

E-CRM is a foundation of accelerating economical stability in Indian banking industry

M. JOHN PAUL

Assistant professor, Management studies,
Sathyabama Institute Science and Technology,(Deemed University) Chennai – 119
mjohnpaul2011@gmail.com,9941012366

Abstract

In the history of Indian banking system, the last decade has turned into the different direction towards technological advancement and modern application with the help of information technology which control the entire world and playing as a role of pioneer in any kind of industry to make the work is easy and flexible. Now a day's all the industries mainly the industry of banking survives and reaching the path of success by adopting innovated technologies and software to compete others in its industry. Today's Information technology has changed the business in the form of smart and fast accessible concern with excellence in their work. No one can avail the best result without the help of technology in banking mainly on e-CRM. Application of tools and techniques like e-CRM, has slightly improved in all sector of banking and its increased hope of investors, customers and government which is mainly used to maximize the financial stability. This study is mainly focus the method of banking transaction after implementing the e-CRM concept and how it's affecting growth of financial stability of a bank in India.

Introduction

Today, technology is not only changing the environment but also the relationship with customers. Technology has not broken many barriers but has also brought about superior products and channels. This has brought customer relationship into greater focus. It is also viewed as an instrument of cost reduction and effective communication with people and institutions associated with the banking business. The RBI has assigned priority to the up gradation of technological infrastructure in financial system. Technology has opened new product and services, new market and efficient delivery channels for banking industry. IT also provides the framework for banking industry to meet challenges in the present competitive environment. IT enables to cut the cost of global fund transfer. Economical stability is the one which mainly used to increase the value of the business and its profit in the long run. E-CRM will help to identify the factors that tune the pattern of operation with more amount of customer loyalty which makes the business to enter into the next level in banking system. This study attempts to find the level of economical stability through maintain proper CRM process in Indian banking system.

Review of Literature

Some of review had been re directed my area of research work in the right direction to complete my task successfully. Dr.M.Siva subramanian (2016) "The perception and attitude of the person will change frequently from person to person and time to time and also based on situation for exceptional cases. Identifying the perception of a customer is a challenging task and difficult process." Ms.A.Chemmalar (2015) Mammallan Institute of technology, AIJBSR, "Banking industry in India is a most powerful sector where they have the power to control the economic status of a nation and make the countries to grow with global competitive level to compete others and brings the success in every movement of its business". This fact has founded in the study of Dr.S.Muthumani (2013), Sathyabama University, "Customer relationship management is the seed of successful business in banking industry to bring the customer to closer to the business in the competitive market; it gives more channel and routes to reach the customers by making the prompt service delivery and business promotion"

Objectives of the Study

There is an imperative need to doing this research is to find the economical and financial stability of a bank through the effective e-CRM application. I have approached this study based on these following objectives, such as finding the satisfaction level of the customer regarding service provided by banks with the help of banking technology, To identify the risks of electronic banking services from the customers point of view and the bank point of view and also identify the customer perception on e-CRM practices which has been followed in modern banks.

Research Methodology

Research comprises defining and redefining problems, formulating hypothesis on suggested solution, collection, and at last carefully listing the conclusion to determine whether they fit the formatting hypothesis. Before going to the full-fledged data collection with 5000 respondents, the questionnaire was tested with 120 respondents to measure the reliability and the end of the reliability test found the **Cronbach alpha values stood as 0.68**. Duration of this study was 2 months in the field of banking with the target customer of 300 out of the population those who regularly making a transaction with banks through online (e-Banking) (loyal customer) based on

Convenience sampling method. Area of study which I done at Chennai city- North circle , in respect of covering upper class customer those who maintain the accounts in modern banks who has adopted much technological advancement in banking .

Validity Test

The CRM best practices questionnaire comprises 29 best practices limited to the domain of CRM as explained by well known researchers .each of which is different from any other. Factor analysis can be used to determine the broad underlying constructs of a scale. In this study, the actual number of is much less than the minimum requirement of 120 observations and, therefore, factor analysis is not feasible. Further, the questionnaire was pre-tested with a set of five bank customers similar to those targeted to participate in the research. The pre-testing results indicated that the questionnaire was clearly understandable and unambiguous leading to the conclusion that the questionnaire had adequate content validity. We can safely infer that the findings can be further generalized to the larger Indian retail banking sector. Reliability was computed using Cronbach's coefficient alpha for the entire set of 29 best practice statements and was found.

ANALYSIS & TESTING

Table showings the attributes of satisfaction level on e- Banking system

S. No	Opinion	No of respondents	Percentage
1	Online Query Clearance	25	21
2	Customer care desk	18	18
3	Management Information system	35	15.6
4	e-Banking services	20	22.4
5	Social media applications	22	12.4
	TOTAL	120	100

Source :Primary

This concept is of immense importance in the current trend this also help to stay ahead in the much competitive market which has a do or die situation. To meet the competition, more awareness about the brand needs to be created and new advertising strategies have to be adopted. I hope that, this project would be useful to the company to improve their position of services by retaining customer and getting the new customer.

The below table shows that the changes of banking sector growth for 1 % is how affecting the GDP of India and other countries. This is an assumption of increasing positive socks in Indian banking sector to identify the level of changes in other countries. This will clearly shows the optimum changes and impact of changes in GDP due to the change of performance and excellence of banking industry in India. This will clearly shows that Indian banking sector is having a controlling ability to many countries.

GDP	Pre	Post	Ch/%Ch
EUROPEAN UNION	16792312	16792326	14
S.AFRICA	879129.5	879129.4	-0.125
INDIA	1232817	1235399	2582.625
CHINA	3494058	3494059	1.75
AUS	856910.9	856911.4	0.5625
PAKISTAN	143169.6	143169.7	0.046875
Rest of World	32432944	32432944	0

Source: Secondary,

The below table shows that the changes of non - banking sector ,except banking sector in India's growth for 1 % is how affecting the GDP of India and other countries. This is a attempt and data has been taken from the tool and application of Rungtap ,which is a effective tool that used to find out economic model in India and many countries .

GDP	Pre	Post	Ch/%Ch
EUROPEAN UNION	16792312	16792372	60
S.AFRICA	879129.5	879128.25	-1.25
INDIA	1232816.75	1244099	11282.25
CHINA	3494057.5	3494065	7.5
AUS	856910.875	856912.8125	1.9375
PAKISTAN	143169.625	143169.5469	-0.07813
Rest of World	32432944	32432944	0

Source: Secondary,

SATISFACTION LEVEL ON QUALITY OF BANKING TECHNOLOGY.

Level of satisfaction based on uses of technology					
ATTRIBUTES	HS	S	N	DS	HDS
Fast	25	28	18	14	35
Accuracy	28	18	14	35	25
Coverage	18	14	35	25	28
Security	14	35	25	28	18
Flexible	35	25	28	18	14
TOTAL	120	120	120	120	120

Source :Primary

All the banks either nationalized or privatized, supposed to follow different ways in CRM implementation, based on their capacity and economic status.

Here, some of modern banks had followed these types of prominent role in the platform of CRM practices to build the better brand image . As per the above table, friendly approach with the customer has opted by 28% out other 5 modules, follow up of relationship has occupied by

18%.Its finally end with facility 24% of the customer. In this analysis, the factors such as complaint box, customer forum .service centers, awareness camp and feedback session which has conducted by respective modern banks in the current trends. Based on the customer's opinions, the tests and analysis has been made.

THE DIMENSION OF TECHNOLOGY IN E-BANKING

The bank has succeeded in developing highly competent e-channel services in order to meet the different needs by customers, through the availability of e-channels (24/7), they include the following technology which mostly accepted by customers in the industry of banking.

AWARENESS LEVEL OF CUSTOMER ON e-BANKING TECHNOLOGY		
Banking Teachnology	No of Respondents	Percentage
E-payments	10	8
Iskan online	12	10
SMS	12	10
E-payments	8	7
EFT	10	8
Phone bank	7	6
Virtual bank	11	5
Financial Inclusion	10	8
Mobile Banking	10	8
e-CRM Initiatives	30	25
Total	120	100

Source :Primary

APPLICATION OF TECHNOLOGY IN E-BANKING

Application is the major process in all banking transaction in India .Because; here most of the transactions and applications are in written statements only, not only in the part of execution in banking industry.

Level of satisfaction based on uses of technology					
ATTRIBUTES	HS	S	N	DS	HDS
e-Fund transfer	18	30	40	15	17
ATM	30	40	15	17	18
Online shopping	40	15	17	18	30
e-Commerce	15	17	18	30	40
Out sourcing	17	18	30	40	15
TOTAL	120	120	120	120	120

Source :Primary

FINDINGS

Based on my study, more no of percentage in respondent from the customer of leading banks such as federal banks ,Axis bank, Corporation bank and Bandan Bank in Chennai were satisfied and strongly accepted the importance's of e-CRM applications of their respective banks. The correlation and regression test were made with data which have collected from respondents through structured questionnaire on the variable of customer satisfaction level and the impact of e-CRM application in banking industry, the value of correlation is $r=0.54$ which indicates the respondents are strongly satisfied with the components of e-CRM application to make business „to the next level . The second comparison were made on the usage of e-CRM in banks and the level of economical stability in our banks were tested and the value is $r=0.48$; shows closer relationship between two variables which indicates using of e-CRM application makes the Indian banking industry to fit with global competitive level to raise the amount of investments. The chi square test were calculated with the variables like impact of e- CRM application in banking industry and the satisfaction level of customers in using different modes of technology ; the result were found that $p>0.02$ which means we can accept the

null hypothesis stating that there is a direct relationship between these factors. Most of the customers (62%) want to update in technology which is mainly help to run the business and reduce the time of transaction. Around 51% respondents were opted that e-CRM application is playing as a source to managing and maximizing the economical stability.

Conclusion

The today's banking is redefined and re-engineered with the use of IT and it is sure that the future of banking will offer more sophisticated services to customers with the continuous product and process innovations. Most of the banks were realized and upgraded their version of services through updating their e-CRM application for the better performance in the Indian banking industry. So banks are now more concentrate on providing value added services to customers. Customers also are not compromise in any outdated services. e-CRM gives more moral support to the banks in creating wealth and power to face the competition. This will be the ultimate process in the Indian banking system to update the pattern of work in technological side and make the customers to be feel good by their services, guidelines, and the partner in wealth maximization. This process will enrich and increase the value of business and make attention to bring more capital by accumulating intangible assets of brand image and customer loyalty. According to this work ,we can strongly announce that the e- CRM is source of maximizing and managing the economical stability in Indian banking industry.

References

1. Dr.M.Siva Subramanian, Challenges of Changes in Indian banking system, Dec 2009, Vol.26 No.2, pp.73 -77, National Journal, ISSN 0971-8508.
2. Dr.Thangavelu, "A Report on modern practices in banks", Vol: 3, Issue: 15, May 2010 pp.152-159,, National Journal.
3. Dr. S. S. Rau, A Study on awareness and adaptability of Economic Value Added concept in Indian Banking Sector, Feb 2010, Vol. 4, No. 2, National Journal, ISSN: 0973-8711, pp.16-23.
4. Dr. S. Muthumani, CRM in financial service in industry, 2010, SNS journal of marketing,.
5. Mrs. T R Kalailakshmi, Impression of marketing mix on relationship marketing practices , Vol. 2, No.2, pp.43-47, 2011, National Journal.
6. Ms.Meenakumari, A study on marketing problems faced by Self Help Groups in promoting Handicraft and Handloom products, 1/29/July-Dec2012, National Journal.
7. Ganesh, Corporate social responsibility in indian automobile industry, Vol- 2 (6) april 2012, National
8. Mr.Govindarajan, Corporate economic value added analysis on Public sector under taking : a case study On neyveli lignite corporation limited, Vol 2 Issue 9 March 2013, National Journal.
9. Ms.Rani J.,A Study on Consumers Possession, Purchase and usage of Washing Machines in Chennai, Accepted yet to publish. National Journal.
10. Mrs.A.Chemmalr, The Role of Total Quality Management in maximizing the quality of CRM in Indian retail market – A study. Vol: 2, Issue: 1, March 2015, AIJBSR, ISSN NO: 0975-749X.pp.112-120. GLOBAL IMPCAT FACTOR: 0.277.
11. IDC (2004) worldwide customer relationship management applications market expected to surpass \$11 billion by 2008, according to IDC. IDC. Retrieved 3 August, 2004, from?containerId=pr2004_07_26_122025.