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## FACTORS FAVOURING e-CRM IN BANKS



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### ABSTRACT

The present day banks are facing stiff competition in order to increase the business. The old generation banks have faced much competition to attract customers as the banks were limited in number and there were more customers who were running behind to utilize the various services provided. But the scenario has completely changed; each street has branches of all popular banks which were situated in the adjacent buildings. The traditional methods of providing services have gone and each banker wish to attract, delight, retain, and capitalize the customer. The banker decides once if the customer steps in to the bank for opening an

account, he has been given ample of kits which are varying gifts such as free ATM cards, Cheque books, and a booklet which comprise of all the details and services provided by the banks. After reading the booklet, if the customers wish to enquire about any loan details means, the banker will take a firm decision to provide him enormous details and convince him to take a loan, and present the ultimate service and enlighten the customer.

**KEYWORDS :** *Factors Favouring , delight, retain, and capitalize .*

### INTRODUCTION

Thanks to the technology, the present day bankers use various customer relationship management activities to enhance their image in a brighter way. The advent of private sector has given many alternatives for the customer to invest in and it has imperative for banks to keep their customer satisfied (Waseem John, 2014). It is ultimately believed by the present day banker that retaining a customer is less costly than acquiring a new one. (Gruen,1997). Customer relationship management (CRM) is viewed as a new important strategy in marketing (Payne & frow, 2005). The CRM is viewed by the academicians by four groups' viz., strategy, technology, process and information system (Thompson, 2002). The strategic view is the process that the bank create relationship that have not existed already. Technology views communicate the duties of the director of the banker on various activities viz., sales, marketing and customer service.

The process view is the process of learning about customers and do all those things which will

keep them satisfied and information view is carried over by the management for communicating with the customer with the help of software technology, e-CRM, web wireless and voice technologies (Zablah 2004, Swift 2001, Chen 2003). The banker through e-CRM try to identify and understand customer's demographic pattern of purchasing and other relevant information in order to create new business opportunities giving importance to customers. (Dyche 2001). The most widely tool of e-CRM in banking is the e-banking. According to Heikki et al., (2002) the transformation from the traditional banking towards e-banking has been a leap change. The evolution of electronic banking started from the use of automatic teller machine (ATM) and has passed through telephone banking, direct bill payment, electronic fund transfer and the revolutionary on-line banking (Alfer, 2002).

### 1.2. NEED FOR THE STUDY:

The e-CRM approach in relationship management and it gives great benefits to its stake holder including employees, customers, suppliers and channel partners. Further the e-CRM gives more benefits viz., creating long term relationship with customer with minimum cost, reduce customer defection rate, increase the profitability from low profit customers and focus on high value of customers. The present study concentrates on the various benefits encountered by e-CRM initiatives by the various banks (Jellasi & Enders, 2004).

### 1.3. METHODOLOGY OF THE STUDY:

The present study is Qualitative in approach. The instrument has been created by including 22 statements pertaining to the various dimensions.

### SAMPLE SELECTION:

The researcher wanted to examine various e-CRM banking benefits derived by the customers by considering various e-CRM activities. The researcher has selected 6 customers from 1. Public Sector Banks 2. Private Sector Banks 3. New Private Sector Banks 4. Old Private Sector Banks and 5. Foreign Banks. Thus the by combining all these banks a total of 30 respondents were included in the study and the researcher has adopted snow ball sampling technique to collect and record the opinions of the customers.

### STATISTICAL TOOL:

The researcher has applied factor analysis for analyzing and drawing meaningful inferences from the opinion/ benefits derived from e-CRM. SPSS version 14 has been applied to analyze the data.

TABLE – 1  
Communalities

	Initial	Extraction
Time taken for operation	1.000	.405
Consistency of service	1.000	.675
Quality of maintenance	1.000	.616
Time schedule for operations	1.000	.853
Employee interest in solving customer problem	1.000	.851
Modern equipment and fixtures and atm	1.000	.831
Employee professional appearance	1.000	.753
Physical facilities	1.000	.695
Quality and appearance of material	1.000	.671
Employee' courtesy	1.000	.386
Employee's knowledge	1.000	.898
Confidence and Safety	1.000	.481
Employee's behaviour	1.000	.776
Employee's willingness	1.000	.680
Information and guidance	1.000	.633
Employee's promptness	1.000	.810
Employee's attitude	1.000	.245
Convenient bank operating hours	1.000	.783
Employee's Personal relation	1.000	.659
Understand specific needs of customer	1.000	.817
Customer best interest	1.000	.266
Individual attention	1.000	.780

Extraction Method: Principal Component Analysis

Table 1 explains the communalities of the various (22 statements) pertaining to the e-CRM benefits derived by the customers.

TABLE – 2  
Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.670	21.225	21.225	4.670	21.225	21.225	4.081	18.548	18.548
2	3.395	15.430	36.655	3.395	15.430	36.655	3.023	13.743	32.291
3	2.420	11.002	47.657	2.420	11.002	47.657	2.717	12.350	44.641
4	2.332	10.602	58.259	2.332	10.602	58.259	2.566	11.663	56.304
5	1.748	7.948	66.206	1.748	7.948	66.206	2.179	9.902	66.206
6	1.351	6.143	72.349						
7	1.158	5.262	77.611						
8	1.054	4.790	82.401						
9	.857	3.893	86.294						
10	.649	2.950	89.244						
11	.609	2.766	92.010						
12	.535	2.431	94.441						
13	.322	1.466	95.906						
14	.276	1.253	97.160						
15	.214	.973	98.133						
16	.164	.745	98.878						
17	.128	.580	99.458						
18	.060	.275	99.733						
19	.038	.170	99.903						
20	.014	.062	99.965						
21	.005	.024	99.989						
22	.002	.011	100.000						

## Extraction Method: Principal Component Analysis.

Table 2 presents the total variance explained for the 22 statements which are considered for the study. From the table it could be understood that the factor I/ statement accounted for 18.548%, factor II accounts for 32.291%, factor III accounts for 44.641%, factor IV accounts for 56.3014% and factor V accounts for 66.206%.

TABLE – 3  
Component Matrix(a)

	Component				
	1	2	3	4	5
Employee's knowledge	.870				
Modern equipment and fixtures and atm	-.798				
Quality and appearance of material	-.707				
Employee's Personal relation	.671				
Employee professional apperance	-.660				
Consistency of service	.582				
Employee's behaviour	-.554	.533			
Time taken for operation					
Information and guidance					
Employee interest in solving customer problem		-.883			
Individual attention		.816			
Convenient bank operating hours		-.559			.541
Customer best interest					
Quality of maintenance			.645		
Physical facilities			.609		
Employee' courtesy			-.606		
Employee's attitude					
Employee's promptness				-.690	
Understand specific needs of customer				.615	
Employee's willingness				.595	.504
Confidence and Safety					
Time schedule for operations		.546			.589

Extraction Method: Principal Component Analysis.  
a 5 components extracted.

Table 3 holds the component matrix of the various (22 statement) and their resultant components extracted.

TABLE – 4  
Rotated Component Matrix(a)

	Component				
	1	2	3	4	5
Employee professional appearance	.851				
Employee's knowledge	.800	-.502			
Consistency of service	.748				
Quality and appearance of material	-.606				
Time taken for operation	-.573				
Time schedule for operations		.867			
Employee's behaviour		.745			
Modern equipment and fixtures and atm	-.613	.653			
Employee's attitude					
Customer best interest					
Understand specific needs of customer			.839		
Employee interest in solving customer problem			-.752		
Individual attention			.737		
Confidence and Safety			-.636		
Physical facilities				.795	
Quality of maintenance				.763	
Employee's promptness				.580	
Employee's Personal relation				.540	
Employee' courtesy					
Employee's willingness					.818
Convenient bank operating hours					.727
Information and guidance					.547

**Extraction Method:** Principal Component Analysis. **Rotation Method:** Varimax with Kaiser Normalization.

a Rotation converged in 22 iterations.

Table 4 presents the rotation component matrix of the statements which have been carried for analyzing the opinion of the e-CRM benefits derived by the customer.

TABLE – 5

GROUP	FACTOR	VALUE
I	Time schedule for operations	.867
	Employee professional appearance	.851
	Understand specific needs of customer	.839
	Employee's willingness	.818
	Employee's knowledge	.800
II	Physical facilities	.795
	Quality of maintenance	.763
	Employee interest in solving customer problem	-.752
	Consistency of service	.748
	Employee's behaviour	.745
	Individual attention	.737
	Convenient bank operating hours	.727
III	Modern equipment and fixtures and atm	.653
	Confidence and Safety	-.636
	Modern equipment and fixtures and atm	-.613
	Quality and appearance of material	-.606
IV	Employee's promptness	.580
	Time taken for operation	-.573
	Information and guidance	.547
	Employee's Personal relation	.540
	Employee's knowledge	-.502

Table 5 pictorize the clustered group of the statements which were taken. The group I accounts for 18.548% including the statements of XI-Time schedule for operations X2-Employee professional appearance X3-Understand specific needs of the customer X4- Employees willingness X5-Employees Knowledge and named as "Operational efficiency and Employees Knowledge" group II has a cumulative percentage of 32.291% by having statements including XI-Physical facilities X2-Quality of maintenance X3-Employees interest in solving customer problem X4-Consistency of service X5- Employees behaviour X6-Individual attention and named as " Consistent service and customized operations". The third group included the variables of X1-Modern equipment and fixtures and ATM X2-Confidency and safety X3-Qua;ity and appearance of material could be named as "Physical infrastructure with utmost safety" with a total of 44.641%. the fourth group include the variables such as X1-employees promptness X2-time taken for operation X3-Information and guidance and could be named as a employee behaviour and assistance provided" accounted for 56.304%. The fifth group include the variables such as XI- Employee's personal relation X2-Employees Knowledge could be named Knowledge" accounted for 66.206%.

#### CONCLUSION:

The study has identified five concrete factors which induce the benefits derived by the customer through implementing e-CRM in the different sector of the banks. The different dimensions include 1. Operational efficiency and employee's knowledge 2. Consistent service and customized operations 3. Physical infrastructure with utmost safety 4. Employee behaviour and assistance provided 5. Relation and Knowledge. Thus e-CRM accounts for greater benefits for customers.

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