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EVALUATION OF E-CRM IN BANKING SECTOR IN INDIA

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ABSTRACT:

Customer relationship management is a trend in the banking industry that aims to build and maintain long-lasting connections with clients in order to benefit both the clients and the banks. With the use of this idea, a bank is able to recognise, categorise, interact with, and develop lasting relationships with each customer. Since the focus of banks are on the consistent expansion of profit as well as the trajectory of changing consumer demand, the operational environment of the banking sector is challenging and intensely competitive. As a result, banks are putting more of an emphasis on locating, gathering, and storing consumer demands. The method of customer relationship management gives banking companies the chance to develop and preserve lasting ties with their clients. The use of Internet based technology, including emails, websites, chat rooms, forums and other channels, to accomplish CRM goals is known as electronic customer relationship management, or E-CRM. This paper reflects evaluation of E-CRM in Banking Sector in India.

Keywords: Customer relationship management, challenging, banking, internet

I CUSTOMER RELATIONSHIP MANAGEMENT (CRM):

The liberalisation and globalisation processes have sparked the emergence of competitive services by turning "The Seller's Market into the Buyer's Market," posing a challenge to retail banks to improve customer relations. Customer relationship management is a challenging process that requires a thorough understanding of the routine customers' routines, demands, and desires. Since the bank's goal is to offer customers goods that meet their demands, constant information collection about client behaviour is necessary. Banks are increasingly more focused on the needs of their customers, and they innovate to offer new and improved customer-friendly facilities. CRM plans to concentrate on all banking actions that result in the creation of lasting relationships with their clients and, ultimately, the development of those clients into lifelong assets.

Leonard Berry, a marketing professor, developed the idea of relationship marketing (RM) in 1983. In the years that followed, businesses were increasingly having meaningful conversations with specific customers. He believed it to consist of attracting, maintaining, and enhancing customer connections within firms. In doing so, new organisational structures and technological advancements were applied, ultimately leading to the development of customer relationship management as we know it today.

The terms Relationship Marketing and Customer Relationship Management (CRM) are frequently used interchangeably in marketing literature. In the past, businesses only had tight ties with a small number of their most valuable clients, and because of this, it was impossible to get to know each and every one of them given the size of the clientele—often millions—of clients. It has now shown to be technically possible to develop a close relationship with each and every consumer thanks to the acceptance of information technology. The idea of CRM is now being more widely accepted, and it is generally seen to be a controlling tool for business expansion to obtain an advantage over rivals.

"A widely used technique for managing a company's contacts with customers, clients, and sales prospects," according to Wikipedia, is customer relationship management. It entails utilizing technology to coordinate, organize, and automate corporate processes.

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New technologies have significantly impacted human life over the past 20 years and changed the way people live. Customer relationship management has undergone changes as a result of the e-business revolution (CRM). The online customer.

Applications for Relationship Management (e-CRM) have quickly evolved from a novel concept to a strategic necessity for enterprises. Businesses are shifting toward intellectual and knowledge-based based processes and CRM is becoming more effective, thanks to information technology (IT). When an organisation uses e-CRM, customer connections take less time and move more quickly. The competitive climate is becoming more intense in today's chaotic world. Customers desire to be able to access services through connecting channels including email, websites, and others.

Thus, CRM involves:

a) evaluating all functions' inputs in terms of marketing, sales, and service, cost, and results in terms of customer earnings, profits and values

b) obtaining and maintaining knowledge about the needs, drives, and behaviours of customers during the course of their relationship.

c) making use of customer knowledge to continuously improve performance by learning from successes and failures.

d) achieving a global objective by integrating marketing, sales, and service activities.

e) the purchase, exchange, and implementation of appropriate systems to support customer knowledge and CRM effectiveness.

f) consistently uphold consistency in marketing, sales, and service to meet client needs and maximize profit.

CRM focuses on maintaining client connections effectively and profitably throughout the whole life cycle.

Limitations of CRM:

• **Expensive**: The organisation will have to spend a significant amount of money to implement the CRM system. CRM software is too expensive because there are several price packages available depending on the needs of the firm. It raises total business costs and might not be appropriate for small firms.

• **Training**: Trained and qualified employees are needed for CRM to operate properly. The expense and effort required to train staff members on CRM systems is considerable. For a complete understanding of CRM software, they must learn and gather information about it. The organisation must make significant efforts in terms of both time and money to complete all of this.

• **Security Concerns**: The security of data acquired and stored is another significant disadvantage of CRM. The entire collection of data is kept in one central location, where there is a risk of loss or hacking. Employees may add false information or manipulate numbers, which could result in poor planning.

Eliminates Human Element: Since CRM operates on a totally automated system, it has done away with the need for human interaction. CRM software automatically collects and processes all data. Direct communication between customers and a company's staff is the best way to manage a customer relationship. Customers may choose to shop elsewhere if there is no longer a human touch, which would lower sales and revenue.

• **Third Party Access**: Other parties may be able to access and make use of CRM data. There are numerous examples of web hosting corporations taking and selling CRM data to outside parties. Various critical client information may fall into the wrong hands and harm people.

In the current modern era, banks have moved their attention to product customization, relationship banking, and marketing strategy. The intense pressures brought on by the elimination of regulations from the Indian financial services market served as the primary drivers for strengthening marketing concepts. In essence, this forced clearing institutions and the retail banking sector to contend with increased competition brought on by a blending of traditional product markets (Durkin, 2004). For a better perspective on future customer behaviour and consumer preferences, Bank and Executives need to have a comprehensive analysis of their customers across various systems containing data. Applications and data help the bank manage its customer relationships for ongoing development and expansion .

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II E-CRM:

The marketing, sales and customer service procedures are automated through a well-organized and integrated CRM process. The use of Internet based technology, including as emails, websites, chat rooms, forums and other channels, to accomplish CRM goals is known as electronic customer relationship management, or E-CRM.

Through Web-based technologies, electronic customer relationship management offers a channel for interactions between a firm, its clients, and its staff. In order to support enterprise-wide CRM business initiatives, the process integrates software, hardware, procedures, and management commitments.

Easy Internet access through a variety of platforms and devices, including laptops, mobile devices, desktop PCs, and TV sets, is what drives electronic customer relationship management. However, it is not software; rather, it is the use of web-based technologies to communicate, comprehend, and guarantee consumer happiness.

A successful E-CRM system tracks a client’s history in real time across a variety of channels, builds and maintains an analytical database, and optimises a customer relationship in three areas of attraction, expansion and maintenance.

A typical E-CRM strategy includes gathering data about the customer, the transaction history, the product and the contents. The customer characteristics are then analysed to produce a transactional analysis that includes the customer's profile and transactional history, as well as an activity analysis that includes exploratory activities that display the customer's navigation, shopping cart, purchasing behaviour, and more.

The following are the benefits of E-CRM:

- Enhancing client relationships, service, and support.
- matching consumer behaviour with appropriate offers.
- boosting customer happiness and loyalty.
- increasing efficiency and cutting costs and boosting business revenue.

Businesses that plan ahead and adopt an E-CRM system can successfully integrate their business procedures with technology to provide seamless, excellent customer experiences across all channels. Through on-demand, tailored online services, customers have the ability to help themselves. Customers can purchase goods, purchase information from websites, and obtain answers utilising FAQ sections, forums, or chat rooms all on the internet, which offers a convenient and optimal medium.

III E-CRM IN BANKING SECTOR:

Today's contentious focus on both sides is the relationship between bankers and their clients.
It entails all the actions required to establish, develop, preserve, and keep up a successful relationship with the target clients.

Customer relationship management keeps tabs on the evolution of both new and existing services as well as the needs of the market today and in the future.

The establishment and maintenance of mutually beneficial long-term connections with the strategically significant clients" is how CRM is defined. The expansion, maintenance, and optimization of the business's long-lasting, mutually beneficial relationship with its clients. The major objective of effective customer relationship management is to comprehend the wants and wishes of the customer. This is done by putting their demands at the center of corporate operations and combining them with the organization's strategies, people, processes, and technology.

In the private sector as well as the public sector, labor-intensive commercial operations are being quickly replaced by computers, information technology, and networking. Computers, the Internet, and information technology have all converged since the early 1990s to replace labor- and paper-intensive banking procedures between and among commercial banks. The widespread use of ATMs, credit cards, debit cards, smart cards, and loans through e-CRM through the Internet are examples of this. Electronic commerce refers to this kind of computer-based bank-to-bank, bank-to-consumer, and consumer-to-consumer transactional and informational communication.

The significance of e-CRM technology in bank-customer interactions is still unquestionable, however analysts should underline how social and human factors influence consumer perception. In the realm of banking services, interaction is given top priority. However, it is crucial for both banks and clients to participate actively in the interactions if they are to be successful. When compared to other industries, the banking sector has always placed a specific emphasis on the relationship that is maintained between the organisation and its customers. Three key aspects make up the interaction process. They are:

- Information sharing
- Commercial or financial (transactions)
- Social interaction

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