

E-CRM in Indian Digital Banking System

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ABSTRACT

Relationship marketing is replacing the conventional transactional idea in the Indian banking sector. The phrase "Customer is King" suggests that the client should be at the center of any business situation. The goal of implementing the CRM idea is to better understand wants and expectations while attempting to sustain a long-term relationship with the customer. In the current environment, banks must maintain a customized attention approach, manage databases, create client value, and implement effective retention tactics if they hope to prosper. The goals, methods, and advantages of e-CRM in the Indian banking sector are the main topics of this article.

Keywords: Customer Relationship, Management, Indian Banks, eCRM, Banking Services

INTRODUCTION

In the current business environment, gaining new clients is an enormous undertaking. With the development of technology, businesses attempt to adapt to the market by eschewing the conventional approaches of attracting and retaining clients. Owing to this fact, customer relationship management has developed into a concept and strategy that aims to preserve long-term relationships with customers today. Any organization that can comprehend customer needs and deliver specialized goods and services will succeed. In addition to helping to keep the current customers coming back for more purchases, this would aid in drawing in new potential clients. Unlike in the past, when banking was transaction-centric, it is now more customer-centric. Banks are putting more and more emphasis on the idea that clients select service providers based on how quickly and effectively they can differentiate themselves. Customer relationship management, or CRM, involves more than merely tracking consumers' behaviour and handling their accounts. Banks are fully aware that their customer relationship management tactics play a major role in determining their performance.

CRM has the following definition:

- Comprehending the requirements of the clientele.
- Developing added value for the goods and services to attract prospective clients.
- Increasing sales through the chosen channels.
- Delivering superior After Sales Service to sustain enduring relationships with clients.

A thorough plan and procedure for attracting, keeping, and forming partnerships with certain clients in order to provide greater value for both the client and the business is known as customer relationship management.

Internet technology has changed CRM into Electronic-CRM (E-CRM) in the modern day. Banks and businesses can utilize Internet technologies to track online habits and preferences of their customers, acquire new ones, and personalize support and services. CRM is a tactic that banks use to establish and maintain enduring connections with their clients. Studies have indicated that the application of CRM can lead to enhanced customer service and better management of consumer expectations and loyalty.

Goals for E-CRM in the Banking Sector

- To raise the bar for customer service, which will increase client happiness.
- To preserve openness in disseminating information on goods and services.

To keep track of client information, including where and how it is kept.

To find new customers, streamline marketing and sales procedures, enable sales professional's close agreements more quickly, and boost customer revenues.

- To lower marketing expenses.

To enhance the conversion rate, meaning that more browsers will become consumers.

REVIEW OF LITERATURE

“A Customer is the most important visitor on 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 favor by serving him. He is doing us a favor by giving us an opportunity to do so.”

-Mahatma Gandhi

In the research paper, Soumya Shreedhar (2015) notes that banks use customer relationship management (CRM) to strive to draw in new business and keep hold of their current clientele in the cutthroat market of today. The purpose of the study was to examine customer satisfaction levels with CRM in banks as well as opinions regarding the services that banks provide.

In 2013, Dr. Sarita Bhatnagar concentrated on how banks may shift their organizational culture from being product-centric to becoming customer-centric. The issues and difficulties that have arisen since CRM was implemented in the banking sector are also highlighted in the report.

According to Sudalaimuthu (2009), banks that effectively adopt and monitor CRM strategies will be able to provide their clients with improved services, win their long-term loyalty, and ultimately increase their income.

Dr. R. Sathya Devi (2015) focused on the function of CRM in the banking industry and how customers view CRM. The study also addressed the benefits of CRM and the difficulties in putting CRM into practice.

The idea of e-CRM in banks was highlighted by MRS. Kavita Malik (2013), who covered its many facets, including evolution, objectives, areas, approaches, advantages, and disadvantages.

The E-CRM techniques that Indian banks employ

A new trend in relationship management is being driven by banks' online services, which aim to establish personal connections with customers in order to gain a competitive edge. Some of the most recent e-CRM strategies that banks are using to introduce new goods and services to their clientele are listed below.

Internet banking

Customers can get information about the bank's goods and services through the bank portals. Through the internet, banking services are easily and conveniently accessible. Banks can gain a lot from internet banking, including increased brand awareness, lower transaction costs, direct and cross-selling, and a wider customer base. Customers can also benefit from lower costs, convenience, and online banking using it.

Thus, there is no longer any need for branches thanks to technology. The features of online banking include the following:

- Verify the amount and transaction history of your account.
- Transfer money to your own or other people's accounts.
- Find out about exchange, loan rates, and deposits.
- Online Deposit
- Online Requests for DDs and Cheques.

SMS and mobile banking

With the use of these services, customers may instantly check their balance, submit inquiries, and complete transactions. Customers can register complaints and submit general inquiries by calling the bank's help line or phone banking number. Instant SMS would be delivered to the customer following each transaction, as soon as the money was debited and credited. OTPs are delivered to the registered mobile number in the event of a fund transfer, ensuring a secure transaction.

Data Mining and Data Warehousing

Using this method, client data is created and used to examine patterns related to their profile, loyalty, and retention. They offer important insights for keeping clients and creating future goods and services. Accordingly, we may conclude from the above that there are four main ways that technology has been applied in banking:

The objectives are to increase the number of customers, free the banks from the conventional limitations of location and time, and provide innovative goods and services that cater to consumer needs.

Emails

Email is seen to be a useful tool for banks to keep track of its top clients and notify them of new products and services they are offering.

VSAT and INFINET Networks

The RBI launched the Closer User Group (CUG) and Indian Financial Network (INFINET) in an effort to modernize the nation's banking and financial industry's payment and settlement systems. VSAT (very small aperture terminal) technology is used by INFINET. The following is a list of some of the main uses of INFINET in banking services and operations: (i) Email; (ii) Any branch bank; (iii) Treasury management; (iv) Electronic Fund Transfer; (v) Securities clearing and settlement system – delivery/payment.

Technology of Communication (SWIFT)

The cooperative SWIFT was established by foreign investors and international banks. The Society for Worldwide Inter Bank Financial Tele Communication is what it stands for. It offers a computerized network for stage transmission between foreign banks in the participating nations. The fastest banking services and facilities are now available to clients that do worldwide business thanks to this technology.

Transferring Money Online (EFT)

To assist public sector banks in providing their customers with a money transfer service from one bank's branch to another, the RBI has created the electronic fund transfer technique. The electronic fund transfer (EFT) technology transfers funds to any customer account in any branch in a matter of seconds.

Terminal for Point of Sale

Its two main parts are a plastic magnetically encoded transaction card that identifies that the retailer's account is credited with the amount of the purchase and the customer's account is debited, and a computer terminal that is connected online to a computerized customer information file.

Networking of computers

Banking branches throughout divisional, regional, zonal, and head offices are networked, giving executive desk employees access to customer databases. This will create MIS for branch managers and executives at the various controlling offices, including Head office, for precise, quick, and economical client services by integrating the front-office apps with back-office needs.

E-CRM BENEFITS

The following are some of the main advantages of putting in place a specific banking CRM system.

1. A thorough 360-degree perspective of each client

A banking CRM will provide you with a detailed picture of each customer. This is accomplished by fusing different banking software programs with the CRM to create a single, integrated system that provides a view of every customer account. The CRM can record any pre-arranged actions that consumers do, such as utilizing an ATM or getting information about a particular loan. Businesses can thus more readily match financial solutions to their goals by gaining greater insights into the habits and personal preferences of their clients.

2. Customize client interactions

Customers frequently use numerous banks to suit their diverse financial demands rather than depending on a single bank because there are so many private banks available. Personalized customer service is essential if you want to differentiate yourself from the competition. By removing gaps in the customer journey, a banking CRM enables banks to provide support to customers from the time they establish an account until they make purchases, submit loan applications, and other activities. This enables banks to respect the business of their clients and promptly and effectively satisfy their financial needs. Additionally, it shows that the bank values their relationship with consumers when they follow up with them on a frequent basis.

3. Improved division of customers Banks ought to strive for a needs-driven, customer-focused business model. Customers can be categorized using a banking CRM according to a number of criteria, including age, income, credit score, gender, and more. Additionally, it makes segmentation based on investment inclinations, investment amounts, and client relationship duration easier.

This categorization functions as a particular parameter for creating a customized strategy. By doing this, banks may greatly facilitate client outreach and commercial relationship development.

4. An increase in loan sales

Banks can provide clients with the digitally-focused banking experience they demand by utilizing a suitable Banking CRM. With the aid of a CRM, sales representatives can more effectively close deals by knowing a customer's intentions, the kind of loan they require, past interactions with the client to infer

behavioral patterns, and other relevant information. In addition, a banking CRM can be useful for lead management, reports, omni-channel customer engagement, and opportunity management.

5. Boost marketing and sales results

The CRM tool's data can be incorporated into reports to provide you a comprehensive and tactical grasp of your clientele. In order to create new plans and tailor upcoming marketing campaigns, bankers can quickly spot trends, campaigns, and places for improvement. Banks can identify possible opportunities for cross-selling and upselling by using the data in their client profiles.

6. Increased loyalty to the brand

Banking representatives can view the whole history of a customer's contacts and activities when they have a Banking CRM system in place. This makes it possible for them to help the client, addressing any problems and turning obstacles into chances to foster contentment and loyalty in a timely manner.

7. Make the underwriting procedure simpler

The manual background check process used in traditional loan origination methods entails telephoning potential borrowers, which can be error-prone and time-consuming. A strong CRM for banking simplifies the whole process, enabling banks and their telemarketing teams to make better decisions by providing information about a borrower's financial portfolio and previous encounters with them.

Additionally, it's critical that banks assess a loan applicant's eligibility. Banks have their own requirements, which may include employment, income, and credit score. Potential borrowers' eligibility checks can be automatically conducted using knock-out rules, leads can be effectively routed to relationship managers, and much more using a CRM.

8. Improved client support through analytics and reports

Using a real-time banking CRM system simplifies the process for bank employees to enter customer data and greatly facilitates follow-ups. Additionally, they can identify which goods are selling the best in various regions. They are able to monitor what is and is not successful thanks to this.

For instance, a notable rise in loan disbursements inside a particular region can suggest a favourable effect, and they might effortlessly ascertain the reason behind it. They can provide cards with greater discounts if credit card sales decline.

With the ease of access to online banking, bankers ought to be able to offer their clients proactive, customized services and experiences.

9. Strengthen departmental cooperation

The CRM tool can make a banker's life easier by gathering all of their data in one location. Customers will not have to visit several departments because it keeps all bank departments coordinated. A good CRM may also give users a virtual experience that lives up to what they would expect from a face-to-face meeting with their banker.

The CRM can prepare prospective clients by tracking data from several departments. It is also possible to manage interdepartmental leads effectively without requiring the beginning of new discussions every time.

10. Minimizes client attrition

The CRM solution gives banks access to real-time data so they can decide on the best course of action. The secret is to keep in mind that winning tactics increase client pleasure! A bank can set itself apart from its rivals by giving priority to the demands of its customers and immediately resolving any concerns.

To lower client turnover, a banking CRM might draw attention to touchpoints, unfavourable interactions, or areas of concern. These problems can be handled early on to maintain and possibly even strengthen your relationship with the consumer by monitoring lead activity and status.

Conclusion

The true challenge for the future is in predicting the demands of the new era and providing sustainable solutions in an e-world where commerce is conducted at the speed of thought. All market segments, including retail clients, the Indian business sector, trade, and the agricultural sector for their banking needs, must be covered by an e-CRM strategy.

The e-CRM "customer centric" focus approach, which holds that products should be developed with customers in mind rather than the other way around, is something that banks must use. Banks need to enhance their reputation by providing assurances to clients on the security of their online transactions and the safety of their money. Furthermore, banks in India may be misguided to base their e-CRM solely on the Internet.

However, history demonstrates that no channel has ever totally replaced another, and the internet is just one such channel that supports customer relationship management.

In the end, it appears that the click and brick business model will be successful in India. Indian banks are still figuring out e-CRM and are attempting to address their clients' unmet needs. The creation of a strong and adaptable infrastructure, e-commerce capabilities, cost savings through increased productivity, decreased complexity, and administrative function automation are all necessary for e-CRM to succeed.

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