



AN ANALYTICAL STUDY ON CONSUMER PERCEPTION TOWARDS ECRM IN SELECT PRIVATE BANKS IN BHUBANESWAR, ODISHA

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ABSTRACT: The main aim of the present study is to examine the customer perception on ECRM in select private banks. For this purpose, the demographic profile of the customer respondents are taken and the key demographic variables are used to find out the customer perception towards ECRM. In this connection, six private sector banks located in Bhubaneswar city of Odisha were selected. Data for the study were collected through a structured questionnaire from 564 customer respondents of these six private banks. Statistical tools namely Kruskal-Wallis test, Welch's t-test, Mann-Whitney U- test and post-hoc test were used for data analysis and interpretation. Finally, the results of the study reveals that customer perception on the basis of income has significant influence on ECRM. Further, another demographic variable namely gender is also influencing the customer perception to some extent towards ECRM. However, other variables are not found statistically significant.

Index Terms: CRM, ECRM, Perception, Private Banks, Relationship.

1. Introduction

The pattern of showcasing best marketing practices has been shifted from focusing on products to focusing on customers. Of late, marketing managers have discovered that improving existing customer relationship by understanding customer expectations has resulted in lucrative and long-lasting revenue and profit for the organisation. Moreover, a number of top business houses have been using Customer Relationship Management (CRM) to increase their market share dramatically. CRM systems were set up by these business houses to keep and win over existing customers' loyalty. In the quest of business excellence, developing CRM strategies may provide profitable marketing possibilities, boost customer value and improve customer happiness (Lin et al., 2003). However, most business organisations are unaware of the impact of CRM on customer satisfaction and downplay its significance. A company may better comprehend its customers' stated needs and more importantly, their implicit expectations by using CRM. Many businesses have used the CRM system to increase business intelligence, improved decision making, better customer relationships, excellent service quality and better product offering in an environment of continuous struggle for market research and market share. The fundamental tenet of customer-oriented management practices lies with identifying and meeting customer needs, improving the chances of customer retention, which is ultimately reflected increased profitability (Day, 1994; Sivadas and Baker-Prewitt, 2000). Therefore, it is imperative to build the skills necessary to obtain the resources, expertise, and tools needed to match customer expectations with the proper goods and services while managing the shift to a customer centric business. Effective customer relationship management is necessary to meet client requirements and forge long-lasting ties with them. CRM aims to enhance a customer's lifetime worth to a business by fostering deeper and more intimate connections with its clients (Peppers, et al., 1999). Against this background, the present research paper attempts to examine the customer perception towards select private banks located at Bhubaneswar city of Odisha.

2. Statement of the problem

From the review of the various studies till date, it has been observed that many studies conducted in the foreign countries highlighted the importance of customer relationship management and its changing dynamics over a period of time in different sectors. However, studies in the Indian banking sector particularly on the changing dynamics of customer relationship management in post-digitalisation era is very limited. Now a days the customers rarely visit the bank branch for any regular banking transaction. Under such changing scenario, the importance of the shift from traditional CRM to e-CRM need to be realised by the banking sector. Majority of the studies on E-CRM practises in banking sector and the resulting customer satisfaction are also limited particularly in the Indian context. The current banking industries are facing threat not only from the fintech companies but also from the international banks. In addition to that, private banks and foreign banks are adopting a flexible approach in serving their customers by concentrating more on customer relationship both physically and digitally. This renders a clear picture of the dependency of the banking industry on e-CRM along with traditional CRM that will be technology driven to ensure customer satisfaction, loyalty and retention. The above stated aspects motivated

the researchers to conduct the present study to find out how the perception of customers is influenced by the ECRM practices adopted by the private banks

3. Review of literature

Review of literature in the related area of research facilitates in understanding the fundamentals and also creates the foundation for further research. Research studies relating to ECRM particularly in banking sector have been carried out by eminent researchers at national and international level. The key findings of latest such studies are presented below.

Howcroft et al. (2002) in their study found that millennial customers put a higher importance to the convenience or time-saving aspect of e-banking or mobile banking than older consumers. Moreover, Younger consumers are rarely concerned about the lack of face-to-face contact than their older counterparts.

Floh and Treiblmaier (2006) focused their study on 2000 customers of a real dot-com bank in Austria. They found that customer loyalty was characterised in terms of attitudinal and behavioural dimensions such as recommendation and repeat purchase behaviour.

Eriksson et al. (2008) pointed out that the private banks and international banks were responsible for starting India's banking technology revolution. They observed that in the emerging economy, market share was driven by mind share, which was influenced by advertising, promotions and more importantly reliable customer perception.

Ravichandran et al. (2010) in their study attempted to explain the socio-economic and rational characteristics of the retail banking consumers. They identified the role of service quality factors in anticipating the multi-layer perceptron of behavioural expectations among Indian customers. They observed that operating hours, contemporary equipment and error-free records impacted customer loyalty. Tangibility, responsiveness and empathy components were discovered to be extremely essential service quality characteristics.

Olalekan's (2011) in his study discovered the gender differences in e-banking patronage as well as the reasons for low satisfaction. They observed that these aspects were essential for improvement in service delivery in terms of timing, customer relationship and consistency.

Murugan and Rajendran (2013) carried out a study to identify technical advancements in banks and adoption of CRM practises in both public and private sector banks. In the study, the researchers analysed two different types of commercial banks and discovered that the public sector banks scored higher in terms of customer engagement. However, the study revealed that both types of banks received about identical results for customer retention.

Ashtiani et al., (2017) in their study attempted to investigate the efficacy of CRM strategies in the banking sector. They used a structured questionnaire to collect the primary data from 236 respondents. The study observed that customer relationship management of the banking industry had a considerable impact on customer satisfaction and also an indirect impact on customer loyalty. Furthermore, their study suggested that good CRM strategies could demonstrate a favourable impact on customer satisfaction and loyalty.

Kalaiarasi and Mugunthan (2019) conducted a study to examine the significance of CRM practises in the banking industry. The findings of the study shows that banks could increase their competitiveness by winning over their customers' heart by implementing customer relationship management. The study suggested that the banking industry need to acquire enough resources and turn them into services in order to please customers.

Simanjuntak et al. (2020) in their study examined the role of various factors of customer relationship management on customer retention. They employed structural equation modelling method to analyse the primary data collected from 310 randomly selected customers who were opting for a car loan. The findings of the study stated that while switching obstacles had a large impact on customer retention, consumer perceived value, business image and service quality had a substantial impact on customer satisfaction.

Sağlam and Montaser (2021) in their study mainly focussed on customer acquisition and retention. The main goal of their study was to find out the association between CRM strategies and customer acquisition and retention. The observations made in the study abundantly evidenced that there was a significant correlation between CRM and customer acquisition and retention. Further, factors such as customer loyalty and trust substantially influenced both customer acquisition and retention.

4. Objective of the study

The main objectives of the present research work are as follows.

- To examine the demographic profile of the customer respondents of select private banks.
- To analyse the perception of customers towards ECRM in select private banks based on the demographic variables.
- To provide suggestions for the betterment of ECRM practices of such private banks.

5. Hypotheses for the study

The following null hypotheses framed for the study will be tested in the due course of analysis.

1. H_0 . There is no significant difference in the perception among the customers of select private banks towards ECRM on the basis of gender.
2. H_0 . There is no significant difference in the perception among the customers of select private banks towards ECRM on the basis of age.
3. H_0 . There is no significant difference in the perception among the customers of select private banks towards ECRM on the basis of education.
4. H_0 . There is no significant difference in the perception among the customers of select private banks towards ECRM on the basis of income.
5. H_0 . There is no significant difference in the perception among the customers of select private banks towards ECRM on the basis of occupation.

6. Methodology of the study

The following methodology has been followed for carrying out the present research work.

6.1 Data Collection: The data for the present study have been obtained mainly from the primary source i.e. through a structured questionnaire. Moreover, the face validity, criterion validity and content validity relating to the questionnaire were done with appropriate techniques to make the data fit for analysis and interpretation.

6.2 Period of the study: The period of the study covered from 14 to 18 months during 2021 and 2022. Further, the researchers made a pilot study by taking 50 samples to examine the validity of the questionnaire as well as ensuring that the data is useful for analysis and fit for the research objectives.

6.3 Sampling frame and size: In this research work, the private sector banks located in Bhubaneswar city of Odisha is the sampling frame. Form this sampling frame the sample respondents have been picked up for collection of primary data. In this study, 700 bank customers were approached for the survey from 6 private banks namely Axis Bank, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, YES Bank and IDBI Bank. An attempt was made to achieve a greater number of valid responses for the research work. Finally, the sample size for the present study is 564 customer respondents.

6.4 Tools and Techniques used for the study: In this study, one way non-parametric ANOVA test i.e. Kruskal-Wallis test, Welch's t-test, Mann-Whitney U- test and post-hoc test have been mainly used for data analysis. To test the hypotheses, the t-test and χ^2 test have been used in this study.

7. Analysis and interpretation of data

Keeping in view the objectives of the study, the analysis and interpretation of the data has been carried out and they are presented below.

7.1 Analysis on demographic profile of customers

The demographic variables namely, gender, age, education, occupation, annual income etc. are taken into account to study the status of the consumer respondents participated in the survey.

Table-1: Demographic variables on customer respondents (N=564)

Variables	No. of customers	Percentage
Gender:		
Male	304	53.9
Female	260	46.1
Age (in years):		
Below 20	101	17.9
21 to 40	155	27.5
41 to 60	199	35.3
Above 60	109	19.3
Education:		
Up to intermediate/+2	44	7.8
Graduate	155	27.5
Post-graduate	223	39.5
Other higher degree	142	25.2
Occupation:		
Salaried	149	26.4
Professional	154	27.3
Business	171	30.3
Others	90	16.0
Annual income (Rs. in lakh):		
Less than 1	90	16.0
1 to 5	155	27.5
5 to 10	148	26.2
Above 10	171	30.3
Period of association with bank:		
1-5 years	212	37.6
5-10 years	199	35.3
Above 10 years	153	27.1
Type of accounts maintained:		
Savings account	348	61.7
Savings and current account	216	38.3
Types of services availed:		
Locker	322	57.1
Loan	267	47.3
FD/RD	432	76.6
Insurance	279	49.5
Others (MF/PPF etc.)	334	59.2

Source: Compiled from the survey data

Table-1 displays the distribution of sample respondents by their demographic variables. From the above table, it is seen that the total number of sample respondents is 564 and maximum respondents are male comprising 304 i.e. 53.9%. The female respondents constitute 46.1%. It indicates that the sample is dominant with male respondents. It is further noticed that the maximum respondents i.e. 199 are in the age group of 40-60 years representing 35.3% followed by the age group of 21-40 years with 27.5%. It is observed that among 564 respondents, 223 i.e. 39.5% belong to post-graduates educational qualification followed by 27.5% graduate respondents. It can be inferred that majority of the sample respondents are from highly qualified category. From the above table, it is further noticed that 30.3% customer respondents are from business category followed by 27.3% from professional category. From this, it can be noted that businessmen and professionals are the maximum participants in the total sample. The table also discloses that there are 171 i.e. 30.3% customer respondents in the annual income group above 10 lakh. It is followed by 1-5 lakh income group with 148 respondents i.e. 27.5%. The table further reveals that 212 customer respondents i.e. 37.6% are associated with their respective banks for a period up to 5 years which is followed by 199 respondents having association with banks with a period ranging from 5 to 10 years. It is also noticed that 348 respondents i.e. 61.7% have only savings bank account in their respective banks. Finally, with regard to the type of services availed from banks (here only one service for each respondent is considered), maximum customer respondents i.e. 432 availed FD/RD facilities from their respective banks.

7.2 Analysis on customer perception toward ECRM practices based on demographic profile

To investigate the perception of customers on the basis of demographic variables towards ECRM practices of select private banks, independent samples test has been conducted. It is observed that the data lacks homogeneity and normality conditions. Therefore, the use of non-parametric test is appropriate under such circumstances.

7.2.1 Customer perception towards ECRM on the basis of gender

The table-2 presents the independent samples t-test results for the analysis of the perception of customers towards ECRM practices based on their gender. The table reveals three test results which includes both parametric and non-parametric tests. The non-parametric test shows a p-value of 0.103 which is statistically not significant since p-value is more than 0.05. Thus, the null hypothesis mentioned at sl. no. 1 indicating that there is no significant difference in the perception among the customers of private banks towards ECRM on the basis of gender is accepted.

Table-2: Results on customer perception towards ECRM based on gender

ECRM	Statistic	df	P	Mean difference	SE difference
Student's t	1.715	562.000	0.087*	0.142	0.083
Welch's t	1.735	561.953	0.083*	0.142	0.082
Mann-Whitney U	36384.000		0.103	0.160	

However, the parametric test of both student t-test and Welch's t-test results show a t-value of 1.715 with a p-value of 0.087 and t-value of 1.735 with a p-value of 0.083 respectively which are less than 0.1 indicates a statistically significant difference in the perception of the male and female customers. Thus, it can be concluded that the null hypothesis mentioned at sl. no. 1 can be rejected at 10 level of significance.

7.2.2 Customer perception towards ECRM on the basis of age

Table-3(i): Kruskal-Wallis test regarding customer perception towards ECRM based on age

Practice	χ^2	Df	P	ϵ^2
ECRM	4.023	3	0.259	0.007

Table-3(ii): Pair-wise comparisons through Dwass-Steel-Critchlow-Fligner test

Group-1	Group-2	W	P
Below 20	21-40	2.328	0.353
Below 20	41-60	2.060	0.464
Below 20	Above 60	0.545	0.981
21-40	41-60	-0.569	0.978
21-40	Above 60	-1.896	0.537
41-60	Above 60	-1.559	0.688

The above table 3(i) presents one way ANOVA non-parametric test i.e. Kruskal-Wallis test to examine the difference in the perception of the customers with different age groups towards ECRM practices in the select private banks. It can be observed from the above data that the difference in perception of the customers is not significant since, the Kruskal-Wallis statistics χ^2 is given by 4.023 with three degrees of freedom showing a p-value of 0.259 which is greater than 0.05. This leads to the acceptance of the null hypothesis mentioned at sl. no.2 stating that there is no significant difference in the perception among the customers of private banks towards ECRM on the basis of age. Further, table-3(ii) shows the post-hoc analysis (Dwass-Steel-Critchlow-Fligner test) for the pair-wise comparison between different groups of customers. The results also reveals no significant difference among any group on the basis of p-value.

7.2.3 Customer perception towards ECRM on the basis of education

Table-4(i): Kruskal-Wallis test regarding customer perception towards ECRM based on education

Practice	χ^2	df	P	ϵ^2
ECRM	2.944	3	0.400	0.005

Table-3(ii): Pair-wise comparisons through Dwass-Steel-Critchlow-Fligner test

Group-1	Group-2	W	P
Up to Intermediate/+2	Graduate	2.147	0.427
Up to Intermediate/+2	Post Graduate	1.753	0.602
Up to Intermediate/+2	Other Higher Degree	2.372	0.336
Graduate	Post Graduate	-0.612	0.973
Graduate	Other Higher Degree	0.292	0.997
Post Graduate	Other Higher Degree	0.997	0.895

The table-4(i) shows Kruskal-Wallis test to verify the difference in the perception of the customers with different educational background towards the ECRM practices in the select private banks. It is seen from the analysis that the difference in perception of the customers is not significant since, the Kruskal-Wallis statistics χ^2 is given by 2.944 with three degrees of freedom showing a p-value of 0.400 which is greater than 0.05. This indicates that the null hypothesis mentioned at sl. no. 3 is accepted i.e. there is no significant difference in the perception among the customers of private banks towards ECRM on the basis of education. The table-4(ii) shows the post-hoc analysis for the pair-wise comparison among different groups of customers which also exhibits no significant difference among any group on the basis of p-value.

7.2.4 Customer perception towards ECRM on the basis of income

Table-5(i): Kruskal-Wallis test regarding customer perception towards ECRM based on income

Practice	χ^2	df	P	ϵ^2
ECRM	3.748	3	0.290	0.007

Table-5(ii): Pair-wise comparisons through Dwass-Steel-Critchlow-Fligner test

Group-1	Group-2	W	P
0-1 Lakh	1-5 Lakh	1.006	0.893
0-1 Lakh	5-10 Lakh	1.866	0.551
0-1 Lakh	Above 10 Lakh	2.397	0.326
1-5 Lakh	5-10 Lakh	1.291	0.798
1-5 Lakh	Above 10 Lakh	1.844	0.561
5-10 Lakh	Above 10 Lakh	0.361	0.994

The table-5(i) presents Kruskal-Wallis test to study the difference in the perception of the customers with different income levels towards the ECRM practices in the select private banks. It is revealed from the above analysis that the difference in perception of the customers is not significant since, the Kruskal-Wallis statistics χ^2 is given by 3.748 with three degrees of freedom showing a p-value of 0.290 which is greater than 0.05. Hence, the null hypothesis mentioned at sl. no.4 stating that there is no significant difference in the perception among the customers of private banks towards ECRM on the basis of income is accepted. Further, the table-5(ii) shows the post-hoc analysis for the pair-wise comparison between different groups of customers which also discloses no significant difference among any group on the basis of p-value.

7.2.5 Customer perception towards ECRM on the basis of occupation

Table-6(i): Kruskal-Wallis test regarding customer perception towards ECRM based on occupation

Practice	χ^2	df	P	ϵ^2
ECRM-	2.543	3	0.468	0.005

Table-6(ii): Pair-wise comparisons through Dwass-Steel-Critchlow-Fligner test

Group-1	Group-2	W	P
Salaried	Professional	0.624	0.971
Salaried	Business	0.976	0.901
Salaried	Others	-1.297	0.796
Professional	Business	0.267	0.998
Professional	Others	-1.835	0.565

Business	Others	-2.141	0.429
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The table-6(i) shows the Kruskal-Wallis test to examine the difference in the perception of the customers with different occupational background towards the ECRM practices in the selected private banks. It can be observed from the above table that the difference in perception of the customers is not significant since, the Kruskal-Wallis statistics χ^2 is given by 2.543 with three degrees of freedom showing a p-value of 0.468 which is greater than 0.05. Hence, the null hypothesis mentioned at sl. no. 5 stating that there is no significant difference in the perception among the customers of private banks towards ECRM on the basis of occupation is accepted. Moreover, the table-6(ii) shows the post-hoc analysis for the pair-wise comparison between different groups of customers which also reveals no significant difference among any group on the basis of p-value.

8. Findings and conclusion

The analysis on demographic variables of customer respondents discloses that male and female customers represent 53.9% and 46.1% respectively. Maximum of 35.3% of the total sample respondents represent to the age group of 20 to 40. Further, post graduate customer respondents accounts for 39.5% of the total samples. Similarly, highest number of customer respondents i.e. 171 have more than 10 lakh annual income. With regard to the type of accounts maintained by the customer respondents, the data shows that 61.7% customers maintain savings account. Similarly, with regard to association of customers with their respective banks, maximum of 212 customers have the association of 1 to 5 years. Finally, in respect to the services availed by the customers, the data shows 76.6% respondents have availed FD/RD facilities from their respective banks.

The analysis reveals that customer perception towards ECRM do not differ on the basis of their demographic profile. However, two variables namely gender and income of the customers significantly influenced the perception towards ECRM practices adopted by the select private banks included in this study. However, other demographic variables such as age, education, occupation etc. do not make any difference towards the ECRM practices of the select private banks. Hence, it can be concluded that with regard to the customer perception towards ECRM, the income and gender of the customers may be taken into account to fine tune the ECRM strategies for greater inclusion and retention of customers in the banking fold. Finally, keeping in view the present day competition, the banks should equip latest IT enabled services to satisfy the customers of various background for the greater interest of the banks.

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