

**Impact of Customer Demographics on the CRM and E-CRM Awareness and Efficiency: An Exploratory Study of the Three Select Banks in India**

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**Abstract:**

CRM is an idea, which has its heredity line in the technology. In the earlier days relationship marketing's sole aim was to get information about the preferences of the customers and the information, which was stored by them in their databases. So as to protect and deal with one to one relationship with customers CRM was developed. The major objective of this research study is to analyze the nature and impact of customer demographics (gender, occupation and tenure of banking) on the CRM AND E-CRM awareness and efficiency from three select commercial banks that are located in different cities of Odisha state.

**Keywords:** Customer Relationship Management (CRM), and e-Banking, m-Banking, Automated Teller Machine (ATM).

**Introduction:**

Computers, information technology and networking are fast replacing labor-intensive business activities across industries and in government. Since the early 1990s, the computer, the Internet, and information technology have been merged to become a viable substitute for labor and paper intensive banking processes between and across commercial banks. This has been seen in the widespread use of the ATM, credit cards, debit cards, smart cards and lending through E-CRM via the Internet. This type of computer-based bank-to-bank, bank to consumers and consumer-to-consumer transactional and informational exchange has been referred to as Electronic Commerce (EC).

CRM is an idea, which has its heredity line in the technology. In the earlier days relationship marketing's sole aim was to get information about the preferences of the customers and the information, which was stored by them in their databases. So as to protect and deal with one to one relationship with customers CRM was developed. Once when the bank acquires the customers and is able to have them lastingly forever, this implies that the customer becomes more loyal and making good use of the services of the bank. Trust, cooperation and satisfaction have to be seen as the face of assurance between both the parties, for a long lasting relationship with customers. Banks need to be in constant touch with their customer's in order to build up long-term relationships.

According to Elias M.(2000), the most popular tool for customer service is e-mail. Inexpensive and fast, e-mail is used to disseminate information (e.g catalogues), to send product information and order confirmations, to conduct correspondence regarding any topic with customers and business partners, and responding to enquires from customers. To answer a large number of e-mails quickly and cost-

efficiently automated e-mail reply systems are increasingly implemented. Automated e-mail reply responses to customer inquiries are developed using intelligent agents that recognize key words and quickly respond to common queries. However, the greatest advantage of e-mail as a communication tool is providing quick and accurate information to all customer queries. E-mails can include forms, reviews, referrals and new contacts sent to customers as attached files and how E-CRM bringing bridge between bank and customer through email business communication.

### **Objectives of the Study:**

The major objectives of this research study are as following.

1. To understand the customers' awareness and efficiency of the CRM practices in the select commercial banks in India.
2. To assess the influence of age, domicile, Qualification, occupation of the respondents on the awareness of E-CRM.
3. To understand the customers' awareness about technology preferences in the select commercial banks in India.
4. To offer suggestions to improve the service quality delivery in the banks.

### **Literature Review:**

The relationship marketing's one-to-one approach which was very popular throughout the 90's was then replaced with a new approach known as Customer Relationship Management (CRM). CRM was developed in order to secure and manage these one to one relationship and to create a profitable and long-term relationship with the customers. Today, CRM is the dominant strategy and has generally been used (Reynolds, 2002). Harris (2003) in his work presented the three important phases of CRM. CRM has evolved since its earliest incarnation, originally driven by an inside-out focus through three phases of evolution i.e. technology, integration, and process. In its earliest incarnation, CRM meant applying automation to existing sales, marketing, support, and channel processes as organizations attempted to improve communications, planning, opportunity, and campaign management, forecasting, problem solving, and to share best practices. The promise of the technology was there, but few organizations were realizing the pinnacle of performance. The metric of success was increased efficiency in sales, marketing, support and channel processes. Osarenkhoe and Bennani (2007) in their paper discussed that in early days, relationship marketing's aim was to acquire information about their customers' preferences and information which was stored by them in their databases. This evolved into one-to-one marketing which implies that through interaction and processing, companies will create more customized offers to their customers. Over the last eight years, banks are highly focusing on the CRM and are expected to continue (Foss, 2002). Dyche' (2002). Before implementing any CRM application, banks would need a complete view of its customers across the various systems that contain their data. If the bank could track customer behaviours, executives can have a better understanding, a predicting future behaviours, and customer preferences. In this way, the data and the applications will help the bank to manage its customer relationship and continue to grow and evolve (Dyche', 2002). In a recent paper by Onut et al., (2006), the authors discussed that using the CRM system into the banking industry helps businesses (using technology and human resources) to gain insight into the behaviour of customers and focus on the value of those customers.

**Scope of the Study:**

The scope of the study is limited to the survey of customers of three select commercial banks namely State Bank of India (SBI), ICICI Bank and CITI Bank in different cities of Odisha state.

**Research Hypothesis:**

Two research hypotheses were formulated for this research study.

**Hypothesis 1:** Occupational type changes are highly correlated with the changes on the use of technology.

**Hypothesis 2:** Preferences in using of technology differ significantly in bank types.

**Sample Size and Nature of Respondents:**

The sample size is 450. The respondents are drawn from three select banks namely, one public sector bank, one private sector bank and the other one is foreign bank. Demographic profiles were considered for further analysis and they include occupation, age, qualification and domicile of banking.

**Sources of Data Collection:**

Research data was collected from both primary and secondary sources. The primary data was collected by administering questionnaire to the respondents. Secondary data sources were also used to collect the data for this research study. Bulletins from banking staff colleges which include RBI publications and manuals were major sources of secondary data. Various other sources like journals and magazines, articles were also referred.

**Analysis and Interpretation of Results:**

**1. Age and Qualification**

**Table: 1. Showing age and Qualification of the respondents in Cross tabulation**

Age type categorisation	Qualification					
	HSC	Graduate	PG	Professional	Any other	Total
<b>less than 25 years</b>	13	18	6	13	9	59
<b>% within age</b>	22.0%	30.5%	10.2%	22.0%	15.3%	100.0%
<b>26-35years</b>	27	67	2	18	15	129
<b>% within age</b>	20.9%	51.9%	1.6%	14.0%	11.6%	100.0%
<b>36-45years</b>	3	81	5	13	7	109
<b>% within age</b>	2.8%	74.3%	4.6%	11.9%	6.4%	100.0%
<b>46-55years</b>	16	30	9	9	6	70
<b>% within age</b>	22.9%	42.9%	12.9%	12.9%	8.6%	100.0%
<b>more than 56 years</b>	18	39	10	6	3	76
<b>% within age</b>	23.7%	51.3%	13.2%	7.9%	3.9%	100.0%
<b>Total</b>	77	235	32	59	40	443
<b>% within age</b>	17.4%	53.0%	7.2%	13.3%	9.0%	100.0%

Persons chi-square: 60.465 df=16 sign: 0.001

Source: compiled data

Table-1 reported the cross tabulation of age groups of the customers with educational qualification of the respondents in the study. From qualification point of view, it has been categorized as per the responses as HSC, Graduate, Post graduation (PG), professional and Any Other Degree, which includes more than P.G. / professional Degree It indicated that maximum respondents of 27 are in the age group of 26-35 years of age are HSC and below than that, where as maximum respondents in the same age group of 26-35 are graduate and are having professional degree and higher than that. Further, 10 respondents in the age group of more than 56 years and 46-55 years possess PG degree. It is concluded that maximum respondents (53% of the total) are graduates followed by HSC qualification (13.3%).More over the difference among the categorization of age and qualification types shows also higher as chi-

square results revealed 60.465. That indicated a higher group difference across the qualifications of the respondents.

**2. Age and Domicile**

**Table: 2. Showing age and Domicile of the respondents in Cross tabulation**

AGE	domicile					Total
	Urban	semi urban	Sub urban	city	rural	
<b>less than 25 years</b>	29	17	0	13	0	59
<b>% within locality</b>	49.2%	28.8%	.0%	22.0%	.0%	100.0%
<b>26-35years</b>	47	63	0	19	0	129
<b>% within locality</b>	36.4%	48.8%	.0%	14.7%	.0%	100.0%
<b>36-45years</b>	6	31	31	19	22	109
<b>% within locality</b>	5.5%	28.4%	28.4%	17.4%	20.2%	100.0%
<b>46-55years</b>	21	11	1	37	0	70
<b>% within locality</b>	30.0%	15.7%	1.4%	52.9%	.0%	100.0%
<b>more than 56 years</b>	0	20	0	56	0	76
<b>% within locality</b>	.0%	26.3%	.0%	73.7%	.0%	100.0%
<b>Total</b>	103	142	32	144	22	443
<b>% within locality</b>	23.3%	32.1%	7.2%	32.5%	5.0%	100.0%

*Pearson Chi-square =307.439 df=16 and sig=0.0 N=443*

Source: compiled data

Table-2 reported the cross tabulation of age groups of the customers with domicile of the respondents in the study. From domicile point of view, it has been categorized as per the responses as Urban, Semi-urban, Sub-urban, City and rural areas. It revealed that maximum respondents of 47 are in the age group of 26-35 years of age are presently staying at urban areas, where as no respondents were found from the age group of 56 and more than are presently staying at urban areas. The same age groups of respondents also are more and from semi urban areas, where as except the respondents in the age group of 36-45 no respondents were found from the sub urban areas. Maximum city dweller is of more than 56 years of age and all respondents in the age group of 36-45 years are presently in staying in rural areas. It is concluded that maximum respondents (32.5% of the total) are from city areas followed by semi urban areas (32.1%). More over the difference among the categorization of age and qualification types shows also higher as chi-square results revealed 307.439. That

indicated a more group difference among the domicile nature of the respondents in response to their age groups.

### 3. Age and Occupation

**Table: 3. Showing age and Occupation of the respondents in Cross tabulation**

Age	Occupation					
	Business	Service (govt/pvt)	Professional	Student	Retired / Ex-service man	Total
less than 25 years	6	31	13	8	1	59
% within occupation	10.17%	52.54%	22.03%	13.56%	1.69%	100.00%
26-35years	28	56	35	2	8	129
% within occupation	21.71%	43.41%	27.13%	1.55%	6.20%	100.00%
36-45years	58	17	15	1	18	109
% within occupation	53.21%	15.60%	13.76%	0.92%	16.51%	100.00%
46-55years	24	12	18	0	16	70
% within occupation	34.30%	17.10%	25.71%	0.00%	22.86%	100.00%
more than 56 years	24	16	8	0	28	76
% within occupation	31.58%	21.05%	10.53%	0.00%	36.84%	100.00%
Total	140	132	89	11	71	443
% within occupation	31.60%	29.80%	20.09%	2.48%	16.03%	100.00%

Pearson Chi-Square-218.434 df=16 Sig=0.002

Source: compiled data

Table-3 indicated the cross tabulation of age groups of the customers with occupation types of the respondents. From occupation point of view, it has been categorized as per the responses as business, Service both in Government and private sector, professional, student and retired and ex-service man. It revealed that maximum respondents of 58 are in the age group of 36-45 years of age are presently doing business , In the age group of 26-35 years , maximum are in government and private jobs and the same age group of respondents i.e..26-35 years also are more professionals. The respondents of the age group of 56 years and more were found retired and ex-service man categories. Interestingly one respondent are found in retired /ex-serviceman category, which is below than 25 years of age. It indicated that he has left the job and presently in having no job and included in ex-serviceman category. It is concluded that maximum respondents (31.6% of the total) are business man followed by service holders (29.80%).More over the difference among the categorization of age and qualification types shows also higher as chi-square results revealed 218.434. That indicated a more group difference among the occupation type of the respondents in response to their age groups.

**Domicile and Technology**

**Table: 4. Showing Domicile and technology use of the respondents in ( Cross tabulation)**

Domicile	Technology use					
	ATM	roaming account	e-banking	i-banking	m-banking	Total
Urban	101	0	0	2	0	103
% within technology use	98.1%	.0%	.0%	1.9%	.0%	100.0%
semiurban	126	2	0	12	2	142
% within locality	88.7%	1.4%	.0%	8.5%	1.4%	100.0%
Suburban	17	5	2	5	3	32
% within technology use	53.1%	15.6%	6.3%	15.6%	9.4%	100.0%
City	113	8	1	11	11	144
% within technology use	78.5%	5.6%	.7%	7.6%	7.6%	100.0%
Rural	14	3	2	0	3	22
% within technology use	63.6%	13.6%	9.1%	.0%	13.6%	100.0%
Total	371	18	5	30	19	443
% within technology use	83.7%	4.1%	1.1%	6.8%	4.3%	100.0%

Pearson Chi-Square =80.628 df=16 Sig: 0.001 n=443

Source: compiled data

Table-4 reported the cross tabulation of domicile type of the customers with use of technology. From technology type point of view, it has been categorized as per the responses as ATM use, Roaming account, e-Banking, i-banking and m-banking. It reported that maximum respondents are using ATM amongst all the type of 56.2 percent are having deposit account followed by loan account , which counted for 22.1 percent than other type of accounts they are presently using. Out of the total deposit accounts, maximum customers are of city areas followed by Semi-Urban type areas. In measuring the loan accounts type, maximum customers are from urban and suburban areas. Moreover, maximum respondents using demat account are from Urban areas than other areas. City area customers mostly prefer loan and deposit account

type to use than other places. It is concluded that maximum respondents of city areas have maintained all types of account than other areas. More over the difference among the categorization of domicile and account type shows a higher value of chi-square which reported of 80.628. That indicated a more group difference among the account type of the respondents in response to their domicile types.

**Hypothesis-1:** Occupational type changes are highly correlated with the changes on the use of technology.

Table-5, reported the cross tabulation of occupation type of the customers with the technology use. From technology point of view, it has been categorized as ATM, roaming account, e-banking, i-banking and m-banking. It is reported that maximum respondents use only ATM for their transactions than other types of technology, which counted for more than 90 percent. Out of the technology using, roaming account are using by only professionals, serviceman and businessman but maximum customers are from professional type occupation. The e-banking in transactions are also very negligibly use similarly, i-banking and m-banking are only operated by the professionals across the occupational types. However, maximum customers are using ATMs than other types of technological facilities provided by different banks across the occupational groups. So, It is concluded that till yet, the customers except professionals are getting the benefit of all types of technology provided by their own banks and seem very conservative in their transactions. They feel less security across all the occupational type. However the difference across the occupation type shows a higher value of chi-square which reported 42.538 with a significance value of 0.012. That indicated a more group difference across the technology use type.



**Occupation and Technology**

**Table: 5. Showing Occupation and Technology of the respondents in (Cross tabulation)**

Occupation Type	Technology use					
	ATM	roaming account	e-banking	i-banking	m-banking	Total
<b>Business</b> % within Technology use	126 90.0%	5 3.6%	1 0.7%	2 1.4%	6 4.3%	140 100.00%
<b>service(Govt/Pvt)</b> % within Technology use	119 90.2%	1 0.8%	1 0.8%	7 5.3%	4 3.0%	132 100.00%
<b>Professional</b> % within Technology use	51 57. %	12 13.5%	3 3.4%	14 15.7%	9 10.1%	89 100.00%
<b>Student</b> % within Technology use	10 90.9%	0 0.0%	0 0.0%	1 9.1%	0 0.0%	11 100.00%
<b>Retired/Ex-service man</b> % within Technology use	65 91.5%	0 0.0%	0 0.0%	6 8.5%	0 0.0%	71 100.00%
<b>Total</b> % within Technology use	371 83.70%	18 4.10%	5 1.10%	30 6.80%	19 4.30%	443 100.00%

Pearson Chi-Square = 42.538 df=16 sig:0.012 N=443

Source: compiled data

**Testing of Hypothesis-1:** The hypothesis is accepted as the Occupational type changes is highly correlated with the changes with the use of technology as business customers use mostly the technology provided by the banks in changing environments than other occupational groups.

**Hypothesis -2:** Preferences in using of technology differ significantly in bank types.

**Table-6 showing the percentage & frequency of the customers preferring technology**

Customers	Technology prefer					
	ATM	All type technology	e-banking	i-banking	m-banking	Total
<b>No.of Users</b>	371	18	5	30	19	443
<b>Percentage</b>	83.70 %	4.10%	1.10%	6.80%	4.30%	100.00 %

Source: Compiled data

The frequency table (6) indicates the number of customers preferring to use the technology provided by different banks. It is reported that maximum customers prefer ATM followed by i-banking. So it seems customers are not that trust on technology and gradually after testing it they prefer to use. Still yet the technological advancement has not paced up in the transactions and banks must try to create awareness among the customers.

**Table-7: Showing the Descriptive Results of technology preferences of customers (bank wise)**

BANKS	N	Mean	Std. Deviation	Std. Error
<b>SBI</b>	185	1.53	1.146	.084
<b>ICICI</b>	146	1.27	.882	.073
<b>CITI</b>	112	1.49	1.222	.115
<b>Total</b>	443	1.43	1.091	.051

Source: compiled data

Table 7 showed the descriptive results of technological preferences of the customers (bank wise). Here the lower mean value and standard deviation has been marked on ICICI banks than the other two banks. The result of standard error is reported 0.073, which is also very low and negligible. So it is concluded that, the technology provided by ICICI bank is much better than CITI and SBI.

**Table-8**

**Showing the results of ANOVA on Technology preferences**

<b>TECHNOLOGY</b>	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Between Banks	5.989	2	2.995	2.52	.081
Within bank types	521.054	440	1.184		
Total	527.043	442			

*\*95% level of confidence*

Source: compiled data

Table 8 signified the ANOVA results of technological preferences of the customers (bank wise). Here the lower F-value and Significance value revealed much lower among the three banks. The result of standard error is reported 0.081, which is also very low and negligible. So it is concluded that, the technology provided by the banks are much better and there is no such major discrepancy arises among the customers of these banks on technology preferences.

**Testing of Hypothesis-2:** The hypothesis is rejected as there is no such difference arises among the banks in respect to the usage of technology as per table value of 5.13.

**Conclusion:**

The customers of the bank identify two levels of expectations as desired service and adequate service. Desired service represents the “wished for” level of performance and adequate service reflects showing more basic service expectations. The importance of e-CRM technology in bank-customer interactions remains undisputed. Commentators; nevertheless, emphasize how customer evaluation is shaped by social and personal forces. Interaction has got a very prime place in the banking services. However in order to make the interactions good it is highly important that both banks as well as customers actively involve themselves in the interaction. The relationship, which is maintained between customer and bank, has always a special place in the banking is maintained between other industries. The interaction process has includes three major factors as Information exchange, Business or financial (transactions), and Social exchange. Technology preference by the customers of the study indicates that, where the options were ATM ,All type technology, e-banking ,i-banking and m-banking ,Customer always try to use all the type of technological facilities provided by the banks, but customers have different choices in using the technology . Mostly, it depends upon the technological trust and user friendly operations.

**Suggestion:**

We, suggest that latest technology which should be user friendly can adopted by bank for improving and implementing customer relationship management effectively and efficiently. In order to maintain client relationships, a bank may provide special benefits to loyal clients.

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