

A STUDY ON ELECTRONIC CUSTOMER RELATIONSHIP MANAGEMENT INITIATIVES OF ICICI BANK

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Abstract- ICICI bank is India's second largest bank transformed itself into a technology intensive financial services group in these times. To achieve this ICICI bank has taken a series of initiatives. Bank uses the advanced technology tool for mass customization. In online banking face to face interactions between customer and bank is not seen. In this situation bank needs new initiatives to maintain relationship with customers. The paper discusses *how banks use "electronic customer relationship management" tool to maintain customer relation by the help of ECRM initiatives'*

Key words-CRM, E-CRM, Technology

INTRODUCTION

Customer Relationship Management (CRM) is an integrated approach to managing relationships by focusing on customer retention and relationship development. CRM is a business strategy and therefore more than a functional strategy alone. It affects the organization as a whole; Marketing, IT, Services, logistic, finance, production and development, HR, management etc. The RM strategy will have to provide direction to each department or employee that maintains contacts with customers (Customer Relationship Management, Ed Peelen, 2009, Pearson education).

There are different definitions for CRM, one of these definitions originates from the Met grope, which in 2000, defined CRM as the automation of horizontally integrated business process involving front office customer contact points (marketing, sales, service and support) via multiple interconnected delivery channels. An entirely different definition suggests that CRM is a process that addresses all aspects of identifying customers, creating customer knowledge, building customer relationship, and shaping their perceptions of the organization and its products (Customer Relationship Management, Ed Peelen, 2009, Pearson education). The most comprehensive and relevant definition of CRM can be the following one, 'Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and for the customer' (Sheth and Parvathiyar, 2001). And also IT organization defines CRM as software that assists marketing, selling, merchandising and smooth service operations of a business.

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Companies that successfully implement CRM will reap the rewards in customer loyalty and long run profitability. Some companies are competing effectively and achieve the profit through the implementation of relationship marketing principles using strategic and technology based customer relationship management applications. CRM application link front office (sales, marketing, and customer services) and back office (financial, operations, logistics and HR) functions with company's customer 'touch points'. A company's customer touch points can include the internet, email, sale, direct mail, telemarketing, operations, call centers, fax, advertising, pagers, stores and kiosks. (CRM- People, process and technology, Injass.J.Chen and Karen Povich,2003).

Electronic Customer Relationship Management is the new trend in CRM which exploits the power of internet. In simple terms e-CRM provides to a company's mean to conduct interactive, personalized and relevant communication with customer across both electronic and traditional channels .It utilizes complete view of the customers to make a decision about messaging, offers, and channel delivery. It synchronizes communication across disjointed customer facing system it adheres to permission based practices, respecting each individuals preferences regarding how and whether they wish communicate with you,(Online banking and e-CRM initiatives, Dr. NM.Makander, Dr.Palanivelu, Mr.Maksudmadraswale).

E-CRM is sometimes referred to as web enabled or web-based CRM and emerging from this view e-CRM has been defined by Forrester research(2001) as ' a web centric approach to synchronizing customer relationship across communication channels, business functions and audience'. Lee Kelly et al. (2003.pt.241) highlight the relative lack of literature in this domain and suggest as a working definition that e-CRM refers to the marketing activities, tools and techniques delivered via the internet which includes email, world wide web, chat rooms, e-forums, etc. with a specific aim to locate, build and improve long term customer relationship to enhance their individual potential.

E-CRM is motivated by the ease of internet access from various computing devices such as desktop, laptops, tablets and smart phones. E-CRM enables the business to interact with their customers and employees using internet with their customers and employees using internet with their customers and employees using internet. It offers seamless integration of CRM process. E-CRM is speedy and reliable and also it is highly secured from threats. All the commercial banks private as well as public sectors maintained good relationship with customer due to the usage of e-CRM by mainly providing product and services according to the need of customers. Commercial banks using email , SMS , etc. to communicate with customers e-CRM strategy must cover all the marketing segments such as retail customer , corporate sector, trade and agricultural for their banking requirements.

In e- CRM, the customer is able to take care of himself using internet, and cost of maintenance and maintenance time is lesser. In this e-world, e-CRM has infinite opportunities for maintaining relationship with customers.

II. OBJECTIVE

1. To know the Electronic Customer Relationship Management (E-CRM) be used by ICICI Bank
2. To know the benefits of E-CRM technology in online banking.

III. METHODOLOGY

The research purpose of this study is mainly descriptive since the main objective is to understand the E-CRM initiative of ICICI Bank and its benefits to the customers. Only secondary data is used for the study.

IV. REVIEW OF LITERATURE

A. *The Banking Industry: An Overview*

At the time of independence, India was economically unstable, so was the Indian banking sector. At that point of time, economic development was the foremost priority of the government. The establishment of the reserve bank of India (RBI) in 1935 and industrial policy in 1948 played an important role to develop and improve the Indian banking sector. RBI was authorized to regulate and control commercial banks of India, and the industrial policy took a major step to nationalize the banks in 1969. The banking regulation act, 1949 and nationalization of commercial banks were two major actions taken for regulation, growth, and development of the banking sector in India. These actions played a pivotal role in expansion of the banking system and economic development as the government tried to execute numerous welfare schemes [6].

Every country is different from another depending upon their distinctive regional, societal and economic characteristics. India has a large population and land size, diverse culture and distinctiveness in income. A large portion of population in India is illiterate, but the country has a large basin of managerial and technological skills. So, banking played an important and significant role during LPG (Liberalization, Privatization and Globalization) of the Indian economy, and this gave a new direction to the Indian economy. Before LPG, there was no major competition in the banking sector, and public sector banks dominated in the banking industry in context of size of assets, profits, and customer base. To make the banking sector more competitive, the banking industry was opened to the private sector, which resulted in expansion of their operations. This encouraged positive competition, and banks become more efficient and effective in their work. It was also realized that survival of any bank depends upon customer satisfaction.

Recently established commercial banks are giving aggressive and innovative opposition to the public sector banks in the form of time sorting services such as tele-banking, net banking, home banking, credit cards, ATMs, Providing educational loans, and housing loans at low interest rates, and so forth (Goode & Moutinho 1995). The private sector banks tried to match the level of public sector banks, and those who had the first mover advantage, they are now providing much better services than the public sector banks. Moreover with the passage of time, the attitude of the customer has also changed. They have learnt the difference in quality of services provide in the public sector banks. This competition and aggressiveness in the banking sector has made it mandatory for public sector banks to reconsider and modify their strategies to retain their existing and potential customer base in the market.

B. *Elements of E-CRM*

According to Jellasi and Enders (2004) E-CRM is the use of the Internet and IT applications used to manage the relationship with customers. There are four elements in E-CRM first selection, retention, acquisition, extension.

1. Customer Selection: It refers to customer targeting, segmenting and mass customization which offers a customize product which fulfills individual needs and maintain low cost position via mass market operations has been introduced into business process which creates new developments. First customer have individual lives, and everyone has unique setup needs and desires and second fast growth of information and production technology has made it possible to meet these individual needs to meet a high degree
2. Customer Acquisition: It focuses on promotion and other incentives to acquire new customers to serve existing customers to come online. While in online channel the firm should have at least the email address of the customer. Detail customer profiles are included to get this information customers are offered incentives like gifts, certificates or free product samples.
3. Customer retention: It turns one time customers to regular customers and keeps them as long as possible in online environment. It is achieved from two dimensions personalization, while personalization website is done by considering the needs of the customers and it make possible for him to stick particular website. While online communities create network effect with different users both types of users stay on a particular website.
4. Customer Extension: It has focus on the maximization of lifetime value of a customer. The companies expand this through existing customer relationship like cross selling of products and services.

C. Benefits of E-CRM

E-CRM is a approach in relationship management it benefits to its stakeholder who include employees, customers, suppliers and channel partners (Ragins and Greco, 2003) according to Rigby and et al. (2002) E-CRM takes many forms and depends on the objectives of organization. It is not only a technology or a software; this is a tool is used a line business process with the customers in a strategic way like E-CRM increase the customer loyalty, E-CRM gives more effective marketing, E-CRM includes customer service and support.

According to Jellasi and Enders (2004) the benefits of E-CRM is to

1. Create long term relationship with customer with minimum cost.
2. To reduce customer defection rate
3. Increase the profitability from low profit customers
4. Focus on high value of customers.

Kadapa and Subramanyam (2016) CRM stands for Customer Relationship Management. It is a strategy used to learn more about customer's needs and behavior in order to develop stronger relationship with them. After all, good customer relationships are at the heart of business success. The more useful way to think about CRM is as a process that will help bring together lots of pieces of information about customers, sales, marketing, effectiveness, responsiveness and marketing trends. The main objectives of this study are to study the satisfaction level of exit customers of ICICI bank services, to find out the factors which influence to buy the ICICI banks services. To indentify and the study problems faced by the customers of ICICI bank services and to assess of the role of customer relationship management in the purchase decision of ICICI bank services.

A study was conducted among hundred respondents to find out the CRM functioning and effectiveness of the ICICI bank in Thiruvannamalai. This study was revealed that regardless of services context customers expect services provider to be courteous usually, most conversation begin or end with courtesy expression and includes some form of personal connection content.

The important point is that socially communication can play a pivotal role in moving the provider and consumer for more encounters to higher degree of relational development [4].

In the early '90s Balakrishnan and Krishnaveni had discussed that the of relationship marketing was formally introduced into the field of services marketing. Banks found it more profitable to retain and reward the existing customers rather than running after new customers. The essence of CRM is to create customers and retain them. Therefore now banks emphasize on total customer satisfaction which indicates that the customer is satisfied and delighted with respect to using a service. Hence an attempt was made by the researcher in this study to examine the level of satisfaction on customer relationship management practices in selected private sector banks. For the purpose of study, a sampling survey was conducted among 150 customers of selected private sector banks namely KarurVyasya bank, Lakshmi Vilas bank, ICICI bank with the help of a structure questionnaire. The tools used for this study are percentage analysis, Likert's point scale analysis, Mean, Ranking method, correlation and chi-square test. The study reveals that the proper CRM practices will increase the customer satisfaction and build relationship with present and prospective customer by managing information and improve performance of delivering products and services at a great speed that facilitates customer creation and retention. Hence the concept of CRM may be emphasized so that the customers are treated royally in relation to banking services. Thus the banks need to improve the customer satisfaction in the utilization of various modern banking services and should provide more customer friendly services to make the modern banking activity a delight for the customer to use.

Customers are the focal point in the development of successful marketing strategy. Customer retention assumes significance in revenue analysis of various organizations. The success of CRM process depends on the active involvement of all managers and employees in the banking field a unique 'Relationship' exists between the customers and the bank. But because of various reasons and apprehensions like financial burdens, risk of failure, marketing inertia etc. many banks are still following the traditional ways of marketing and only few banks are marketing attempts to adapt CRM. Providing services to customers has been identified as the prime responsibility of the Banks and therefore, Banks considered that CRM is the best tool to perform the job of rendering good services. The lack of understanding on customer relationship management (CRM) is always a concern among the service provider especially banks. Banks have their own way of managing their relationship with the customers. However, the perception of customers on CRM practices among banks should also be taken into consideration. CRM activity attend the needs of customers without delay in time, the banks can create more awareness to customers and can create a customer data base very significantly.[5]

The CRM practices are adopted to generate better understanding of the customers for product development, segmentation, appropriate targeting, campaign management and maintenance of long term profitable and mutually beneficial relationships, with customers. A very small proportion of its potential has been utilized. The paper investigates the successful implementation of CRM. An attempt is made to clear the benefits of Customer Relationship Management. These results were discussed and analyzed to get results about how far CRM is implemented to secure competitive advantage. A set of recommendations will be made so as to pinpoint how CRM can be used to secure competitiveness. The present level of MIS covers, information needed for control, performance monitoring, decision making. The purpose of this research is to study the comparative use of CRM in various private sector banks. Customer Relationship Management is an approach to identify the tastes and preference of individual,

every customer is viewed with his life time value, and not only for customer satisfaction but customer retention is also more important [7].

Driven by challenges on competition, rising customer expectation and shrinking margins, banks have been using technology to reduce cost. Apart from competitive environment, there has been deregulation as to rate of interest, technology intensive delivery channel like internet banking, tele banking, mobile banking, and automated teller machines (ATMs) etc have created a multiple choice to user of the bank. The banking business is becoming more and more complex with the changes emanating from the liberalization and globalization. For a new bank, customer creation is important, but an established bank it is the retention is much more efficient and cost effective mechanism[1].

CRM is a sound business strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationships with banking industry in India has undergone a rapid changes followed by series of fundamental developments. Under this case study, a campaign management in a bank is conducted using data mining tasks such as dependency analysis, cluster profile analysis, concept description, deviation detection, and data visualization. Crucial business decisions with this campaign are made by extracting valid, previously unknown and ultimately comprehensive and actionable knowledge from large databases.

The research work is an empirical study intended to explore the technological revolution that the commercial banks witnessed and how far it has benefited banks to build better customer relationship management (CRM) services of public sector banks with private sector banks. Furthermore, a comparison would also find out the expectations of the customers from the banking stream and on various technical and structural fronts.

V. ANALYSIS

ICICI Bank is India's second largest bank with total assets of Rs.7, 206.95 billion (US\$ 1468 million) for the year ended March 31, 2016. The bank has a network of 4,450 branches and about 14,289 ATMs in India and presence in 19 countries. ICICI bank offers a wide range of countries ICICI bank offers a wide range of banking products and financial services to cooperate and retail customers through a variety of delivery channels. The bank currently has subsidiaries in the United Kingdom, Russia, and Canada, branches in US, Singapore, Bahrain, Hong Kong, SriLanka, Qatar and Dubai International finance centre and representative office in United Arab Emirates.

A. Technology Initiatives of CRM

In ICICI bank CRM is hugely technological driven. The technology might push customer away from the branch and get most of requirements fulfilled through machines outside the branch.

As smart phones are redefining every aspect of life today, mobile banking is a main stream. ICICI launched "POCKETS", India's first digital wallet by a bank, which can be used by customers and non customers alike. Users, especially the young generation who may not have access to a traditional bank account, can be download the pocket app instantly on their phone, fund it and start transacting immediately. Within the first year of its launch "POCKETS" has garnered over 3.6 million downloads "Touch&pay", India's first contactless mobile payment solution, enables secure payment through smartphones at retail stores and does away with need to carry physical cards. All ICICI bank credit and debit card users can use this features to make payment at over 60,000 merchant outlets across the country.

In early 2008, when ICICI bank launched iMobile, India's first mobile banking app, smartphones were still at their nascence in the country. iMobile today has evolved to become India's most comprehensive mobile banking application, which brings 150+ banking services on a single platform. It offers a range of essential banking features such as fund transfer, bill payment, checking account balance and opening fixed and recurring deposits. In addition, users can also now add payees, personalize their debit cards with an image of their choice and even book railway tickets.

Electronic payment has become ubiquitous today. For those customers who still derive comfort from writing a physical cheque a new technology leveraged by ICICI bank is named as "eftCheques". The EFT Cheques app by the bank replicates the cheque writing experience on customers' smartphones. Customers can flip open a virtual cheque book on their eftCheque app and write a cheque to any person from their phone book. The recipient receives a web link over SMS and can encash the cheque into a bank account of his or her choice instantly. Cheques can be written and encashed any time of the day, all days of the week including holidays. Another feature of eftcheques allows customers to scan a cheque they have received and upload the image before depositing the cheque in a nearby branch. This eliminates the cheque scanning activity at back office and saves a few hours in the cheque clearing process.

The overwhelming adoption of iMobile has clearly indicated high customer appetite for accessing banking services on smart phones. The bank created a comprehensive app for its asset products, "iLoans" - an app that makes it easy for customers to track and access all their loan-related details while on the move.

Consumers have for long struggled to track and conveniently make bill payments to merchants who may not have elaborate online payment systems, An innovative online solution, aptly named "Eazypay" was launched this year to ease such payments for customers, while reducing collection overheads for merchants. Merchants can upload bills of their customers and simply link the bills to the mobile number of the customer. Customer can log on to the Eazypay portal, submit their phone numbers and view and pay all their bills from various merchants. The service is bank agnostic customers of all banks can use it to make their bill payments.

ICICI bank introduced Touch banking branches a few years ago. These branches operate in self-service mode, round the clock, 365 days of the year, At 110 of these branches across 33 cities in India, customers can deposit cash or cheques, print bank statements and do much more. Customers can also interact with bank staff through video conference. From this touch banking, the bank designed self-services kiosks. The bank has deployed more than 1800 self services kiosks, which include cash depositing machines, and insta banking kiosks across its branches.

VI. FINDINGS AND CONCLUSION

The findings show that bank is using E-CRM tool for mass customization, the customer profiling self services and time saving as a primary goal. Then the second priority is given to the mass market operation accuracy in order to management personalization and one to one marketing. Their E-CRM innovative helps them to improve relationship with customers. Touch & Pay, iLoans, mVisa, eftCheques, Eazypay are the new ECRM initiatives introduced by ICICI bank. By understanding the views of respondent it is found that the benefit of E-CRM in banking sector is the reduced cost of operation and increase the customer loyalty while the low priority is given to the different contact options for a customer to minimize the administrative work. The findings show that ECRM initiatives are able to reduce cost of production and to increase customer loyalty.

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