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E-CRM IN BANKING SECTOR

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Abstract
Technology has progressed by leaps and bounds in the last few decades, and the benefits of technology are there for all to see. Technology, people and customer are the three elements on which hinge the success of banking in the e-millennium. In the emerging competitive and technological driven banking era, banks have to strive hard for retaining and enlarging their customer base. E-CRM, which is the latest buzzword in the corporate sector, is perceived as one of the effective tool in this direction by the banks. The present paper attempts to analyze the concept of e-CRM in banking sector from its various dimensions covering specifically its objectives, techniques and benefits.

INTRODUCTION

CRM is an integrated approach to managing relationships by focusing on customer retention and relationship development. CRM has evolved from advances in information technology and organizational changes in customer-centric processes. Companies that successfully implement CRM will reap the rewards in customer loyalty and long run profitability. Managing a successful CRM implementation requires an integrated and balanced approach to technology, process, and people.The **eCRM** encompasses all the CRM functions with the use of the net environment i.e., intranet, extranet and internet. Electronic CRM concerns all forms of managing relationships with customers making use of information technology (IT). ECRM is enterprises using IT to integrate internal organization resources and external "marketing" strategies to understand and fulfill their customers' needs. Comparing with traditional CRM, the integrated information for eCRM intraorganizational collaboration can be more efficient to communicate with customers.

Banking sector is placed as a leading sector due to its numerous services by which the customers get benefited. It acts as the core sector of the nation. By adopting the E-CRM technology banking sectorworks for the reimbursement of the customers. By the adoption of E-CRM technology in Indian Banking sector not only the customers but alsothe banks itself get benefited. E-CRM helps the customers by customer's satisfaction through the speed processing of transaction process, through e-response, by providing quality service with trust andConvenienceand by providing online transaction facilities.

OBJECTIVES OF E-CRM

The objectives of e-CRM are:

- To enhance customer loyalty and retention
- To provide good customer service
- To attract new customers
- To simplify marketing and sales processes.
- To reduce the administrativecosts
- To increase the goodwill, profitability etc. by increasing the customer satisfaction level.

TECHNIQUES OF E-CRM USED BY THE BANKS

The following techniques are used by banks

1. Automated Teller Machines (ATMs)

An ATM is specialized computer used by bank customers to manage their money and can deliver cash to the customers on demand after authentication. This service is made available 24 hours a day. 7 days in a week and 365 days of the year through ATMs.

For example, almost all ATMs allow you to withdraw money, and many allow you to make deposits. At some ATMs, you can print a statement (a record of your account activity or transactions); check your account balances; transfer money between your accounts; and even purchase stamps. You can usually access the most services at an ATM that's operated by your own bank.

2. **Internet Banking – e-Banking**

Online banking is an electronic payment system that enables customers of a financial institution to conduct financial transactions on a website operated by the institution, such as a retail bank, virtual bank, credit union or building society. Online banking is also referred as internet banking, e-banking, virtual banking and by other terms. E-Banking program allows

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customers to use the Internet for basic functions in corporate and retail banking and credit cards. Thus the technology has completed eliminated the need for branch.

3. **Phone Banking / Tele Banking**
Telephone banking is a service provided by a bank or other financial institution, that enables customers to perform a range of financial transactions over the telephone, without the need to visit a bank branch or automated teller machine. Telephone banking times are usually longer than branch opening times, and some financial institutions offer the service on a 24-hour basis.

4. Mobile Banking
Mobile Banking refers to provision and availment of banking- and financial services with the help of mobile telecommunication devices.The scope of offered services may include facilities to conduct bank and stock market transactions, to administer accounts and to access customized information.

Now banks help the customers to conduct certain transactions through mobile phone with the help of technologies like WAP, SMS etc. This helps a bank to combine the Internet and telephone and leverage it to cut costs and at the same time provide its customer the convenience

5. Electronic Funds Transfer (EFT)
The RBI has introduced Electronic fund transfer technique for public sector banks to help them offer their customer money transfer service from any bank"s branch to any other bank"s branch.

Electronic funds transfer (EFT) is the electronic transfer of money from onebank account to another, either within a single financial institution or across multiple institutions, through computer-based systems and without the direct intervention of bank staff.

6. Biometrics
Banks across the country have started the process of setting up ATMs enabled with biometric technology to tap the potential of rural markets. A large proportion of the population in such centers does not adopt technology as fast as the urban centers due to the large scale illiteracy. Development of biometric technology has made the use of self-service channels like ATMs viable with respect to the illiterate population.

Though expensive to install, the scope of biometrics is expanding rapidly. It provides for better security system, by linking credentials verification to recognition of the face, fingerprints, eyes or voice. Some large banks of the country have taken their first steps towards large scale introduction of biometric ATMs, especially for rural banking. At the industry level, however, this technology is yet to be adopted; the high costs involved largely accounting for the delay in adoption.

7. Card Based Delivery Systems
Among the card based delivery mechanisms for various banking services, are credit cards, debit cards, smart cards etc. These have been immensely successful in India since their launch. Penetration of these card based systems have increased manifold over the past decade. Aided by expanding ATM networks and Point of Sale (POS) terminals, banks have been able to increase the transition of customers towards these channels, thereby reducing their costs too.

8. Cheque Truncation System (CTS)
Truncation is the process of stopping the movement of the physical cheque which is to be truncated at some point en-route to the drawee branch and an electronic image of the cheque would be sent to the drawee branch along with the relevant information like the MICR fields, date of presentation, presenting banks etc. Thus, the CTS reduce the probability of frauds, reconciliation problems, logistics problems and the cost of collection.

9. Communication Technology (SWIFT)
International banks and foreign investors has forms a cooperative organization SWIFT. It stands for Society for Worldwide Inter Bank Financial Tele Communication (SWIFT. It provides a computerized network for stage transmission amongst international banks in the member countries. This technology made available the fastest banking services/facilities to customers who are engaged in international business.

10. Total Branch Mechanization (TBM)

Dr. Rangrajan Committee – II in 1988 had suggested TBM. Local Area Network has installed by banks at the major centres of the country to make all banking services available at single window to their customers.

BENEFITS OF E-CRM IN BANKING

E-CRMbenefited through:

- Increased sales revenues
- Increased convenience
- Improved customer service rating
- Decreased administrative costs
- Ability to introduce new schemes at a faster rate.
- Facility to the customer in his mobile business life
- Improved speed of dissemination of information
- Reduced subjectivity in operations

CONCLUSION

More competition and increased regulation made it more difficult for banks to stand out from the crowd. However, the development of CRM gave proactive banks access to technology that helped them improve customer retention by using customer feedback to offer conveniences like ATMs and online banking. B sign-ups, transactionsandfeedbackprocesses banks can also use CRM tools to improve customer loyalty by using data collected through customer.

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