

## **CUSTOMER DELIGHT: A STUDY ON THE ROLE OF E-CHANNELS OF CRM IN BANKS AT SOUTH CHENNAI**

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### **Abstract**

*The Indian Banking Industry relies on the CRM activities to increase the customer delight and thereby retaining the loyal customers. The era of globalization & privatization had let a long way of race to all the banks to compete with each other and to gain competitive advantage. The trend nowadays is only with the context of the survival of the fittest. So the tremendous advancement in information technology had produced a paradigm shift in the field of CRM in Indian banking sector. The e-Channels of CRM & e-CRM plays a major role for the improving customer delight and it takes banks to a new milestone. The study mainly concentrates on analyzing the customers of few banks from Chennai both public and private with a sample size of 160 respondents. The results have been drawn from the data collected through the questionnaire and Interview schedule. The questionnaire is designed to identify the factors that create customer delight among the customers. The research concludes with the findings of different levels of CRM activities and their contributions towards the factors influencing customer delight. This also suggests few necessary factors which can improve the customer retention process of banks.*

### **Introduction**

CRM is a distinctive competency of each bank which makes them move ahead to their competitive advantage. In this current electronic era of banking the ordinary customer service may not make the customers stick on to a particular service provider for a longer time. They always expect some specific or unique services from their banks. If these unique services are not upto mark or if they are not matching up with the expectations then the banks can't retain their customers. The retention will be done only with the unique CRM activities, which always creates loyal customers which in turn creates Customer delight.

## **Literature Review**

According to Patterson (1997) Customer Delight involves going beyond satisfaction to delivering what can be best described as a pleasurable experience for the client. The delighted customer is more valuable for the company as it will help the organization to compete with the competitors in best fashion.

According to Paul (2000), the customer delight generates more positive word of mouth for the company. After being only satisfied with a firm product or services does not necessarily mean that customer will prefer the company or reject it but it is just simple expression of acceptance. According to Syed Hasan (2011) currently banks are concentrating on satisfying the customers from their services, but in today's fast moving world, customers only can't be satisfied in just one single way in order to remain loyal to their bank. The reason is that banks are providing the homogenous services. When a single bank comes with a unique service, its competitive advantage life time shortens as all others follow the suit.

There were several studies which show the relationship between customer satisfaction and customer loyalty, customer retention & customer delight. All these concepts bring a thin linking line for connecting both customer delight and CRM activities of Banks. Bloemer and Lemnink (1992), Sharma and Patterson (2000) highlighted that there is always a link between Customer satisfaction and Customer Delight, and to some extent upon other factors such as the level of competition, switching barriers, proprietary technology and the features of individual customers. The relationship between these 2 key constructs is considered to be very crucial for the concept of Customer Delight. Satisfaction of the customers has an impact on the loyalty and that leads to the influencing the purchase intention of the customer.

According to Branes (2002) Indeed the impact of Customer satisfaction on the retention varies in relation to the industry, product or service, environment etc. In fact, in certain conditions, a customer might be less than satisfied with a service supplier, but still continue to deal with it because the costs of switching is perceived to be very high. Thus there comes the need for the loyalty programmes and training the employees towards the CRM activities for retaining your

customers and improving the business relationship with the customers in full swing. The E-channels in CRM always creates a way to improve the business and retain the delighted customers.

### **Objectives of the study**

- ❖ To study and analyze the various e-CRM factors which influences the customer delight.
- ❖ To suggest few quality enhancement services which improve the CRM activities in banks.

### **Research Methodology**

The study is an exploratory research design, which is a basis of all researches. This study may pay way for the further improvements in the area of e-CRM and the electronic channels use in CRM. The study was conducted with the data collected from the customers of few branches of banks such as ICICI, HDFC, IOB, and IDBI located in south Chennai. The data collection was done with the help of Questionnaire method which was carried out by Interview schedule. The questionnaire was designed with a structured manner to study few demographic factors of the customers and the factors of CRM and the influence of the e-channels which creates Customer Delight. The questionnaire was designed with 5 point likert scales. The sampling technique used was Convenience sampling. The sample size taken for the study is 160. The respondents were selected equally among the 4 different banks.

The few important factors taken into consideration for the study were as follows.

- e-CRM creates good relationship between the employees and the customers.
- e-CRM channels are fulfilling the customer's requirements in this electronic age.
- e-CRM improves service quality of the banks.
- e-CRM is necessary for sustaining in this competitive market.
- e-CRM helps in managing the transformations in banks.
- Preference of the customers in terms of the traditional banking, fully computerized and partly computerized banks.
- Employee behavior in both traditional and e-banks.
- Reasons for shifting from traditional banking to e-banking.

- Ranking the preferences for the different types of functions of e-CRM.

The data from the above factors were analyzed with SPSS, the tools used were Percentage and ranking analysis and Chi square method. The data were undertaken by Cronbach alpha reliability test and the alpha value is 0.62.

## Results and Discussion

Among 160 respondents, the findings of the study from the percentage analysis were listed below.

- Maximum respondents were male, graduates and they belong to the service sector professionals. Majority of the respondents are of the age group of above 30 yrs and their income level is above 2 lakhs per annum.
- Majority of the customers strongly agree that e-CRM creates good relationship between the employees and the customers.
- Majority of the customers agree that e-CRM channels are fulfilling the customers requirements in this electronic age.
- Majority of the customers strongly agree that e-CRM improves service quality of the banks.
- Majority of the customers agree that e-CRM is necessary for sustaining in this competitive market.
- Majority of the customers neither agree nor disagree that e-CRM helps in managing the transformations in banks.
- 43% of the respondents prefer for a fully computerized bank.
- 64% of the respondents agree that the employee's behavior is good in e-banks.
- The respondents ranked the reason for shifting to e-banking as follows.

Reasons	Rank
Speedy transactions	1
Makes work easier	2
Customized solution	3
Immediate response	4
Better quality of product & service	5

- The ranks provided on the customer preference of functions provided by e-CRM are as listed below.

Reasons	Rank
Cash withdrawal	1
Fund transfer	2
Online solutions	3
Bill & Loan payments	4
Deposits	5
Balance inquiry	6

From the chi square analysis made there were few findings which are listed below.

- There is no significant difference between gender and the factor stating that the "e-CRM creates good relationship between the employees and the customers".
- There is no significant difference between the education and the factor stating that the "e-CRM improves service quality of the banks"
- There is significant difference between the age and the preference towards the necessity of fully computerized banks.
- There is significant difference between the gender and the good behavior patterns of the employees of banks with e-CRM.
- There is no significant difference between the age and the necessity of e-CRM in banks of this competitive world.

## Conclusion

The study concludes that there is a heavy need for the e-channels of CRM practices in Indian Banks. Customers prefer e-banks rather than traditional banks. This is the reason why customers shift from traditional to e-banks. The e channels of CRM create customer delight and thereby retain the customers. The Customers suggested to improve the CRM activities in terms of training for staff or employees, customer counseling and education. They also suggested that the e-channels of CRM related to grievance handling can be also improved. This exploratory study will be a road map for the future areas of research.

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