

# CRITICAL STUDY OF E-CUSTOMER RELATIONSHIP IN BANKING SECTOR IN INDIA

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## **ABSTRACT :**

Customer relationship management is a trend in the banking industry that aims to build and maintain long-lasting connections with clients in order to benefit both the clients and the banks. With the use of this idea, a bank is able to recognise, categorise, interact with, and develop lasting relationships with each customer. Since the focus of banks are on the consistent expansion of profit as well as the trajectory of changing consumer demand, the operational environment of the banking sector is challenging and intensely competitive. As a result, banks are putting more of an emphasis on locating, gathering, and storing consumer demands. The method of customer relationship management gives banking companies the chance to develop and preserve lasting ties with their clients. This paper reflects critical study of E-Customer relationship in Banking Sector in India.

Keywords : Customer relationship , recognize , management , challenging , banking

## **Customer Relationship Management:**

The liberalisation and globalisation processes have sparked the emergence of competitive services by turning "The Seller's Market into the Buyer's Market," posing a challenge to retail banks to improve customer relations. Customer relationship management is a challenging process that requires a thorough understanding of the routine customers' routines, demands, and desires. Since the bank's goal is to offer customers goods that meet their demands, constant information collection about client behaviour is necessary. Banks are increasingly more focused on the needs of their customers, and they innovate to offer new and improved customer-friendly facilities. CRM plans to concentrate on all banking actions that result in the creation of lasting relationships with their clients and, ultimately, the development of those clients into lifelong assets.

The terms Relationship Marketing and Customer Relationship Management (CRM) are frequently used interchangeably in marketing literature. In the past, businesses only had tight ties with a small number of their most valuable clients, and because of this, it was impossible to get to know each and every one of them given the size of the clientele—often millions—of clients. It has now shown to be technically possible to develop a close relationship with each and every consumer thanks to the acceptance of information technology. The idea of CRM is now being more widely accepted, and it is generally seen to be a controlling tool for business expansion to obtain an advantage over rivals.

"A widely used technique for managing a company's contacts with customers, clients, and sales prospects," according to Wikipedia, is customer relationship management. It entails utilizing technology to coordinate, organise, and automate corporate processes.

Thus, CRM involves: evaluating all functions' inputs in terms of marketing, sales, and service, cost, and results in terms of customer earnings, profits and values

- a) Obtaining and maintaining knowledge about the needs, drives, and behaviours of customers during the course of their relationship.
- b) Making use of customer knowledge to continuously improve performance by learning from successes and failures.
- c) Achieving a global objective by integrating marketing, sales, and service activities.
- d) The purchase, exchange, and implementation of appropriate systems to support customer knowledge and CRM effectiveness.
- e) Consistently uphold consistency in marketing, sales, and service to meet client needs and maximize profit.

CRM focuses on maintaining client connections effectively and profitably throughout the whole life cycle.

In the current modern era, banks have moved their attention to product customization, relationship banking, and marketing strategy. The intense pressures brought on by the elimination of regulations from the Indian financial services market served as the primary drivers for strengthening marketing concepts. In essence, this forced clearing institutions and the retail banking sector to contend with increased competition brought on by a blending of traditional product markets (Durkin, 2004). For a better perspective on future customer behaviour and consumer preferences, Bank and Executives need to have a comprehensive analysis of their customers across various systems containing data. Applications and data help the bank manage its customer relationships for ongoing development and expansion (Dyche, 2001).

### **E-CRM in Banking Sector:**

Today's contentious focus on both sides is the relationship between bankers and their clients.

It entails all the actions required to establish, develop, preserve, and keep up a successful relationship with the target clients.

Customer relationship management keeps tabs on the evolution of both new and existing services as well as the needs of the market today and in the future.

"The establishment and maintenance of mutually beneficial long-term connections with the strategically significant clients" is how CRM is defined. The expansion, maintenance, and optimization of the business's long-lasting, mutually beneficial relationship with its clients. The major objective of effective customer relationship management is to comprehend the wants and wishes of the customer. This is done by putting their demands at the centre of corporate operations and combining them with the organization's strategies, people, processes, and technology.

Electronic customer relationship management, or E-CRM, refers to the use of the Internet based technology, such as emails, websites. Chat rooms, forums and other channels, to achieve CRM goals.

The marketing, sales, and customer service procedures are automated through a well-organized and integrated CRM process.

An efficient E-CRM enhances client interactions, boosts process efficiency, and gives businesses the ability to personalise their offerings to cater to the demands of each consumer.

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