

CUSTOMER PREFERENCE IN E-CRM PRACTICES OF STATE BANK OF INDIA – A STUDY ON BANKS OF JAIPUR

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Abstract

Banking is the industry of providing financial services to consumers and businesses. Today banking industry understands the importance of Electronic Customer Relationship Management (CRM) and its potential to help them obtain new customers, retain existing ones and maximize their lifetime value. SBI is continuously introducing new technological tools to provide better services but customers are still not using these technological banking tools. The main objective of this research paper is to investigate the modern services quality dimension which effects customer satisfaction. Sample size of 120 respondents collected from internet banking users of Jaipur City, who are actually using E-CRM services of State Bank of India has been used. This study shows that most of the users like ATM facility, Credit and Debit Card facility, Fund transfer facility and bill payment facility. Customers of this bank are still not comfortable in using other E-CRM services. Employee's skills should be upgraded continuously through training. Bank must develop various measures for providing satisfaction to the customers for these services.

Keywords: - E-CRM, ATM, Electronic Fund Transfer, Bill payment.

Introduction

Banking Industry

“Banking is the industry of providing financial services to consumers and businesses. The fundamental services a bank provides are checking accounts, which can be used like money to make payments and purchase goods and services; savings accounts and time deposits that can be used to save money for future utilize; loans that customers and businesses can use to acquire goods and services; and basic cash management services such as check cashing and foreign currency trade. A broader definition of a bank is any financial institution that receives, collects, transfers, pays, exchanges, lends, and invests money for its customers.”

The banking industry has experienced tremendous changes over the last decades which, coupled with the

adoption of a new technology in a highly uncertain environment, made some old ideas redundant and gave rise to new ones in approach and understanding. In the banking industry, relationship marketing is becoming an important element. If a bank develops and sustains a solid relationship with its customers, its competitors cannot easily replace them and banks can gain competitive advantage (Gilbert, 2003). That is the reason behind the acceptance of the new technology Electronic Customer Relationship Management by banks.

Electronic Customer Relationship Management

Ab Hamid (2005) stated that E-CRM works as a tool for connecting with customers through internet and assessing its benefits. Hawamdeh (2008) stated that it's better to expand customer's knowledge in use of e-commerce web sites. The use of e-commerce websites results in a boon for the banking industry that leads to the acceptance of E-CRM technology in banks. Adoption of modern technology and combination of various strategies can only help banks to develop their customer relationship model. Latest E-CRM techniques used by banks help to provide their customers newer products and services resulting in the growth of their customers. Some of the commonly used E-CRM practices are Internet banking, ATM, Electronic fund transfer, Smart cards (like debit and credit cards) and bill payment facility.

Literature Review

The review pertains to all issues related with E-CRM practices. “Change (2005) has found in his empirical study on E-CRM performance influence model for service sectors in Taiwan that organizational support along with a combination of technological support is required to ensure the effective implementation of E-CRM.” “Rootman et al. (2008) investigated the variables that influence customer relationship management (CRM) of banks from the employees' perspectives. There were three variables influencing CRM: attitude of their employees; knowledge ability and two way communication. The findings revealed that the variables of attitude and knowledge ability of bank employees have significant impact on the effectiveness of the E-CRM strategies of banks.” “Kwan Ho Yan, (2010) performed a research with the subject of the investigation of the role of E-CRM in Hong Kong banking industry where a total of 348 responses were collected employing the convenience sampling method. He found that banks considered four marketing tactics that were direct electronic mail, interpersonal communications, oral advertisings and tangible results. He also found that there was a remarkable relationship between electronic marketing tactics of customer relationship management (E-CRM) and customer's perception regarding E-CRM.” “Kavitha et al. (2011) identified customer's perspectives on E-CRM practices in Indian banks and the level of satisfaction of customers regarding E-CRM and its relevance with demographic variables. The study collected data from 150 respondents through questionnaire which included questions on a five point scale. The results indicated that demographic factors

like age, income, education, computer knowledge etc., had a positive relationship with customer perception and level of satisfaction. The study concluded that the banks needed to identify right strategies to attract customers with different demographic profile and to offer them the right E-CRM practices.”

“Dalbir et al. (2011) explored various dimensions of CRM at the organizational level in the banking sector and also studied the future perspective of the CRM in banks of north India. The managers of both public and private banks constituted the population of the subject in the study and a questionnaire was prepared for them. A sample of 330 managers was randomly selected from banks located in north India. The major findings of the study indicated that CRM existed at the initial stage at organizational level in banking sector and banks considered CRM as an important tool to improve better understanding of customers. They believed that CRM is the key to success, in the times to come, banks would have to cope with the problems faced in implementing CRM practices and initiate, learn, and adapt these CRM practices.” “Seraji et al. (2013) explored the role of customer satisfaction and the quality of banking goods and services for public and private sector banks of Iran and revealed that customer satisfaction has a close relationship with quality of goods and services and quality of service can be measured by comparing customer expectations and perceptions of service performance. They have found that banks needed to concentrate on improving their quality of goods and services to achieve customer satisfaction. They recommended that state banks need to promote themselves by using ideas and initiatives of other service organizations and emphasized on innovation, in order to take precedence of their rival banks.” “Dhingra et al. (2013) explored the advantages of E-CRM to customers and organization in the banking sector of India. They took feedback of customers of SBI and HDFC bank which implemented this E-CRM technology in their branches and they also compared their services on the basis of variables like customer interaction and satisfaction, convenience, speed of processing, service quality and trust. They have found that the banks got almost the same description about the advantages of E-CRM from their customers and also found that with the implementation of E-CRM and the latest technologies, banks must have ensured full security for the transactions of their customer's and provided one to one services to them and maintained the transaction security of their customers.” “Mishra (2014) has made an attempt to examine the implementation of E-CRM practices in Indian banking services. A quantitative survey has been completed by assessing 90 respondents among the staff of SBI in Odisha state across 6 branches. It is found that SBI should continuously maximize marketing campaigns by emphasizing on one to one marketing such as meeting the customers personally. The study has found that proper implementation of E-CRM is required to perform these activities effectively.”

Objectives of the Study

- ❖ To study the various E-CRM practices provided by the bank.
- ❖ To study the awareness of E-CRM practices among the customers.
- ❖ To explore customer satisfaction levels relating to E-CRM practices.

Research Design

The main objective of this research paper is to investigate the various modern E-CRM practices, quality dimension which effects customer satisfaction. For the purpose of achieving the objective, a descriptive research study was conducted.

Sampling and Sample Size

Primary data was collected from internet banking users of Jaipur City, who are using the E-CRM services of State Bank of India. The sample size consists of 120 respondents. Convenience sampling technique was used for a period of two months (March – April 2015).

Analysis of Results

Table 1 show 120 sample respondents of E-CRM users. Among the 120 sample respondents, 81 respondents are male and 39 respondents are female. Maximum E-CRM users are graduates and post graduates.

Table 1

CATEGORY	FREQUENCY	PERCENTAGE
Gender wise Respondents		
Male	80	66.7
Female	40	33.3
Total	120	100
Age wise Respondents		
Up to 20 Years	31	25.8
21 to 40 Years	49	40.8
41 to 60 Years	31	25.8
Above 60 Years	9	7.6
Total	120	100
Education wise Respondents		
Up to HSC	15	11.7
Graduates	65	50
Post Graduates	35	30
Others	15	8.3
Total	120	100

Table 2 shows that most of E-CRM users are doing business and are self-employed. Maximum users are using ATM/Debit card, Mobile banking and Credit card (frequency of usage daily and weekly).

Table 2

CATEGORY	FREQUENCY	PERCENTAGE
Occupation wise Respondents		
Self Employed	30	25
Business and Service	48	40
Student	32	27
Home maker	10	8
Total	120	100
Monthly Income wise Respondents		
Up to 15000	39	32.5
15001-30000	34	28.3
30001-45000	31	25.8
Above 45000	16	13.3
Total	120	100
Electronic Banking Services wise Respondents		
ATM	65	54
Credit Card	20	16.6
Electronic Fund Transfer	8	7
Internet Banking	17	14.16
Mobile banking	10	8.3
Total	120	100
Frequency of Usage wise Respondents		
Daily	50	42
Once in a Week	34	29
Once in a month	10	8
Twice in a Month	26	21
Total	120	100

Table 3 shows the gender wise opinion of banking services: the significant relationship between gender and ATM usage. The calculated value is less than the table value, hence the hypothesis is accepted.

Opinion of Services	High		Medium		Low		Chi-Square Test (Table Value (0.05) = 5.99, df=2)	
	M	F	M	F	M	F	Chi-square	Result
ATMs are easy to operate	30	15	25	20	15	15	3.16	Significant
ATMs are taking less time	25	20	15	10	30	20	38.52	Insignificant
ATMs are Well Maintained	40	25	24	15	6	10	13.09	Insignificant
Credit card has High in value	25	10	25	25	20	15	2.41	Significant
Card is easy to obtain	30	10	25	15	15	25	11.7	Insignificant
Credit Card charges are competitive	35	15	25	15	10	20	31.05	Insignificant
Fund Transfer is fast	24	14	56	11	5	10	25.72	Insignificant
Fund Transfer is secure	29	30	26	14	15	6	0.01	Significant
Fund Transfer is economical	25	17	25	10	20	23	13.03	Insignificant
Online shopping is convenient to use	30	30	30	15	10	5	9.33	Insignificant
Online Transactions are safe/secure	15	10	35	20	30	20	21.29	Insignificant
Mostly prefer to do payment through bank	40	15	15	20	15	15	19.59	Insignificant
Bill Transaction charges are low	34	5	30	30	6	15	10.20	Insignificant
Bill Payment is convenient in use	26	10	45	25	10	4	0.79	Significant

There is a significant relationship between gender and safe fund transfer. The calculated value is less than the table value, hence the hypothesis is accepted. Again there is significant relationship between gender and Credit Card. So calculated value is less than the table value, hence the hypothesis is accepted. There exists again a significant relationship between gender and ATM facility. The calculative value is less than the table value, hence the hypothesis is accepted. This study shows that mostly customers of SBI Bank prefer to use ATMs, credit card, Electronic fund transfer and bill payment facility.

Suggestions

- ❖ Banks must develop various measures for providing satisfaction to customers for E-CRM practices.
- ❖ Banks need to introduce various awareness programs related to E-CRM practices so that customers can access these services.
- ❖ Banks should organize seminars, webinars, and conferences to develop awareness regarding E-CRM practices among customers and for their employees also.
- ❖ Banks need to make their customers confidence in using other E-CRM practices by providing them some attractive offers.

Conclusion

Currently banks are facing tough competition. Everyday banks are coming with new services and lucrative offers to attract customers. Although E-CRM practices have been introduced in banks, but still customers are not feeling comfortable in accessing these services because of several reasons. SBI is still facing the same problem, as the bank has introduced several E-CRM services but customers are using only few services like ATMs/Debit card, Credit card, Electronic fund transfer facility and bill payment facility. Bank should aware and trained their staff first and then their customers to ensure the proper utilization of E-CRM practices. Banks need proper implementation of these services. This can be possible by continuously upgraded their awareness programs and by offer their customer attractive offers like reward points, gifts etc.

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