

A Study of E-CRM Services of Commercial Banks in Madurai

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Abstract

Banking Industry has witnessed a lot of changes in the era of Liberalization. The advent of foreign banks into the country and the licensing of private sector have created stiff competition within the business. E- CRM role is more important for a healthy growth of banking business. In fact, E-CRM has made the banking sector more competitive because of advancement of information and communication technologies. The wide spread use of smart cards, ATMs, Mobile banking, Electronic banking pave way to twenty-four hours service. In order to retain their customers, the bank offers ATM services, Telebanking, Internet banking, Mobile banking and others are offer another. One among them is E-CRM solutions. With the implementation of E-CRM solutions, banks can expect several advantages such as smooth processing reduced transaction cost, better security and operational control, multiple delivery channels for the customers, time to market, easy latent of new products and the like. The objective of the study are to analyses the E-CRM solutions of Commercial Banks in Madurai and to give valuable Suggestions based on the findings of the study. This study the Judgment sampling technique was used to collect the primary data from 125 respondents from the different parts of the district. Overall inference of the researcher is that E-CRM solutions have become the matter of compulsion for the banking industry. Most banks are moving from core banking solutions to E-CRM solutions. If right E-CRM solutions are implemented in right way, they will surely enhance capabilities of the bank in all fronts to make, "Banking without boundaries" a reality.

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Introduction

Banking industry has witnessed a lot of changes in the era of Liberalization. The advent of foreign banks into the country and the licensing of private sector have created stiff competition within the business. E-CRM role is more important for a healthy growth of banking business. In order to save time and to concentrate more on marketing and selling, banks to adopt alternate channels like e-banking, m-banking, smart cards, Automated Teller Machines etc., Electronic Customer Relationship Management (E-CRM) has enabled the effectiveness of business transactions in modern economies. In banking sector, E-CRM plays an important role for its growth and development. In fact, E-CRM has made the banking sector more competitive because of advancement of information and communication technologies. The wide spread use of smart cards, ATMs, Mobile banking, Electronic banking pave way to twenty-four hours service. With the use of advanced tools and variety of products, banks are enabling to maintain effective Customer Relationship Management (CRM).

In spite of the various challenges faced by the banking sector due to technologies E-CRM is considered to be an indispensable tool for serving the customers quickly and satisfactorily.

Statement of the Problem

In order to retain their customer, the bank offers ATM services, Tele banking, internet banking, mobile banking and others are offer another. One among them is E-CRM solutions. With the implementation of E-CRM solutions, banks can expect several advantages such as smooth processing reduced transaction cost, better security and operational control, multiple delivery channels for the customers, time to market, easy latent of new products and the like. Now, most of the banks are moving to branch banking to E-banking. The scope of the study related to E-CRM solutions is vast and ever expanding. Hence, the researcher undertakes this study to analyze the customer's attitude towards E-CRM solutions.

Objectives of the Study

1. To analyze the E-CRM solutions of Commercial Banks in Madurai.

2. To give valuable suggestions based on the findings of the study.

Hypothesis of the Study

There is no significant difference between the age and gender of the respondents and their satisfaction level.

Methodology

The present study is based on both primary as well as secondary data. The primary data are those data, which are collected from the customers of commercial banks in Madurai.

The researcher collected the secondary data from the records of commercial banks, journals such as Indian Journal of Marketing, Indian banks Associations Bulletin, Banking studies and so on.

Sample Design

The primary data are collected by the researcher from different categories of customers. The Judgment sampling technique is used to collect the primary data from 125 respondents from the different parts of the Madurai.

Analysis of Results

Demographic Factor

Table gives the detail about the Demographic factors of the respondents.

1	Male	71	56.8
2	Female	54	43.2
Age Wise Classification of respondents			
1	Below 30 Years	59	47.2
2	30 to 40 Years	23	18.4
3	40 to 50 Years	29	23.2
4	50 to 60 Years	11	8.8
5	Above 60 Years	3	2.4
Level of Education			
1	Illiterate	6	4.8
2	Primary level	15	12
3	Secondary level	27	21.6
4	Graduate	38	30.4
5	Post Graduate	39	31.2
Category of Employment			
1	Professionals	18	18.18
2	Business Persons	33	33.33
3	Private Govt. Employees	40	40.41

4	Coolies	8	808
Monthly Income Level of the Respondents			
1	Below Rs 5,000	19	15.2
2	Rs.5,000- Rs 10,000	37	29.6
3	Rs.10,000 - Rs 15,000	26	20.8
4	Rs.15,000 -Rs 20,000	13	10.4
5	Above Rs 20,000	30	24
Total		125	100
Demographic factors of the respondents.			
S No	No of Respondents	Percentage.	
Gender wise Classification of the respondents			

Source: Primary Data

From Table 1, it is inferred that out of 125 respondents, most of the respondents are male, belong to the age group of below 30 years, post graduate, private/government employees and their monthly income Rs. 5,000 to 10,000.

Classification of Respondents on the Basic of Category of the Bank

The researcher has classified the respondents on the basic of the banks in which the respondents hold the account. The following table shows the classification.

Table Banking Category of the Customers

S.No	Banks	No.of Respondents	%
1	SBI and its associates	44	35.2
2	Nationalized Banks	23	18.4
3	Private Banks	45	36
4	Foreign Banks	12	9.6
5	Others	1	0.8
Total	125	100.00	

Source : Primary Data

While analyzing the respondents banking category, it is focused out that 35.2 per cent (44) of the respondents have stated that SBI and its associates, 18.4 per cent (23) respondents are the customers of nationalized banks, 36 per cent (45) of the respondents are account holder of private banks, 9.6

per cent (12) of the respondents are account holder of foreign banks and the remaining 0.8 per cent (1) of the respondents are the customers of other banks like Co-operative banks.

The above table 2 shows that (36 per cent) majority of customers belong to private banks.

Reasons of Selection of the Bank

The researcher has analyzed the reasons to select the bank.

Table Reasons for Banks Selection

S.No	Bank Selection	No.of Respondents	%
1	Quality Service	43	34.4
2	Goodwill	31	24.8
3	Excellent CRM	41	32.8
4	Proximity home	10	8
Total	125	100.00	

Source : Primary Data

Out of 125 respondents, 34.4 percent (43) of the respondents select the bank for quality service, 24.8 per cent (31) of the respondents choose the bank for goodwill, 32.8 per cent (41) of the respondents select for the reason of excellent CRM, 8 per cent (10) of the respondents are select the bank for proximity to home.

Majority of the respondents are selecting the bank for the reason of quality service.

Categories of Service Availed

Table shows that the categories of E-service availed by the respondents.

Table Categories of Service

S.No	Bank Selection	No.of Respondents	%
1	Online Banking	25	20.00
2	Mobile Banking	25	20.00
3	Card Facility	46	36.8
4	Electronic Clearing Service	11	8.8
5	Electronic Fund Transfer	9	7.2
6	Others(Tele Banking)	9	7.2
Total		125	100.00

Source : Primary Data

Out of 125 respondents those who are prefer particular E-Services, 25 of them (20 per cent) are

prefer online banking, 25 of them (20 per cent) are prefer mobile banking, 46 of them (36.8 per cent) are prefer a card facility, 11 of them (8.8 per cent) are prefer Electronic Clearing Service, 9 of them (7.2 per cent) are prefer Electronic Fund Transfer, and the remaining 9 of them (7.2 per cent) of the respondents are prefer a other service like telebanking.

The most of the respondents are prefer a card facility.

Opinion of Respondents Nature of E-CRM solution

The researcher has also taken effects to know the opinion of the respondents about the various aspects of E-CRM service provided by their bank. The table 9 shows regarding E-CRM solution.

Table Opinion of Respondents Nature of E-CRM Solution

S.No	Particular	Agree			Disagree			No Opinion			Total	%
1	Quick Service	98	3	294	19	2	38	8	1	8	340	I
2	Easy Updating	75	3	225	31	2	62	19	1	19	306	IV
3	Customer Relationship	84	3	252	22	2	44	19	1	19	315	II
4	Anywhere Access	80	3	240	23	2	46	22	1	22	308	III

Source : Primary Data

It is transparent from the above table that quick service occupies the 1st rank Customer Relationship gets 2nd rank; 3rd rank has been gained by anywhere access facility and 4th rank has been placed to easy updating.

Level of Satisfaction

The researcher has gathered the opinion regarding the level of satisfaction of respondents. The details are presented in the Table.6

Table Level of Satisfaction

S.No	Facility Offered	Very High			High			Neutral			Low			Very Low			Total	Rank
1	E-Banking	52	5	260	65	4	240	5	3	15	3	2	6	-	-	-	521	II
2	Mobile Banking	33	5	165	57	4	228	27	3	21	4	2	8	4	1	4	486	III
3	Card Facility	59	5	295	47	4	185	17	3	51	2	2	4	-	-	-	538	I
4	Electronic Fund Transfer	31	5	155	49	4	196	26	3	78	15	2	30	4	1	4	463	IV
5	Electronic Clearing Service	32	5	160	45	4	180	23	3	69	13	2	26	12	1	12	447	V

Source : Primary Data

The above table spells that card facilities provided by their bank occupies 1st rank, E-Banking gets 2nd rank, 3rd rank is placed to Mobile banking, Electronic Fund Transfer occupies 4th rank and 5th rank has been gained by electricity clearing service.

CHI-Square Test

Chi-square test is applied to study the relationship between the personal factors and level of satisfaction on E-CRM service of banks in Madurai District.

$$(O-E)^2$$

$$\text{Chi-square Test} = \sum \frac{\text{-----}}{E}$$

Age of the Respondents and their Satisfaction Level

The respondents in the study area belong to different age groups. Hence, an attempt has been made to analyses whether there is any significant different between the age of the respondents and their satisfaction level. For this purpose two way tables has been prepared. Table 7 shows the awareness levels of respondents of different age groups.

Satisfaction level of respondents of Different Age Groups

S.No	Age	High	Medium	Low	Total
1	Up to 40	31	50	1	82
2	Above 40	7	16	20	43
Total		38	66	21	125

In Table 7 it seen that, among 38 respondents who have level opinion, 31 respondents in the age group up to 40 years, and 7 respondents in the age group above 40 years.

In order to test whether there is any significant difference between age of the respondents and their satisfaction level. Chi-Square test is applied. For this purpose, the following null hypothesis has framed by the researcher.

“Let us take the hypothesis that there is no significant different between the age of the respondent and their satisfaction level”. It is tested with the help of Chi Square Test.

Table Chi Square test for Satisfaction level of respondents of different Age Groups

Factor	Calculated Value	Table Value	Degree of Freedom	Remarks
Age and Satisfaction Level	38.02	5.99	2	Null hypothesis rejected

Since the calculated value (38.02) is greater than the table value (5.99) at 5% significance level, the null hypothesis is rejected. Hence, there is significant difference between the ages of the respondent and their satisfaction level.

Gender of the Respondents and their Satisfaction level

The satisfaction levels of the respondents differ from male to female. Hence, an attempt has been made to analyses whether there is any significant difference between the sex of the respondents and their satisfaction level. For this purpose two way tables has been prepared. Table shows the awareness levels of respondents of different sex.

Table Satisfaction levels of respondents Gender wise classification

Gender	High	Medium	Low	Total
Male	27	43	1	71
Female	11	21	22	54
Total	38	64	23	125

In Table 9 it is seen that, among 38 respondents who have high level opinion, 27 respondents are in the category of male and 11 respondents in the category of female respondents.

In order to test whether there is any significant difference between Gender of the respondents and their satisfaction level. Chi-square test is applied. For this purpose, the following null hypothesis has been framed.

“Let us take the hypotheses that there is no significant difference between the sex of the respondents and their satisfaction level”. It is tested with the help of Chi Square Test.

Table Chi Square test for Satisfaction level of respondents Gender wise classification

Factor	Calculated Value	Table Value	Degree of Freedom	Remarks
Gender and Level of Satisfaction	29.10	5.99	2	Null hypothesis

Since the calculated value (29.10) is higher than the table value (5.99) at 5% significance level, the null hypothesis is rejected. Hence, there is significant difference between gender and level of satisfaction of the respondents.

Major Findings of the Study

The findings of the research study are reported below

- Out of 125 respondents, (56.8%) 71 respondents are male respondents.
- Most of the respondents (47.2%) are in the age group of below 30 years of age.
- Most of the respondents (31.2%) are Post Graduate.
- Most of the respondents (79.2%) are employed.
- Most of the respondents (40.41%) are government /private employees.
- Majority of the respondents (29.6 per cent) earns in the income range of Rs.5000 to Rs.10,000.
- Large numbers of respondents (36 per cent) are customers of private banks.
- Majority of the respondents (34.4%) are selecting the bank for the reason of quality service.

Suggestions

- The bankers can extend the deposit and withdrawal limit as per the convenience of the customers.
- Customers of E-CRM solutions must be given utmost priority in the bank.
- If any complaints are received from the customers they must be redressed immediately to get better satisfaction from the customers.

- The head office may concentrate on branches in semi urban and rural areas to implement E-CRM solutions.
- Customers try to understand the procedures framed by the banker for availing E-CRM solutions (i.e.) they have to accept the specified limit of deposits and withdrawals
- Bankers also suggested that make use of internet banking, Tele banking and Mobile banking as per their convenience for time saving purpose.
- Customers must report any inconvenience faced while operating their accounts under E-CRM solutions immediately convey to staff concerned.
- Make sure that customer's accounts are get properly updated.

Conclusion

Overall inference of the researcher is that E-CRM solutions have become the matter of compulsion for the banking industry. Most banks are moving from core banking solutions to E-CRM solutions. If right E-CRM solutions are implemented in right way, they will surely enhance capabilities of the bank in all fronts to make, "Banking without boundaries" a reality.

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