

Impact of E-CRM practices on customer satisfaction in public and private sector banks of Rajasthan

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ABSTRACT

In today's banking world, banks are shifting from a product-oriented approach to a customer-oriented approach. Both public and private banks adopted competitive and customer oriented approach in order to satisfy their customers. Banks are using E-CRM practices to carry out their transactions and to communicate with their customers. This research is an attempt to study the E-CRM practices in public and private banks of selected cities of Rajasthan and to analyze its impact on customer satisfaction. Purposive sampling is used to collect the data from consumers who have experienced E-CRM practices of these banks. Structured Questionnaire is distributed to the customers of public and private banks in selected cities of Rajasthan. Responses are collected based on five point Likert scale. This study may provide the banking industry an insight in successful implementation the E-CRM practices which leads to customer satisfaction.

Keywords: E-CRM practices, Public banks, Private banks, Satisfaction.

I. INTRODUCTION

Banks now realized the importance of E-CRM and its potential to help them acquire new customers and retain existing ones to maximize their lifetime value. E-CRM practices are very powerful tool adopted by banks to gain competitive advantage and to make their customers satisfied. Today almost every bank are using E-CRM tools but the question is which bank is properly implemented E-CRM Practices. Both public and private banks are facing cut throat competition and for that they continuously working on improving their E-CRM practices. So the main purpose of this study are to find the impact of these practices on customer satisfaction on public and private sector banks of the selected cities of Rajasthan. This study gives a broad idea about the role of E-CRM practices in banks and helps banks to make necessary improvements in this. This research follows the right methodology to give the exact status of this practices in banks. Firstly concept of E-CRM and its role in banks is discussed, followed by literature review and then objectives, hypothesis, methodology, methods of data collection with sample size is described and finally the findings is discussed with conclusion.

II. ELECTRONIC CUSTOMER RELATIONSHIP MANAGEMENT

The concept of CRM when seen in the context of E-business over an electronic media, translates into E-CRM, which essentially deals with customers over the web. "According to Lee-Kelley et al. (2003), Electronic Customer Relationship Management (E-CRM) is a management approach that is widely used in today's business world. It refers to marketing activities, tools and techniques delivered through the Internet, using technologies such as email, the worldwide Web, chat rooms, forums, social media, etc., with the goal of locating, building, and improving long-term customer relationships." [1] Adoption of modern technology and combination of various strategies can only help banks to develop their customer relationship model. Banks have adopted E-CRM as a technological tool to automate their banking operations. All these technological tools can help the banks to maintain their existing customers, attract new customers, and provided value added services to satisfy their customers.

Some of the E-CRM tools used by banks are as follows:

Internet Banking: banking transactions can be carried out through the Internet. Banks are using internet banking facility to offer their customers products and services with the help of websites.

Automated Teller Machines (ATMs): An ATM is a machine that can deliver cash on customers demand after authentication process. This is the most widely used technological tool of banks.

Mobile Banking: This is the facility through which banks offer their customers various services on their mobiles. Alert facility keeps their customer informed about their banking transaction. It keeps them updated wherever customer goes.

Computerized Decision Support System: This is software which helps banks and as well as customers to get better investment decisions.

E-mail Service: Banks are providing one of the cheapest communication medium E-mail. They are using it to inform various policies and schemes. Tax payments are also possible through this technology.

Customer Smart Cards: banks issue these cards to their customers and these cards contain all the relevant information of customers, their details of previous and repeat purchases.

Electronic Fund Transfer: This is the facility which is introduced by RBI to offer banks and customers money transfer service.

Communication Technology: SWIFT has formed by foreign investors and international banks. SWIFT stands for “Society for Worldwide Inter Bank Financial Tele Communication” which provides a computerized network for stage transmission facility amongst international banks in the member countries. These E-CRM practices help banks to offer better services to their customers which lead to customer satisfaction.

III. LITERATURE REVIEW

This section is describing the earlier studies on E-CRM practices.

Babita et al. (2012) in their paper titled “E -CRM –A New Paradigm for Managing Customers”, studied the concept ,need ,process of E-CRM and how banks can use this technique to serve their customers best. They suggested in their paper that banks should use E-CRM technique which helps them to provide their customer right products with right delivery channels which results in better customer relationship management. [2]

Dhingra et al. (2013) determined the benefits of E-CRM to the customers and to the organizations of the banking sector of India. They took feedback of customers of SBI and HDFC bank and compared their services on the basis of variables like “customer interaction and satisfaction, convenience, speed of processing, service quality and trust”. They found in their study that the banks got almost same description about the advantages of E-CRM from their customers and suggested that banks should ensure for secure online transactions. [3]

Kavitha (2014) revealed in their study that customer satisfaction proved to be an important function of different features of E-CRM like Implementation, Maintenance, Training, Security, Performance and Reliability. They suggested that banks should provide proper instructions and personnel assistance to their customers on how to use the E-CRM facilities and proper training programs should be arranged for all their customers. [4]

Agnihotri et al. (2015) investigated the role of CRM practices on the basis of profitability index of these selected public and private sector banks of UAE. A structured questionnaire was distributed to the staff and customers of Emirates NBD and Mashreq bank of UAE. They found in their study that these selected banks have successfully followed the CRM practices and got highest revenues in the last five year i.e. from 2009 to 2014. They also revealed in this study that CRM practices followed by these selected banks of UAE were playing a major role in retaining their customers. [5]

IV. OBJECTIVE OF THE STUDY

The main objective of this study is to investigate the impact of E-CRM practices on customer satisfaction in public and private banks of the selected cities of Rajasthan.

V. HYPOTHESIS

Taking in to the consideration of the objective, the following hypothesis are formulated for the study. The Null hypothesis of the study is as follows:

- 1) There is no significant difference in consumer satisfaction related to E-CRM practices provided by selected private and public sector banks.
- 2) E-CRM practices have no positive impact on customer satisfaction.

VI. METHODOLOGY OF THE STUDY

The scope of the study would be limited to the impact of E-CRM Practices on the customer satisfaction in Public and Private sector banks of the selected cities only. The time period is restricted to these banks of last 3 years i.e from 2014 till 2017. Select banks for the study are SBI, Punjab national bank, Bank of Baroda from public sector and ICICI bank ,Axis bank, HDFC Bank from Private Sector banks. These cities are Jaipur, Jodhpur, Kota, Bikaner, and Ajmer.

VII. METHODS OF DATA COLLECTION

To collect the data, survey method was used and structured questionnaire was distributed online as well as offline to identify the impact of E-CRM practices on customer satisfaction of these three private and public sector banks of the selected cities of Rajasthan. Purposive sampling was used to collect the data from consumers who had experienced E-CRM practices of these banks. The questionnaire included questions about customer satisfaction related to E-CRM practices. The 5-point Likert scale were used for all the responses such as (1) Strongly Disagree (2) Disagree (3) Neutral (4) Agree (5) strongly Agree.

VIII. SAMPLE SIZE

The sample size of 400 consumers had been estimated using a statistical formula where the confidence level and margin of error has been taken 95% and 5% respectively. On an average 70 consumers of each banks were selected. Out of which 200 customer's response from private and public banks has been analyzed to find out any difference in the the impact of E-CRM practices.

IX. FINDINGS AND DISCUSSIONS OF THE STUDY

TABLE 1

Fast 24x7 customer support services				
	Public Sector		Private Sector	
	Frequency	Percent	Frequency	Percent
Highly Dissatisfied	0.0	0.0	0.0	0.0
Dissatisfied	27	13.5	4	2.0
Neutral	58	29.0	11	5.5
Satisfied	99	49.5	129	64.5
Highly Satisfied	16	8.0	56	28.0
Total	200	100.0	200	100.0

Inference: Above table shows the response on the statement that is fast 24x7 customer support services in banks. After careful observation of the respondents the table concludes that respondents from Public sector banks no respondents are highly dissatisfied, **13.5%** respondents are dissatisfied, **29.0%** respondents are neutral, **49.5%** respondents are satisfied and rest **8.0%** respondents are highly satisfied and this proves that public sector banks are providing fast 24x7 customer support services.

Results from Private sector banks shows that no respondents are highly dissatisfied, **2.0%** respondents are dissatisfied, **5.5%** respondents are neutral, **64.5%** respondents are satisfied and rest **28.0%** respondents are feeling highly satisfied and it proves that fast 24x7 customer support services are provided by private banks.

TABLE 2

Well developed privacy policy				
	Public Sector		Private Sector	
	Frequency	Percent	Frequency	Percent
Highly Dissatisfied	0.0	0.0	0.0	0.0
Dissatisfied	2	1.0	1	.5
Neutral	10	5.0	6	3.0
Satisfied	163	81.5	131	65.5

Highly Satisfied	25	12.5	62	31.0
Total	200	100.0	200	100.0

Inference: Above table looks forward to see how staunch the privacy policy of the bank is. Our exultations from the research shows that respondents from Public sector banks say that none respondents are highly dissatisfied, **1.0%** respondents are dissatisfied, **5.0%** respondents are neutral, **81.5%** respondents are satisfied and rest **12.5%** respondents are highly satisfied and say that yes their bank has a well-developed privacy policy.

Outcomes from Private sector banks show that none respondents are highly dissatisfied, **5.0%** respondents are dissatisfied, **3.0%** respondents are neutral, **65.5%** respondents are satisfied and rest **31.0%** respondents are highly satisfied and say that yes their bank has a well-developed privacy policy.

TABLE 3

Well trained employees to handle customers complaints				
	Public Sector		Private Sector	
	Frequency	Percent	Frequency	Percent
Highly Dissatisfied	11	5.5	0.0	0.0
Dissatisfied	84	42.0	6	3.0
Neutral	60	30.0	62	31.0
Satisfied	38	19.0	120	60.0
Highly Satisfied	7	3.5	12	6.0
Total	200	100.0	200	100.0

Inference: Above table shows that how well trained the employees are in order to handle customers complaint .This interpretation from this table reveals the response of public bank which says that **5.5%** respondents are highly dissatisfied, **42.0%** respondents are dissatisfied, **30.0%** respondents are neutral, **19.0%** respondents are satisfied and rest **3.5%** respondents are highly satisfied . Conclusions from Private sector banks show that there are no respondents who are highly dissatisfied and **3.0%** respondents are dissatisfied, **31.0%** respondents are neutral, **60.0%** respondents are satisfied and rest **6.0%** respondents are highly satisfied.

TABLE 4

Relevant and up to-date information on bank's website				
	Public Sector		Private Sector	
	Frequency	Percent	Frequency	Percent
Highly Dissatisfied	2	1.0	0.0	0.0
Dissatisfied	35	17.5	1	.5
Neutral	70	35.0	40	20.0
Satisfied	80	40.0	135	67.5
Highly Satisfied	13	6.5	24	12.0
Total	200	100.0	200	100.0

Inference: Above table struggles to see that is relevant and up to-date information provided on bank's website. The reaction of the respondents on this can be inked as this that from Public sector banks **1.0%** respondents are highly dissatisfied, **17.5%** respondents are dissatisfied, **35.0%** respondents are neutral, **40.0%** respondents are satisfied and rest **6.5%** respondents are highly satisfied and it can be said that yes appropriate and pertinent information on bank's website is made available to them always.

Verdicts from Private sector banks show that no respondents are highly dissatisfied, **0.5%** respondents are dissatisfied, **20.0%** respondents are neutral, **67.5%** respondents are satisfied and rest **12.0%** respondents are highly satisfied and say that yes relevant and up to-date information on bank's website is made available to them always.

TABLE 5

Adequate cash provided by ATMs				
	Public Sector		Private Sector	
	Frequency	Percent	Frequency	Percent
Highly Dissatisfied	0.0	0.0	1	.5
Dissatisfied	44	22.0	10	5.0
Neutral	52	26.0	49	24.5
Satisfied	92	46.0	120	60.0
Highly Satisfied	12	6.0	20	10.0
Total	200	100.0	200	100.0

Inference: Above table finds if adequate cash is provided by ATMs. Retorts from various respondents expresses that from Public sector banks none respondents are highly dissatisfied, **22.0%** respondents are dissatisfied, **26.0%** respondents are neutral, **46.0%** respondents are satisfied and rest **6.0%** respondents are highly satisfied . Findings from Private sector banks show that **0.5%** respondents are highly dissatisfied, **5.0%** respondents are dissatisfied, **24.5%** respondents are neutral, **60.0%** respondents are satisfied and rest **10.0%** respondents are highly satisfied and it is clear that yes adequate cash is provided by ATMs.

TABLE 6

Prompt and reliable post purchase Email /SMS services				
	Public Sector		Private Sector	
	Frequency	Percent	Frequency	Percent
Highly Dissatisfied	0.0	0.0	0.0	0.0
Dissatisfied	2	1.0	1	.5
Neutral	19	9.5	11	5.5
Satisfied	121	60.5	104	52.0
Highly Satisfied	58	29.0	84	42.0
Total	200	100.0	200	100.0

Inference: Above table inquires about the prompt and reliable post purchase Email /SMS services. On this account the rejoinder of the respondents of Public sector banks none respondents are highly dissatisfied, **1.0%** respondents are dissatisfied, **9.5%** respondents are neutral, **60.5%** respondents are satisfied and rest **29.0%** respondents are highly satisfied .Conclusions from Private sector banks show that none respondents are highly dissatisfied, **0.5%** respondents

are dissatisfied, **5.5%** respondents are neutral, **52.0%** respondents are satisfied and rest **42.0%** respondents are highly satisfied .

TABLE 7

Remain a customer of your bank				
	Public Sector		Private Sector	
	Frequency	Percent	Frequency	Percent
Very Unlikely	0.0	0.0	1	.5
Unlikely	18	9.0	1	.5
Neutral	7	3.5	7	3.5
Likely	154	77.0	136	68.0
Very Likely	21	10.5	55	27.5
Total	200	100.0	200	100.0

Inference: Above **Table** inquires from the customers that how likely they are going to remain a customer of their present bank. Conclusions shows that among Public sector banks none of the respondents says very unlikely, **9.0%** respondents says unlikely, **3.5%** respondents are neutral, **77.0%** respondents says likely and rest **10.5%** respondents says very likely. On the other hand in regards to Private sector banks, **0.5%** respondents says very unlikely, **0.5%** respondents say unlikely, **3.5%** respondents are neutral, **68.0%** respondents say likely and rest **27.5%** respondents say very likely. This stated that there is a significant difference in consumer satisfaction related to E-CRM practices provided by selected private and public sector banks and E-CRM practices has a positive impact on customer satisfaction. So Null hypothesis is rejected in both cases.

X. CONCLUSION

E-CRM Practices are adopted by banks to offer their customers best quality services which save their time, money and efforts. Public and private banks are continuously upgrading their E-CRM practices and strategies to achieve customer satisfaction. The above response tables prove that customers of private banks and public banks are comfortable in using E-CRM practices. On the statement of fast customer support services, 64.5% customers of private banks are satisfied where 49.5% public bank customers are happy with this E-CRM practice. When customers are asked to give their response on the statement of well trained employees to handle customer's complaints, private banks has taken the lead on public banks. When customers are asked on security and trust related issues they feel more secured with public sector banks. Private banks customer are more satisfied and happy as compare to the customers of public banks. E-CRM practices play a dynamic role for banks to maintain long term relationship with their customer base. The only thing to mention it is here that this study is limited to the selected cities of Rajasthan. Further researcher can extend this study by increasing the cities of Rajasthan .E-CRM practices helps to both public and private sector banks in order to make their customers satisfied.

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