A Study on Customers' Opinion on Issues Related to Implementation of E-Crm in Banks in Erode District

N.Sakthivel[a], K.Punitha[b]

[a]Associate Professor, Department of Commerce, Gobi Arts and Science College, Gobichettipalayam, India

[b]Research Scholar, Department of Commerce, Gobi Arts and Science College, Gobichettipalayam, India

Abstract

Performance is fueled by relevant and accessible information that can be quickly acted upon from systems that provide and support excellent customer service with the ability to track, measure and analyse customer interactions. This describes what CRM systems are today especially in banks. As banks use CRM for acquiring and retaining customers, greater ICT-adoption makes CRM more meaningful and powerful, and the traditional concept of CRM is fast giving way to e-CRM. As one of the latest tools that are largely recognized an imperative for ensuring the competitive edge in the today's banking industry, e-CRM has the great potential for managing customers in the online mode. The study on the customers' opinion on issues related to implementation of e-CRM is confined to 600 customers from three major Private Sector and three major Public Sector banks in Erode District only. The study was conducted from May 2018 to September 2018. Results revealed that 'Less or insufficient decision making' and 'Lack of integration' are the major issues related to implementation of e-CRM in banks as opined by the customers in Erode District.

INTRODUCTION

Customer Relationship Management (CRM) has become one of the most dynamic technology topics of the millennium. CRM is an approach to manage a bank's interaction with current and potential customers. It uses data analysis about customers' history with a bank to improve business relationships with customers, specifically focusing on customer retention and ultimately driving growth. CRM strengthen marketing strategies through proper segmentation, focused targeting and automation. With a complete data of customers on a single screen, bankers now can spend more time on strengthening their customer relationships than spending on gathering and organizing data.

Today, in the banking and financial services industry, the customer is empowered with choice. Brand loyalty is rare and likely linked to a mortgage, loan or some other contractual obligation. It's common for many customers to maintain financial services relationships with more than one bank or financial service company. Financial services, like other business sectors, must consider performance enhancement initiatives that drive customer retention and lead conversion to their brand and services. Performance is fueled by relevant and accessible information that can be quickly acted upon from systems that provide and support excellent customer service with the ability to track, measure and analyse customer interactions. This describes what CRM systems are today.

A CRM system is a sound business strategy for banks to help create brand value and identify and understand their customers' needs by providing targeted, timely and relevant information that can add value to their customers. CRM systems provide tools that can segment, and deliver the right service, at the right time, by acting on dynamic customer information. This allows the ability to track and build strong relationships with profitable customers and identify specific products and services that can benefit customers. Outcomes of all activities can be tracked and measured; CRM dashboards acting as business decision support systems are the perfect place to present measurements and outcomes.

REVIEW OF LITERATURE

Lau et al. (2003) The challenge before the banks is not only to obtain updated information for each customer, but also to use the information to determine the best time to offer the most relevant products.

Panda (2003) described customer expectations are difficult to manage but are often the cause of dissonance which results in loss of existing customer base. So understanding of customer expectations with regard to service delivery levels and product quality is essential for establishing a long term symbolic value relationship.

Ray (2007) described that it is also important to understand that if customers bring in profits for the bank, it becomes imperative for the bank to provide excellent services to those customers, otherwise they switch to other banks.

Girdhar (2009) observed that by satisfying the internal customers and building good relationship with them, the relationship with the external customers can also be retained and satisfied by the banks.

Kumar & Rajesh (2009) revealed that any bank that wishes to either grow in size of its banking operation or improve its profitability must consider the challenges affecting its customer relationship.

STATEMENT OF THE PROBLEM

Competitiveness in commercial banking is growingly depending on the extent of their adoption of Information and Communication Technology (ICT) and aligning various functions like CRM with ICT-based applications. As banks use CRM for acquiring and retaining customers, greater ICT-adoption makes CRM more meaningful and powerful, and the traditional concept of CRM is fast giving way to e-CRM. As one of the latest tools that are largely recognized an imperative for ensuring the competitive edge in the today's banking industry, e-CRM has the great potential for managing customers in the online mode. Against this background, the present study makes an attempt to examine the customers' opinion on issues related to implementation of e-CRM.

OBJECTIVE OF THE STUDY: The objective of the study is as follows:
- To examine the customers' opinion on issues related to implementation of e-CRM.

AREA AND PERIOD OF THE STUDY: The study on the customers' opinion on issues related to implementation of e-CRM is confined to 600 customers from three major Private Sector and three major Public Sector banks in Erode District only. The study was conducted from May 2018 to September 2018.

COLLECTION OF DATA: The study used only primary data. The required primary data are collected through well structured questionnaire.

SAMPLING DESIGN: To achieve the objective of the study, three major Private Sector and three major Public Sector banks in Erode district have been purposively selected. The population of the research consists of all the customers who hold any type of account in these banks in Erode district. The list of customers holding account could not be obtained. Using Judgement sampling it was decided to select 100 customers from each selected bank for the study and hence from six banks 600 customers have been selected. The method of sampling used for selecting sample respondents for the study is non-probability convenience sampling method. The sample size selected for the study is 600 customers who actively hold account at least for one year.

TOOLS USED FOR DATA ANALYSIS: The statistical tools used for analysis are Percentage Analysis, Kendall's W test of coefficient of concordance, Mean Score and Mean Rank Analysis.

CUSTOMERS' OPINION ON ISSUES RELATED TO IMPLEMENTATION OF e-CRM

– PERCENTAGE ANALYSIS

Table 1 explains the customers' opinion on issues related to implementation of e-CRM using percentage analysis.

Table 1 - Customers' Opinion on Issues Related to Implementation of e-CRM – Percentage Analysis

S.No.	e-CRM Implementation Issues	SA	MA	N	LA	NA
I	**Technology Issues**					
1	**Technology misunderstood:** Technology to be used for Systematic and need related analysis of information which is missing now.	68 (11.3)	200 (33.3)	300 (50.0)	28 (4.7)	4 (0.7)
2	**Lack of integration:** Information obtained via multiple channels has to be integrated into a coherent system is challenging.	64 (10.7)	356 (59.3)	152 (25.3)	18 (3.0)	10 (1.7)
3	**Lack of Empowerment to frontline staff:** The frontline staff of banks lacks the motivation and training to analyse and forward the customer data and profiles.	44 (7.3)	162 (27.0)	300 (50.0)	78 (13.0)	16 (2.7)
II.	**Data Issues**					
4	**Fragmented data:** Incorporating systematically collected and organised huge data into a central repository system is a challenging task.	74 (12.3)	200 (33.3)	180 (30.0)	96 (16.0)	50 (8.3)

5	**Lack of skill and initiative to manage and utilise data:** Organising and systematically managing data by employees is not so efficient because of the lack of understanding, lack of infrastructure and skill to complete this task.	28 (4.7)	178 (29.7)	232 (38.7)	106 (17.7)	56 (9.3)
III	**People Issues**					
6	**Lack of motivation:** Lack of motivation for utilising the potential of e- CRM solution	56 (9.3)	150 (25.0)	274 (45.7)	90 (15.0)	30 (5.0)
7	**Lack of performance management parameters:** Inadequate performance management parameters for assessing performance	46 (7.7)	170 (28.3)	226 (37.7)	132 (22.0)	26 (4.3)
8	**Less or insufficient decision making:** Less or insufficient decision making authority to provide customised, responsive and proactive services.	150 (25.0)	264 (44.0)	142 (23.7)	18 (3.0)	26 (4.3)
9	**Lack of training and skills of staff**: Staff lacks training in IT, its applications, complete use of software and its applications as well as marketing skills, analytical skills, uses of customer information & service skills for implementation of CRM.	48 (8.0)	246 (41.0)	232 (38.7)	56 (9.3)	18 (3.0)
IV	**Process Issues**					
10	**Need to design e-CRM as a goal:** e-CRM implementation requires an organisation to keep the strategy in central scheme of things related to vision, mission and other goals of bank.	80 (13.3)	168 (28.0)	238 (39.7)	84 (14.0)	30 (5.0)
11	**Adapting to the change**: CRM success also depends on how the different systems and traditional practices reasonably accept the required changes which are aimed at	50 (8.3)	126 (21.0)	240 (40.0)	130 (21.7)	54 (8.8)

better servicing.					

(SA – Strongly Agree; MA – Moderately Agree; N- Neutral; LA –Less Agree; NA –Not Agree)

Table 1 shows that majority of the bank customers (50.0 per cent) have neither agreed nor disagreed on 'Technology misunderstood', majority of the customers (59.3 per cent) have moderately agreed on 'Lack of integration', majority of the customers (50.0 per cent) have neither agreed nor disagreed on 'Lack of Empowerment to frontline staff', majority of the customers (33.3 per cent) have moderately agreed on 'Fragmented data', majority of the customers (38.7 per cent) have neither agreed nor disagreed on 'Lack of skill and initiative to manage and utilise data', majority of the customers (45.7 per cent) have neither agreed nor disagreed on 'Lack of motivation', majority of the customers (37.7 per cent) have neither agreed nor disagreed on 'Lack of performance management parameters', majority of the customers (44.0 per cent) have moderately agreed on 'Less or insufficient decision making', majority of the customers (41.0 per cent) have moderately agreed on 'Lack of training and skills of staff', majority of the customers (39.7 per cent) have neither agreed nor disagreed on 'Need to design e-CRM as a goal' and majority of the customers (40.0 per cent) have neither agreed nor disagreed on 'Adapting to the change'.

Table 1 also shows that only 11.3 per cent customers have strongly agreed that 'Technology misunderstood' is an issue, only 10.7 per cent customers have strongly agreed that 'Lack of integration' is an issue, only 7.3 per cent customers have strongly agreed that 'Lack of Empowerment to frontline staff' is an issue, only 12.3 per cent customers have strongly agreed that 'Fragmented data' is an issue, only 4.7 per cent customers have strongly agreed that 'Lack of skill and initiative to manage and utilise data' is an issue, only 9.3 per cent customers have strongly agreed that 'Lack of motivation' is an issue, only 7.7 per cent customers have strongly agreed that 'Lack of performance management parameters' is an issue, only 25.0 per cent customers have strongly agreed that 'Less or insufficient decision making' is an issue, only 8.0 per cent customers have strongly agreed that 'Lack of training and skills of staff' is an issue, only 13.3 per cent customers have strongly agreed that 'Need to design e-CRM as a goal' is an issue and only 8.3 per cent customers have strongly agreed that 'Adapting to the change' is an issue in implementation of e-CRM.

CUSTOMERS' OPINION ON ISSUES RELATED TO IMPLEMENTATION OF e-CRM – KENDALL'S 'W' TEST OF MEAN RANKS

Table 2 shows the customers' opinion on issues related to implementation of e-CRM using Kendall's 'w' test of mean ranks.

Table 2 - **Customers' Opinion on Issues Related to Implementation of e-CRM – Kendall's 'W' Test of Mean Ranks**

S.No.	Customers' Opinion On Issues Related To Implementation Of e-CRM	Mean Score	Mean Rank
I	**Technology Issues**	6.33	3
1	**Technology**		

	misunderstood: Technology to be used for Systematic and need related analysis of information which is missing now.		
2	**Lack of integration:** Information obtained via multiple channels has to be integrated into a coherent system is challenging.	7.57	2
3	**Lack of Empowerment to frontline staff:** The frontline staff of banks lacks the motivation and training to analyse and forward the customer data and profiles.	5.66	7
II	**Data Issues**		
4	**Fragmented data:** Incorporating systematically collected and organised huge data into a central repository system is a challenging task.	5.96	5
5	**Lack of skill and initiative to manage and utilise data:** Organising and systematically managing data by employees is not so efficient because of the lack of understanding, lack of infrastructure and skill to complete this task.	5.13	10
III	**People Issues**		
6	**Lack of motivation:** Lack of motivation for utilising the potential of e- CRM solution	5.49	8
7	**Lack of performance management parameters:** Inadequate performance management parameters for assessing performance	5.24	9
8	**Less or insufficient decision making:** Less or insufficient decision making authority to provide	7.77	1

	customised, responsive and proactive services.		
9	**Lack of training and skills of staff**: Staff lacks training in IT, its applications, the complete use of software and its applications as well as marketing skills, analytical skills, uses of customer information and service skills for implementation of CRM.	6.21	4
IV	**Process Issues**		
10	**Need to design e-CRM as a goal:** e-CRM implementation requires an organisation to keep the strategy in central scheme of things related to vision, mission and other goals of bank.	5.87	6
11	**Adapting to the change**: CRM success also depends on how the different systems and traditional practices reasonably accept the required changes which are aimed at better servicing.	4.78	11

Table 2 shows that 'Less or insufficient decision making' is the major issue related to implementation of e-CRM as opined by the customers with the highest mean score of 7.77 and 'Lack of integration' is the second major issue related to implementation of e-CRM as opined by the customers with the second highest mean score of 7.57 and 'Technology misunderstood' is the third major issue related to implementation of e-CRM as opined by the customers with the highest mean score of 6.33 according to Kendall's 'w' test of concordance mean ranks. 'Lack of training and skills of staff' (6.21), 'Fragmented data' (5.96), 'Need to design e-CRM as a goal' (5.87), 'Lack of Empowerment to frontline staff' (5.66) and 'Lack of motivation' (5.49) are the fourth, fifth, sixth, seventh and eighth major issues related to implementation of e-CRM respectively opined by the customers. 'Lack of performance management parameters' (5.24), 'Lack of skill and initiative to manage and utilise data' (5.13) and 'Adapting to the change' (4.78) are identified by the customers as the least issues related to implementation of e-CRM with the lowest Kendall's 'w' test of concordance mean ranks.

CUSTOMERS' OPINION ON ISSUES RELATED TO IMPLEMENTATION OF e-CRM – KENDALL'S COEFFICIENT OF CONCORDANCE

H_0: There exists no similarity among the customers in ranking the issues related to implementation of e-CRM.

Table 3 displays kendall's coefficient of concordance for customers' opinion on issues related to implementation of e-CRM.

Table 3 - Customers' Opinion on Issues Related to Implementation of e-CRM – Kendall's Coefficient of Concordance

N	600
Kendall's W	0.101
Chi-Square	605.078
df	10
Asymp. Sig.	0.000

Table 3 clearly shows that the Kendall's coefficient of concordance W value is 0.101 which denotes that there is a weak agreement among the customers in ranking and it is statistically significant as the p value (0.000) does not exceed 0.05. Hence, the null hypothesis is rejected. Hence there exists a similarity among the customers in ranking the issues related to implementation of e-CRM.

CONCLUSION AND SUGGESTION

This study has made an attempt to examine the customers' opinion on issues related to implementation of e-CRM of 600 customers in three major public sector banks and three major private sector banks located in Erode District. Results revealed that 'Less or insufficient decision making' and 'Lack of integration' are the major issues related to implementation of e-CRM in banks as opined by the customers in Erode District. Hence the banking authorities must prepare themselves for providing customised, responsive and proactive services to the customers by taking constructive decisions promptly. Moreover information has now been obtained via multiple channels and these have to be integrated into a coherent system for which bank employees must be trained and motivated properly without any error thereby customers get speedy, customised and satisfied banking service.

Bibliography

Journals
- Lau K, Wong S, Ma M and Liu C., (2003), " Next Product to Offer for Bank Marketers", Journal of Database Marketing, Vol.10, No.4, pp.353-368.
- Panda, T.K., (2003), "Creating Customer Lifetime Value through Effective CRM in Financial Services Industry", Journal of Services Research, Vol.2, No.2, pp.157-171.
- Ray B., (2007), "An Analytical Approach to Understand Customers from the Perspective of Profit Making" Marketing Mastermind- The ICFAI University Press, pp. 52-55.
- Girdhar Seema, (2009), "Building Relationship through Internal Customer: A Study of South Asian Selected Co-operative International Journal of Engineering Science and Computing with special reference to Surat District of Gujarat State", Pranjana – The Journal of Management Awareness, 2009, Vol.12, No.2, pp. 32-45.

- Kumar M. Ashok and Rajesh R., (2009), "Whether Today's Customers are Satisfied? – A Study with Banks", Indian Journal of Marketing, New Delhi, Vol. XXXIX, No.9, pp.45-53.

Websites

- https://newsignature.com/articles/crm-for-banking-a-few-special-considerations/, retrieved on May 21, 2019