 6

It is transparent from the above table that quick service occupies the 1^{st} rank Customer Relationship gets 2^{nd} rank; 3^{rd} rank has been gained by anywhere access facility and the 4^{th} rank has been placed to easy updating.

LEVEL OF SATISFACTION OF RESPONDENTS

S.NO	FACILITY	VERY HIGH			HIGH			NEUTRAL			LOW			VERY LOW			TOTAL	RANK
1.	E-Banking	52	5	260	60	4	240	5	3	15	3	2	6	-	-	-	521	I

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2.	Mobile Banking	33	5	165	57	4	228	22	3	66	4	2	8	4	1	4	471	III
3.	Card Facilities	59	5	295	47	4	185	12	3	36	2	2	4	-	-	-	520	II
4.	Electronic Fund Transfer	31	5	155	44	4	176	26	3	78	15	2	30	4	1	4	443	IV
5.	Electronic Clearing Service	32	5	160	45	4	180	18	3	54	13	2	26	12	1	12	432	V

Source: Primary Data

TABLE NO 7

The above table spells that card facilities provided by their bank occupies 1st rank, E-Banking gets 2nd rank, 3rd rank is placed to mobile banking, Card Facilities 4th rank and 5th rank has been gained by Electronic Fund Transfer occupies electricity clearing service.

13. CONCLUSION

On the whole, banks have a clear vision of their desired strategic position; they want the ability to differentiate their brand and products through superior customer service, and to drive effective sales through a customer's entire portfolio. They also clearly recognize the strategic role that CRM has to play, as reflected in current investment levels, as well as the increased importance ascribed to CRM in the future. At the same time, banks know that the enterprise-wide adoption of CRM will not be easy. While it is encouraging to see that internal politics to CRM tools are no longer seen as major stumbling blocks, there are explicit as well as implicit indications that a great deal of progress must be made in order to achieve the internal process changes necessary to gain the maximum effect from CRM implementations.

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