

Electronic Customer Relationship Management (e-CRM) Techniques for Effective Banking

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Abstract

Electronic customer relationship management (e-CRM) has become the latest paradigm in the world of customer relationship management. e-CRM is becoming more and more necessary as business taken to the web. e-CRM refers to the set of activities that enable a firm to utilize the power of the internet and the electronic medium to implement CRM. Firms all around the world have realized the potential of internet as medium for CRM and have been actively pursuing e-CRM strategies. e-CRM is concerned with attracting and keeping economically valuable customers and eliminating less profitable ones. Today customer satisfaction is the primary objective in the banking industry. The advancement in information and communication technology has made the new millennium in to e-millennium. Now banking activities are not confined to borrowing and lending only, but provides a plethora of services. In the fast changing banking environment worldwide banks in India will not only have to learn the new rules, but also upgrade the skills as well as the tools of banking.

I. Introduction

“A SUCCESSFUL CRM strategy aims at understanding the needs of customers and integrating them with the bank’s strategy, people, technology and business process. Therefore, one of the best ways of launching a CRM initiative in banks is to start with what banks are doing now and working out what should be done to improve its relationship with its customers. Then only then, it should link to an IT solution.” Bhaduri (2005)

The adoption of Customer Relationship Management (CRM) within the banking industry chiefly depends on the overall adoption of IT culture within the country. CRM is originated from the principles of Relationship Marketing (RM) which is considered one of the key developmental areas of modern marketing and the one which has generated great research interest

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- ii Internet banking was popular among its users for certain services while users of certain other services were still to gain popularity among their users.
- iii Users of telebanking services were mainly using information based transaction services more than the fund based transactions. This shows the lack of popularity as well as the lack of trust in services through this channel.
- iv Mobile banking transactions which were still being in initial introductory phase are being taken up at first only at an information transaction stage and fund based transaction are still to pick up in a major way.
- v. Majority of the respondents' opined that awareness programmes must be conducted to increase the popularity of tele and mobile banking. Similarly, they expressed their views to convene customer's meet by exhibiting all types of tele and e-banking transactions at selected venues where more customers of the same nature can assembled.

In an e-world where business is done at the speed of thought, the real challenge for the future lies in anticipating the demands of the new age and providing sustainable solutions. e-CRM strategy should cover all the market segments such as retail customers, Indian corporate sector, trade and agricultural sector for their banking requirements. Banks in India are on the learning curve of e-CRM and try to meet the latent needs of the customers. The success of CRM will depend upon the development of robust and flexible infrastructure e-commerce capabilities, reduction of costs through higher productivity, lower complexity and automation of administrative functions.

e-CRM is easy to understand but when it comes to implementation it becomes very difficult for the banks. Generally it is observed that the banks don't fail to select the right tool but they fail to implement it in a proper way. Banks are finding it difficult to track and pitch profitable customers across the various contact channels such as ATMs, e-mail, voice recognition and wireless. The challenge for the banks is to retain and deepen the profitability of the existing customer relationships.

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