



Research Paper

## Bank Official's Perception regarding E-CRM practices adopted by Banks

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**ABSTRACT:** With advancement and development in technology, banks are also forced to design and implement E-CRM programs. E-CRM tools and techniques are implemented through its employees and its success would depend on how they adopt and use E-CRM measures. To implement the E-CRM tools and techniques in the banks employees must be trained to get well versed with all these tools and techniques. In this research paper, data has been collected through questionnaires from 42 bank officials of 6 banks; consisting of 3 banks from public sector and 3 banks from private sector, from 7 districts in Haryana. The effort has been made to study role of staff members in implementing E-CRM services in the banks with the help of descriptive statistics techniques and perception of Bank Officials regarding E-CRM services implemented in Banks has been analyzed with the help of T-test and ANOVA. The findings revealed that banks are providing sufficient training to equip their employees with latest E-CRM tools and staff also plays vital role in implementing E-CRM services. While making comparison between public and private sector banks, it is found that there is no significant difference between the perception of bank officials of private and public sector banks regarding only two parameters namely "allows bank to increase customer service" and "more customer training is needed for promoting E-CRM in banking sectors". Mean value of response of bank officials of public sector banks is more as compare to private sector banks in respect the following parameters: "Lower transaction costs", "Maintenance cost of Accounts is economical", "More customer training is needed for promoting E-CRM in banking sectors", "Essential for bank's survival" and "Banks not offering E-CRM banking services will lose their potential customers", which indicates that public sector banks are better in these areas, therefore, it is suggested that private sector banks should work upon for the improvement in these areas. Mean value of response of bank officials of private sector banks is more as compare to public sector banks in respect the following parameters: "Benefits outweigh the cost", "Allows banks to increase customer services" and "Your bank believes that the customer's personal security of information is better now than it was before", therefore, it is recommended that public sector banks should work upon for the improvement in these areas.

**KEY WORDS:** E-CRM, Bank Employees, Banking Sector.

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### I. INTRODUCTION

Banks are developing and adopting latest technology-based strategies to gain new customers as well as to retain the existing customers. It is quite less costly to retain the existing customer than acquiring new customers (Bhatt & Darzi, 2016). E-CRM is considered as modern tool to make strategies regarding sustaining and maintaining long lasting relationship with their valued customers. With advancement and development in technology, banks are also forced to design and implement E-CRM programs. E-CRM tools and techniques are implemented through its employees and its success would depend on how they adopt and use E-CRM measures (Kavitha, 2013). Technology lead banking facilities have brought a transformation in the banking industry. Now banking industry converted its paper-based payment system to electronic payment system (Kaur, 2016). Khanna (2017), E-CRM has enhanced the quality of services rendered by the banks. With the help of E-CRM customer services standards are also improving which lead to customer satisfaction (Sadashiv, 2016).

### II. LITERATURE REVIEW

For the long-term survival of any organization CRM played important role in maintaining good customer relations (Kampani and Jhamb, 2020). Bhatt and Darzi (2016), Employees knowledge regarding customer knowledge and customer orientation has significant positive relationship with the customer retention. Rostami et

al., (2016) use of technology, organizational culture, and corporate strategy along with employees' perception have a strong impact on quality of banking services. E-CRM benefited the banks in numerous ways like decrease workload at branch level, increasing customer loyalty, easy and quick complaint management system, easy updation of services and quick delivery of information (Bezhovski and Husain, 2016). Ramya et al., (2013), employees' banking services includes having knowledge regarding customer relationship strategy, maintaining communication and enhancing individual value proposition form the core element of CRM. Employees are the main contact points who can provide personal attention and care to the customers, understand their need and problems and act accordingly for providing prompt customer services. In implementation process, employees are the main element upon which organizations have to focus well in advance to prepare them mentally and as well as physically; by making them capable to perform all CRM functions efficiently (Anubuoli and Thiruvengkraj, 2013). George & Manoj (2013), private banks provide better services in regard to solving and handling customer's complaints, better courtesy of staff of bank, more willingness to help the customers, having more knowledge and even in basic banking facilities private banks hold strong position as compare to public banks. Kavitha (2013), to implement the E-CRM tools and techniques in the banks employees must be trained to get well versed with all these tools and techniques. Banks should give more focus on their aged employee because they need more training to improve their CRM skills so that they can compete with their younger counter parts (Mittal et al., 2002). According to Chaudhry, 2007 attitude and competence of employees are the most important service quality attribute. If banking sector wants sustainable development in long run then employee behavioral issues must be addressed with utmost care. Most distinguishing and outstanding factor responsible for the satisfaction of the customers and implementation of E-CRM strategy is staff (Arora and Arora, 1997; Ahmed, 2009) and Bank officials who are dealing directly with E-CRM techniques implemented in the banks are well versed with all aspects of E-CRM services. That's why it is being imperative to know their perception also.

### III. Methodology and data collection

Purposive sampling technique was adopted for data collection from bank officials because only those officials who had been dealing with E-CRM services were approached. The data was collected with the Questionnaire which has been adapted from the research work done by Ramar E. L. (2013). Total 42 bank officials including one from each bank in every district were approached (as shown in the Table-1) and all provided their response regarding usage of E-CRM services in banks. Thus, the response rate is 100% in case of bank officials.

**Table: 1**  
**Distribution of Bank officials' Sample According to Banks**

State Bank of India	Punjab National of Bank	Bank of Baroda	ICICI	HDFC	AXIS	Total
7	7	7	7	7	7	42

For the study 7 districts of Haryana are selected. Bank wise data are collected from each district randomly. Therefore, Table-1 depicts that each bank has 7 officials from every district i.e. Ambala, Kaithal, Karnal Kurukshetra, Panchkula, Panipat and Yamuna Nagar. Out of bank selected, both public and private sector banks are in equal size i.e. 21 bank officials from each sector. State Bank of India (SBI), Punjab National Bank (PNB) & Bank of Baroda (BOB) are the banks which belong to the public sector and ICICI, HDFC & AXIS belong to the private sector.

### IV. Objective of the Study:

- Role of staff members in implementing E-CRM services in the banks.
- To study the perception of Bank Officials regarding E-CRM services being implemented in Banks.

### V. Findings and Discussions

For studying the bank officials' perception, bank officials are catougrized on the basis of Experience (Table-2).

**Table: 2**  
**Experience of Bank Officials**

Duration of Experience	Frequency	Percentage
I. less than 03 years	13	30.95
I. 03 years to 05 years	04	9.52

I.	Above 05 years	25	59.52
V.	Total	42	100.00

Table-2 presents data about experience of bank officials. It is observed that out of total respondents 59.52% bank officials are having experience more than 5 years, 30.95% are having less than 3 years' experience and only 9.52% are having experience between 3 to 5 years. Therefore, it can be interpreted that mostly bank officials are having quite enough experience to tell about the E-CRM practices adopted by their banks.

### 1.5.1 Role of Staff Members in implementing E-CRM services in the Banks

Staff is the key elements which enable banks to implement E-CRM concepts in banking sector. In this section, role of staff is to be analysed with the facts that how many staff members have got training regarding E-CRM services and response of staff members regarding implementation of E-CRM Services.

#### 1.5.1.1 E-CRM Training Programme for the Staff Members

Staff is the main source through which banks are able to maintain healthy and smooth relationships with their customers and they must be acquainted with latest tools and techniques evolving with the passage of time. The Table-3 is showing about how many staff members are trained for E-CRM services by banks.

**Table: 3**  
**Staff Trained for E-CRM Services by Banks**

Number of Staff Members	Frequency	Percentage
Less than 3	6	14.29
3-6	19	45.23
6 and Above	17	40.48
<b>Total</b>	42	100.0

While making survey it is interpreted that in some banks, all the staff members are trained regarding E-CRM services while other has a fixed number. Table-3 depicts the data related to staff trained for E-CRM services by banks. 45.23% bank officials are of the view that their banks have 3-6 staff members who are specialized in E-CRM services. 40.48% bank officials agree that their banks are having above 6 staff members trained for E-CRM services. Only 14.29% bank officials believe that their banks are having less than 3 staff members who are trained for E-CRM services.

#### 1.5.1.2 Response of Staff Members Regarding Implementation of E-CRM Services.

In the Table-4 efforts are made to analyze the contribution of staff members in employing E-CRM services in the banks.

**Table: 4**  
**Staff Response Regarding Implementation of E-CRM Services**

Staff Reactions	No of Response	Total Respondents	Percentage to Total
I. They play a vital role in implementation of E-CRM services	28	42	66.70
I. They dedicate them to do their work sincerely	16	42	38.10
I. They provide ideas and suggestions as and when required	23	42	54.80
V. They find it difficult to work	03	42	7.10

From the Table-4, it can be analyzed that majority of the bank officials with 66.70% are opined that staff play vital role in the implementation of E-CRM services which is imperative, otherwise it would not have been possible for banks to get this much success in the area of e-Banking. 54.80% bank officials assume that staff provides ideas and suggestions, which indicates bank staff is enthusiastically participating in the implementation process of E-CRM services. 38.10% bank officials are dedicated and sincere, only 7.10 % bank staff members consider difficult to work with e-Banking channel as they may belong to old age groups or near to their retirement and reluctant to adjust with changing business culture.

**1.5.2 Analysis of Bank Officials' perception regarding E-CRM practices adopted by banks**

Attributes	SA		A		NO		DA		SDA		Mean	SD
	F	%	F	%	F	%	F	%	F	%		
Benefits outweigh the cost	19	45.24%	20	47.62%	3	7.14%	0	0.00%	0	0.00%	4.38	0.62
Allows banks to increase customer services	23	54.76%	18	42.86%	1	2.38%	0	0.00%	0	0.00%	4.52	0.55
Improves customer services	23	54.76%	18	42.86%	1	2.38%	0	0.00%	0	0.00%	4.52	0.55
Lower transaction costs	18	42.86%	18	42.86%	3	7.14%	2	4.76%	1	2.38%	4.19	0.94
Offers opportunities to provide additional services	24	57.10%	17	40.50%	0	0.00%	1	2.40%	0	0.00%	4.52	0.63
Maintenance cost of Accounts is economical	19	45.24%	21	50.00%	1	2.38%	0	0.00%	1	2.38%	4.36	0.76
More customer training is needed for promoting E-CRM in banking sectors	15	35.70%	19	45.24%	6	14.30%	2	4.76%	0	0.00%	4.12	0.83
E-CRM services enhance your competitive position in the market	22	52.38%	19	45.24%	1	2.38%	0	0.00%	0	0.00%	4.5	0.55
Your E-CRM services increased with the degree of customer satisfaction	22	52.38%	18	42.86%	2	4.76%	0	0.00%	0	0.00%	4.48	0.59
Your bank believes that the security of customer's personal information is better now than it was before	16	38.10%	22	52.38%	4	9.52%	0	0.00%	0	0.00%	4.29	0.64
Essential for bank's survival	27	64.28%	12	28.58%	3	7.14%	0	0.00%	0	0.00%	4.57	0.63
Banks not offering E-CRM banking services will lose their potential customers	28	66.67%	10	23.81%	3	7.14%	0	0.00%	1	2.38%	4.52	0.83

**1.5.2.1 Descriptive analysis of Bank Officials' perception regarding E-CRM practices adopted by Banks**

To measure the perception of bank officials regarding E-CRM practices of banks 12 attributes are identified. Data are collected on 5-point Likert Scale ranging from strongly agree (SA), Agree(A), No opinion (NO), Disagree (DA) and Strongly Disagree (SDA). In the Table-5 data are being presented about the response of the bank officials regarding all 12 attributes along with corresponding mean & standard deviation.

**Table: 5 Descriptive Analysis of Bank Officials responses**

**1.5.2.2 Study of perception of Bank Officials' regarding E-CRM practices on the Basis of Type of Bank.**

An overall comparative analysis is conducted between Public and Private Sector Banks. t-Test is performed to make comparison between Bank Official's opinion about E-CRM services in Public and Private Sector Banks.

In order to test whether there is any statistically significant difference among the perception of bank officials of Public and Private Sector Banks regarding E-CRM services, the following hypothesis is formulated:

*H<sub>0</sub>: There is no significant difference among the perception of bank officials' of Public and Private Sector Banks regarding E-CRM services.*

**Table: 6**  
**Comparative Analysis of Perception of Bank Official Regarding E-CRM Practices Between Public and Private Sector Banks (N=42)**

Attributes	Type of Bank	Mean	Std. Dev	t-Test			H <sub>0</sub> accepted/ Rejected
				t	df	Sig. (2-tailed)	
Benefits outweigh the cost	Public Sector Bank	4.286	0.561	-0.991	40	0.328	Accepted
	Private Sector Bank	4.476	0.680				
Allows banks to increase customer services	Public Sector Bank	4.333	0.577	-2.359	40	0.023*	<b>Rejected</b>
	Private Sector Bank	4.714	0.463				
Improves customer services	Public Sector Bank	4.524	0.512	0.000	40	1.000	Accepted
	Private Sector Bank	4.524	0.602				
Lower transaction costs	Public Sector Bank	4.381	0.669	1.321	40	0.194	Accepted
	Private Sector Bank	4.000	1.140				
Offers opportunities to provide additional services	Public Sector Bank	4.524	0.512	0.000	40	1.000	Accepted
	Private Sector Bank	4.524	0.750				
Maintenance cost of Accounts is economical	Public Sector Bank	4.476	0.602	1.016	40	0.316	Accepted
	Private Sector Bank	4.238	0.889				
More customer training is needed for promoting E-CRM in banking sectors	Public Sector Bank	4.476	0.602	3.049	40	0.004**	<b>Rejected</b>
	Private Sector Bank	3.762	0.889				
E-CRM services enhance your competitive position in the market	Public Sector Bank	4.476	0.512	-0.276	40	0.784	Accepted
	Private Sector Bank	4.524	0.602				
Your E-CRM services increased with the degree of customer satisfaction	Public Sector Bank	4.476	0.512	0.000	40	1.000	Accepted
	Private Sector Bank	4.476	0.680				
Your bank believes that the customer's personal security of information is better now than it was before	Public Sector Bank	4.238	0.625	-0.481	40	0.633	Accepted
	Private Sector Bank	4.333	0.658				
Essential for bank's survival	Public Sector Bank	4.714	0.463	1.491	40	0.144	Accepted
	Private Sector Bank	4.429	0.746				
Banks not offering E-CRM banking services will lose their potential customers	Public Sector Bank	4.667	0.577	1.114	40	0.272	Accepted
	Private Sector Bank	4.381	1.024				

\*Significant at 0.05 Level

\*\*Significant at 0.01 Level

After conducting t-Test, it is analyzed from the table-6 that null hypothesis established is rejected for two statements including: “allows bank to increase customer service” having t-Test value = -2.359 and sig. value = .023 which is significant at 0.05 level of significance and also for “more customer training is needed for promoting E-CRM in banking sectors” having t-Test value = 3.049 and sig. value = .004 which is significant at 0.01 level of significance. Therefore, null hypothesis is accepted on all attributes except these two. Moreover, the value of t-Test = 1 for “Improves customer services”, “offers opportunities to provide additional services” and “E-CRM services increased with the degree of customer satisfaction”. Thus, it indicates that with respect to these attributes bank officials are having same opinion because mean values of public sector and private sector banks are same.

## V. Conclusion

It has been found that banks are gaining competitive advantage through latest tools and techniques, but it is only feasible with enthusiastic participation of their staff. E-CRM has also been implemented an

operationalized in banking sector only with the help of bank staff. Findings revealed that banks are providing sufficient training to equip their employees with latest E-CRM tools and staff also plays vital role in implementing the E-CRM services. While making comparison between public and private sector banks, it is found that there is no significant difference between the perception of bank officials of private and public sector banks regarding only two parameters namely “allows bank to increase customer service” and “more customer training is needed for promoting E-CRM in banking sectors. Mean value of response of bank officials of public sector banks is more as compare to private sector banks in respect the following parameters: “Lower transaction costs”, “Maintenance cost of Accounts is economical”, “More customer training is needed for promoting E-CRM in banking sectors”, “Essential for bank’s survival” and “Banks not offering E-CRM banking services will lose their potential customers”, which indicates that public sector banks are better in these areas, therefore, it is suggested that private sector banks should work upon for the improvement in these areas. Mean value of response of bank officials of private sector banks is more as compare to public sector banks in respect the following parameters: “Benefits outweigh the cost”, “Allows banks to increase customer services” and “Your bank believes that the customer’s personal security of information is better now than it was before”, therefore, it is recommended that public sector banks should work upon for the improvement in these areas.

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