

Benefits of E-CRM in Banks



Commerce

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Dr.N. SATHIYA

Assistant Professor, PG & Research Dept of Commerce, Sri Vijay Vidyalaya College of Arts and Science, Nallampalli, Dharmapuri, Tamilnadu, India

D. MOORTHY

Ph.D Full Time Research scholar , PG & Research Dept of Commerce, Sri Vijay Vidyalaya College of Arts and Science, Nallampalli, Dharmapuri, Tamilnadu, India.

ABSTRACT

Today's customer not only demands quality products and services but also looks for value in the transaction process itself. ECRM is considered as a major corporate strategy for many organizations. The advancement in information and communication technology has made the new millennium. The dividing line between banks and non-banking financial institutions, like insurance and mutual funds, is getting blurred. Competition from players in the market has resulted into products and services traditionally offered by banks and financial institutions, are now being offered by non-banking organizations more efficiently and effectively.

E- CRM concerned with the creation, development and enhancement of individualized customer relationships with targeted customers very carefully and customer groups resulting in maximizing their total customer life time value. So, the final objective of the E-CRM process is to create a powerful new tool for customer retention, customer assessment, customer attainment & profitability.

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 e-CRM is the marketing concept. Marketing in terms of banking can be defined as the creation and delivery of consumers satisfying products. "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"

RECENT SCENARIO OF E-CRM IN INDIAN BANKS

The frequent uses of internet have enabled banking at the click of the mouse. At present there are five functional categories for online banking sites which offer customers access to account information, inter branch funds transfer and utility bill payments. These are on line brochure centre, interactive bank, emails, calculations and cyber banks.

Banks now-a- days are tied up with service providers in telecom and power sectors like MTNL, BSES, AIRTEL, Usha Martin and cellular service providers in order to facilities their customers to make on line bill payments. In India new private sector banks like ICICI Bank, HDFC Bank, GLOBAL Trust Bank and UTI Bank, have taken the lead in e-banking. Among the foreign banks, Citibank, has noticeable presence, while others like federal Bank, HSBC Bank, Deutsche Bank and ABN Amro Bank, are moving towards becoming big players in e-banking. Even by realizing the advantages of such services many public sectors banks also adopting these technologies.

E-CRM BENEFITS TO CUSTOMERS

- Interactions with customers and satisfaction
- Convenience
- Speed of processing the transaction through e-Response
- Service quality
- Trust

E-CRM-BENEFITS TO BANK

Computers, information technology, and networking are fast replacing labor-intensive business activities across industries and in government. Since the early 1990s, the computer, the Internet, and information technology have been merged to become a viable substitute for labor- and paper-intensive banking processes between and across commercial banks. This has been seen in the widespread use of the ATM, credit cards, debit cards, smart cards, and lending through e-CRM via the Internet.

Relationship with customers

A CRM is an idea, which has its heredity line in the technology. In the earlier days relationship marketing's sole aim was to get information about the preferences of the customers and the information, which was stored by them in their databases, So as to protect and deal with one to one relationship with customers CRM was developed.

Using e-mail for business communication

The most popular tool for customer service is e-mail. Inexpensive and fast, e-mail is used to disseminate information (e.g. catalogues), to send product information and order confirmations, to conduct correspondence regarding any topic with customers and business partners, and responding to enquiries from customers.

To answer a large number of e-mails quickly and cost-efficiently automated e-mail reply systems are increasingly implemented. Automated e-mail reply responses to customer inquiries are developed using intelligent agents that recognize key words and quickly respond to common queries.

Personalized services or one to one services

Personalization is a strategy that can be easily differentiated and which cannot be simulated by competitors in the market. A good personalized idea will enhance in the increase of sales, improves the customer relationship. Personalization can be defined as serving the unique needs of individual customers. By improving the customer conversations the organization can improve the customer relationships. Personalized services are not only limited in cheering new sales, but its successful implementation allows the organization to improve its effectiveness and efficiency in serving the customers established already.

Establishing a Web site to market products or services

E-CRM providing cost savings, opportunism, and threats drive action and innovation even in conservative banks. They have influenced how banks must reposition themselves to take advantage of new opportunities that include establishing new service delivery channels and new markets for existing services (loans, letters of credit, etc.) Many banks have already built web sites on the Internet, offering banking services. Leveraging the power of the web is a move from static pages to dynamic applications that are connected to bank data.

Transaction Security

Safety was seen as a major barrier to Internet banking. Banks were worried about unauthorized access to their systems, and customers were concerned about the protection of their personal data and the risk of false transactions. Banks have been able to manage security with least repercussions.

Conclusion

Today banks must distinguish themselves by meeting the needs of their customers better than their competitors. Banks should prepare a separate e-CRM strategy to acquire more and more new customers and retain those customers for a longer period. There is a general agreement that a basic banking e-CRM strategy for creating competitive advantage is the delivery of high service quality. Therefore, by giving better service and product, definitely the banks can taste the success.

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