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International Journal of Economic Perspectives,16(7),78-87

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Redefining Customer Relationship Management in Banking Services through E-Marketing

Arvind Kumar

Assistant Professor, Department of Commerce, I.P. (PG) College, Bulandshahr , U.P.

Abstract

This study pursues to stretch an overall interpretation on Electronic Marketing on the Customer Relationship Management. The banking industry is extremely information-intensive, and thus makes it important to recognize new development in strategy to create value through the e-commerce on E-Marketing. Electronic Marketing emerges from the Internet and web technology to facilitate of internet and its associated technologies. It focuses on internet- or web-based interaction with their customers. E-marketing enables service sectors to provide appropriate services and products to satisfy the customers so as to retain customer royalty and enhance customer profitability. Electronic Marketing is evolved recently with the emergence of information technology such as Internet and web technologies for more customer satisfaction. In contemporary epoch E-marketing is an innovative marketing apparatus in globalized economy. In present scenario information technology, integration of knowledge, internet and healthy relationships with customers the crucial assets for the survival of E-marketing in the globalize economy. In this paper, we define impact of E-marketing with the customer relationship management. Electronic Marketing is evolved recently with the emergence of information technology such as Internet and web technologies in private sectors Banks for more customer satisfaction. In this paper, a theoretical impetus from new technologies in banking services such as mobile banking, internet banking etc is discussed to bring technology – led marketing process towards optimizing profit. This paper also brings out benefits of e-marketing from the point of view of banks, their technology and customer values.

Keywords: E-marketing, Information Technology, Globalization, Customers, Customer Relationship Management

Introduction

The appearance of electronic channels and information technology such as Internet, web technologies, mobile phones etc has speedily changed the traditional marketing methods. Rapid and quick growth of information technology has exaggerated numerous parts of our

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Corresponding author: **Arvind Kumar**

Submitted: 27 March 2022, Revised: 09 April 2022, Accepted: 18 May 2022, Published: July 2022

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society including human society, business world, communications etc. In this technological era, every each and every one type of organization, producers, retailers, manufacturers, service providers, consumers etc are found of the Internet. Rapid development in the information technology during the last couple of decades has brought a new additional dimension in the ground of marketing. E-marketing brought a revolution for businesses to communicate and interact with their customers. It expands the business to the global world and brought customers to reach globally. It provides new market to sell and market the product with more opportunities and competition. E-marketing also creates values by reducing the costs through transferring information one-to-one, one-to-many, or many-to-many (Vibhor, K, 2010). The future of E-commerce is bright and looks very promising as million of homes all over the world access the internet to make their online transactional which is also increasing at a fast rate.

Review of Literature

Some studies have been reviewed here which shows what happened when E-marketing experiences as marketing tool use for communicating.

Meng, X (2010) founded that E-commerce share the closest relationship with E-marketing. Development of E-commerce model useful both for E-commerce development and promoting E-marketing methods in the new economy.

Sheth, N.J & Sharma, A (2005) was of the view that dramatic pace development of E-marketing gave a wide impact on customers and business market. In this paper he critically examines the E-marketing strategies relationship with contexts to different countries infrastructure and marketing institutions.

Nathan, C. S (2009) tries to explain that modern technology such as 'Internet' and 'Mobile Phones' provide information to the consumers. Its methods and applications help to innovate new E-marketing methods for the survival of E-marketers in the competitive market.

Strauss, J and El-Ansary,A (2010) suggested that the domain of E-marketing is much greater than other dot-coms. Technology and Internet totally changed the way of conducting marketing and always trying to make effective and efficient marketing strategy. In this paper E-marketing is defined with the framework of different business models along with its best practices.

Kumar, N & Kumar, M (2005) stressed on the banks to improve the quality of their customer service. Banks provide fully computerized services to their customers in which half services gained efficiency and half not. This article also emphasizes on the term 'any counter concept' which should be to adopt immediately in the bank to make customer free to approach any counters in the bank.

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Sudhakar.V (2009) founded that CRM and e-CRM are the same term with the only difference of medium. E-CRM is a multi-faceted strategy that helps customers to understand and anticipate. E-CRM is an effective application which coordinates and synchronizes customer communications with another channel. These applications capture the information from various sources and store it into the data warehouse; to broaden the customer's profiles obtained from back-end transactional systems and external sources.

Revankar, B & K, Shivashankar (2010) focused on the paradigm of electronic CRM. This article attempt to provide a framework for clear understanding to get success in future. The status and maturity level of electronic CRM is emerging in the whole IT sectors. In this paper, he develops; operationally and empirically test a temporal model by explaining the relationships of Ecrm.


Kulshreshtha, S (2003) in his paper entitled as “*E-Marketing in Travel and Tourism Business*” focused on travel and tourism business as a key factor in Indian economy for the further growth of foreign exchange earnings, creating employment opportunities and providing correlate the tourism business with e-marketing because of the dependence upon the supply and exchange of information of tourism news throughout the production and distribution chain. Information through e-marketing has its vital importance in tourism and travel business which is shown by author in this paper.

Farooqui, S.U (2007) in his article entitled as “*Marketing of Banking Services*” stated that banking services work as an important tool to accelerate the wheels of economic development. Banking services can be explained as those services which facilitate transactions of individuals and institutional investors resulting in their resources allocation activities. Due to having the presence of strong or severe competition banks have to provide broad-based services in future, to ensure a strong fight with rivals in terms of quality of their services.

A review of the work done in the area of E-marketing. Some of the pertinent literature available scanned which are collected from various research papers, articles and books related with the topic which shows that work have been carried out in the area of E-marketing by several researchers. But none of the study is conducted on the topic “Impact of E-marketing services on the Customer Relationship Management – An Overview”. So, therefore this article is an attempt in this direction.

An overview on E-Marketing

E- Marketing is a notorious term having a new concept. ‘E-Marketing’ utilizes electronic channels to accomplish their marketing activities with that attain marketing objectives of the organization (Petrovic.D, 2010). It enters in the business vocabulary around 1970s with the flawless application of information technology (Gaurav, K. 2010). E-marketing is a broader

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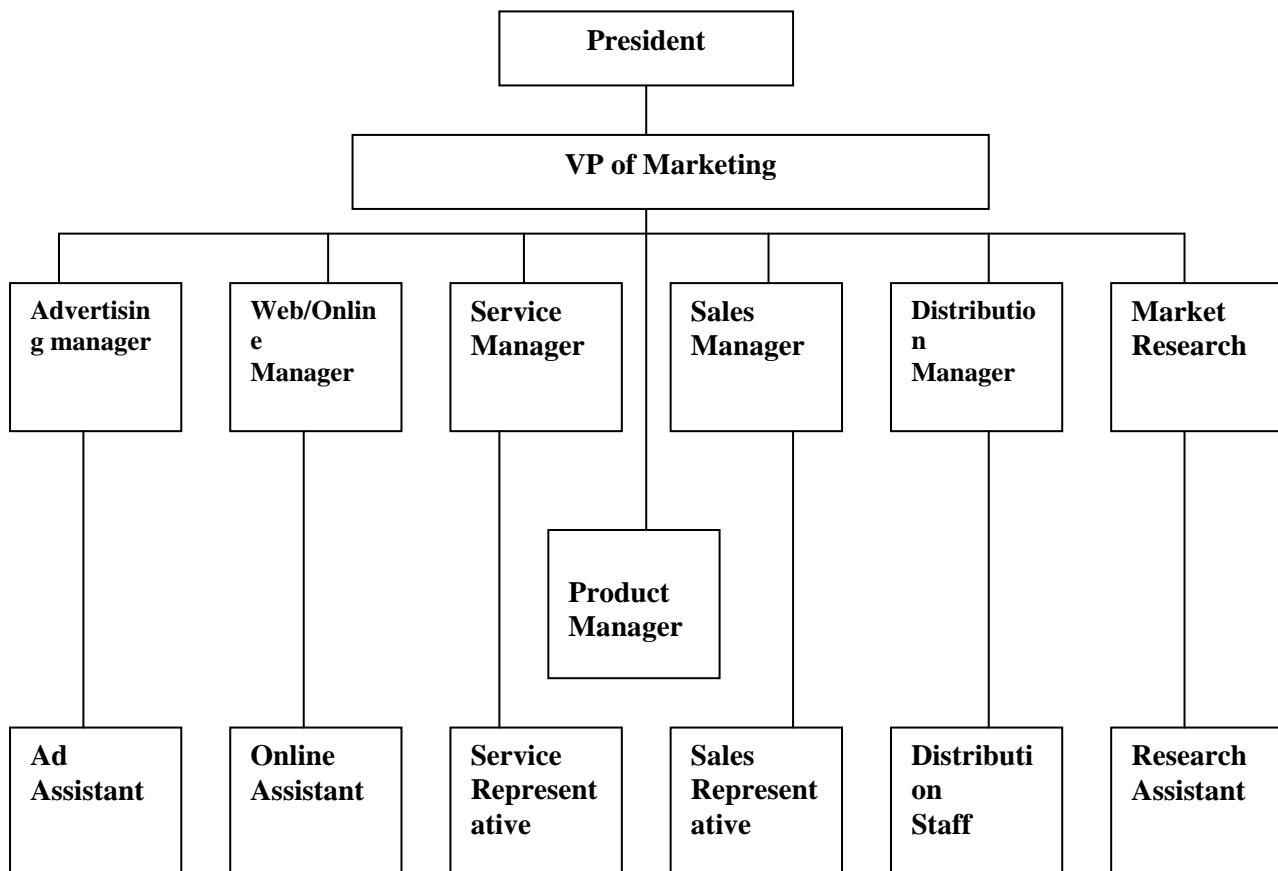
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term that performed marketing activity with the electronic channels, technology, customer support, knowledge of market etc. Electronic marketing brought up a moderately new dimension of marketing for customers where they can buy their product & services through electronic channels. E-marketing mainly works effectively in the electronic market. It is all about making the practice of marketing and sales more cost – effective and efficient. Various media tools such as e-mail, internet, mobile phones and other wireless media. E-marketing includes the broad range of application of information technologies such as (Vibhor, K, 2010).

- E-marketing creates additional customer value by transforming marketing strategies during effective segmentation, targeting, differentiation and positioning strategies.
- E-marketing make arrangement and execute the conception, distribution, promotion and pricing of goods & services
- E-marketing satisfies the individual consumer and organizational customer’s objectives.

Figure 1: Generic E-Marketing Organization



Source: Kalb.I.S, (2004). “E-Marketing: What went wrong and How to do it Right”, K& A Press, 2nd Edition 1st Printing, p.16

Arvind Kumar (July 2022). Redefining Customer Relationship Management in Banking Services through E-Marketing

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Retrieved from <https://ijeponline.org/index.php/journal>

Objectives of the study

1. To know the various e-marketing services prevailing in banks for all customers
2. To know the use of CRM in the banks through e-marketing
3. To study how e-marketing and CRM has affected the efficiency in performing various customer service
4. To establish strong relationships between bank and customers through e-marketing

Benefits of E-marketing for customers

E-marketing gives permission to promote large size of products and services at an affordable price. Specific benefits of E-marketing services include:

- E-marketing allows the users to come across new markets and to succeed globally
- Planned and effective E-marketing movement can reach to the precise customer at a reasonable cost
- E-marketing provides 24-hour marketing
- Personalization helps to come across the customers and make them enlighten about targeted offers using website
- One-to-one-marketing
- Interactive campaigns are structured to generate awareness about E-marketing
- Improved conversion rate

Figure 2: Benefits of CRM for Customers and Bank

e-CRM Benefits to Banks	e-CRM Benefits to Customers
Relationship with the customers	Customer's interaction or satisfaction
Using e-mail for business communications	Convenience
Personalized services or one-to-one services	Speed of processing the transaction through e-response
Website to market product or services	Service quality trust

Source: Barhate.B.H (2009). "Applications of Information Technology Using E-commerce for CRM and e-CRM" Shodh, Samiksha aur Mulyankan (International Research Journal) – Vol. II, Issue-9-10 (Oct.-Nov.-2009), p.54

Arvind Kumar (July 2022). Redefining Customer Relationship Management in Banking Services through E-Marketing

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Retrieved from <https://ijeponline.org/index.php/journal>

7 Cs of E-Marketing (Sumeet, P)

The advent of Internet allows whole sales sequence to be conducted on one channel. The Internet is like one big point-of-sales display, with easy access to products and the ability for impulse shopping. Through E-marketing customers can be aware about the details of product within seconds and they can go for online purchase. Further, with the targeting techniques available to advertisers, consumers who turn down a product because of the price can be identified and served a special offer more likely to result in a purchase. In the right hands, with the right tools, the Internet really is an advertiser's dream come true. As opposed to the 4 Ps of brick-and-mortar marketing, the changing outlook in the area of e-marketing can be explained on the basis of 7 Cs of e-marketing.

- **Contract:** The e-marketer's first goal is to impart a center promise for a truly distinctive value proposition appealing to the target customers.
- **Content:** means in e-marketing that whatever appears on the website and on hot linked websites should be chosen appropriately; it can enhance both the rates at which browsers are converted into buyers and their transactions customers.
- **Construction:** The promises made by e-marketers are not rare to the Internet, but the medium's interactive capabilities make it easier for them to deliver on their promises quickly, reliably, and rewardingly.
- **Community:** Through site-to-user and user-to-user forms of interactivity e-marketers can develop a core of devoted customers who become avid marketers of the site.
- **Concentration:** Targeting through online behavioral profiling. Advertisers have known for some time that behavioral targeting (a.k.a., profiling) is vastly superior to simple demographic targeting. Knowledge of a consumer's past purchases interests, likes/dislikes, and behavior in general allows an advertiser to target an advertisement much more effectively. Credit card companies are the ultimate gatherers of behavioral targeting information. They maintain vast databases of cardholders' past transactions, and they sell lists of this data to advertisers. The same type of behavioral model is forming on the Internet. Publishers and advertisement networks monitor the items that a consumer has expressed interest in or purchased on a site (or network of sites) in the past and target advertisements based on this information.

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Retrieved from <https://ijeponline.org/index.php/journal>

- **Convergence:** The Internet will become more ubiquitous and wireless; televisions will become more interactive; video/data/voice appliances will converge; brand advertising and direct marketing practices will integrate; domestic brands, commerce and marketing will become even more global; and big marketing spenders will spend more money online. Rich media, brought on by broadband, will allow advertisers much greater creativity by bringing in new types of advertising to the Internet, as well as enhancing some of the more traditional forms. Broadband technology will allow the convergence of television and the Internet. This frame will allow users to be the ultimate gatherers of behavioral targeting information. Publishers and advertisement networks monitor the items that a consumer has expressed interest in or purchased on a site (or network of sites) in the past and target advertisements based on this information.
- **Commerce:** It includes offering goods & services directly. To be successful on the Internet, E-marketers have to do more than reproduce their off-line business models on line. It is possible for e-marketers to be profitable at lower sales volume if they exploit efficiencies in e-marketing.

E-marketing and CRM

About 26 years ago, various marketing professors at the University of Pennsylvania made the landmark statement that the marketing profession was half – science and half- art. The scientific part consisted of gathering valuable marketplace information about customer needs, customer satisfaction and competitors, the artistic part consisted of applying this information to create marketing mixes to ensure that the product/service was delivered to the right segments and that the product/service was distributed, priced and promoted to entice segment buyers.

Starting in the mid – 1990s several CRM software companies began to offer basic marketing automation functionality. This included helping companies create marketing encyclopedias as repositories for valuable marketing information, managing key events such as trade show, and managing basic marketing campaign. Customer profiling assisted by predictive modeling tools also began to emerge Goldenberg, B.J (2008).

In the late 1990s, e-marketing vendors that were taking advantage of the booming internet and building on the work of marketing automation vendors extended marketing functional capabilities. In fact, today emarketing can be defined as an expanding set of automation tools to help companies identify their valuable prospects and customers to convert and grow them and to keep their loyalty of life. The expanding set of tools include the following

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Retrieved from <https://ijeponline.org/index.php/journal>

- Targeted web marketing
- Permission based email direct marketing
- Online customer behavior analysis
- Lead acquisition, distribution and management for sales
- Customer profiling and segmentation
- Integrated campaign management and measurements
- Customer engagement tools
- Customer personalization tools
- Customer driven services

E-marketing services for customers

The beginning of information technology confirmed that the development of internet and World Wide Web (www) in the marketing has completely changed the representation of traditional marketing practices. Information about product and services can be obtained through internet and information can be provided to the customers at anytime and anywhere. This skill of the web facilitates two-way communication structure which is proved as an effective and useful marketing tool. The Internet is still considered as a most matured marketing medium (Reddy.P.B, 2003). Internet marketing or E-marketing is the relatively the same term. In this, marketing of products and services conducted first and foremost on the internet which creates an electronic environment of marketing. The main goal is to facilitate exchange, creating long-term customer relationships and enhancing the utility of E-marketing with its benefits and value received. In E-marketing, the internet provide many services of E-marketing software protocols which makes the E-marketing most popular. Some services which make is used in E-marketing are -

- Exchange of ideas of messages through Electronic mail (E-mail)
- Usenet –newsgroup for online marketing research
- Sending, storing, moving and retrieving data files with the help of (FTP) File transfer protocol
- Straight association between the user and computer system with Telnet
- Online communication through text or voice chat
- Video conferencing
- World wide web (www)

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Retrieved from <https://ijeponline.org/index.php/journal>

Conclusion

From the above conceptual framework it is obvious that E-marketing is a new information technology tool in this present era. As new technologies such as internet are available in the present industries it is important that e-marketing management must provide accurate guidance to e-marketing initiative. The domain of E-Marketing as a marketing tool is much greater than the traditional marketing. E-marketers who grasp digital technologies properties identify the best practices level held with Internet and E-Banking. But, presently presence of information technology in e-marketing is considered as a boon to the economy which gives wider impact on the customers. E-marketing is responsible in creating tremendous opportunities for more effective and efficient processes and strategy implementation. The research framework have been presented here based on, the literature which provides some insights on the creation, working and delivery of e-marketing experience. In this paper, we firstly defined a new concept of present era, “**E-MARKETING**” with its definition, content and its experience relationship with Internet and E-banking. E-Marketing has its closest relationship with information technology. After taking an overall view on electronic marketing it can be stated that E-marketing cannot be considered as a substitute of traditional marketing. It plays a dramatic role in the present era of marketing with electronic channels as a marketing communication tool. E-marketing has given a positive and encouraging response to the customers. It provides required information along with customers order for the product and payment online. Changing banking era opened up numerous oppournities for E-Marketing. Banks provides tremendous support to E-marketing in brightening their global presence through self-expansion, strategic alliances etc. it is not easy to develop successful E-marketing in the new marketing world

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Arvind Kumar (July 2022). Redefining Customer Relationship Management in Banking Services through E-Marketing

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