Electronic Customer Relationship Management in Online Banking

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"...a philosophy and a business strategy supported by a system and a technology, designed to improve human interactions in a business environment." Paul Greenberg
Abstract

In online banking face to face interaction between bank and customer is not seen. This create huge service gap for banks how to serve and maintain customer relations in online environment. The aim of this thesis is to investigate how banks use “Electronic Customer Relationship Management” tool to maintain their customer relations by using the Internet and what benefits are derived by using this E-CRM tool and how successfully this tool is implemented in a bank. A qualitative study was conducted comprising two cases of banks one from Sweden and second from Denmark to get inside of E-CRM practices. The findings indicate that banks use E-CRM mostly for mass customization, customer profiling, self service, one to one interaction and automatic locks in flow of financial data like security prices which ultimately results in reduced cost of operation and increased customer loyalty and more profits. Similarly staff training and customer feedback is considered as backbone for successful implementation of E-CRM strategy.
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Chapter 1 Introduction

The first chapter of this study introduces the background of the selected area. This will be followed by problem area discussion that will help reader to understand the insight of the research area. The problem discussion ends with the research problem and specific research questions. At the end of the first chapter disposition of the thesis will be presented.

1.1 Background

In this section, background of the research area is provided. It contains the central idea of customer relationship management, electronic customer relationship management and its implication in online banking.

1.1.1 Relationship Marketing

Marketing exchanges have shifted from transactions to relationship (Foss and Stone 2001). While relationship marketing in retail banking is the activity done by banks to attract, interact and retain more profitable customers because most retail banks have both profitable and unprofitable customers (Walsh et al. 2004). As retention of small number of customers (5 percent) yields 95 percent increase on the net present value (Reichheld 1996). To gain competitive advantage, big companies are now moving to a new orientation which is termed as customer-centric orientation (Bose 2002). Figure 1 shows the direction of businesses.

![Figure 1: Business orientations of the last 150 years](source: Bose (2002))

A customer-centric firm is considered one which has the capability to treat every customer individually and uniquely. Berger and Bechwati (2000) argue that the core of relationship marketing is to develop and maintain long-term relationship with customers rather than simply a series of discrete transactions. They noted that guiding principle for the management is the customer’s lifetime value, firms must consider the entire relationship with the customers rather than to calculate discrete transactions.

A study done by Brännback (1997) says that to have success in management of marketspace there is need to manage the virtual value chain. While Walters and Lancaster (1999a) has offered another view that traditional value chain starts from the competencies attained by a company’s core values while evidences suggest that modern value chain has reversed this approach and has used customers as its starting point. By considering this Zineldin (1999) agrees that good marketers think to make a first time sale as not the end of a process but it is the start of relationship with the customers. He further argues that it is necessary to protect added value if a company wants to create and extend long term relationship with the customer.

1.1.2 Online Banking

According to Karjaluoto et al. (2002) electronic banking term refers to Internet banking. The Internet has a great impact on the electronic banking now it can be done without any time and
geographic remoteness. Consumers all over the world can easily access their accounts 24 hours a day, seven days a week. This provides many opportunities to banks as well as customers and the person using online banking is young, well educated, having high level of income and good job.

It is argued by Ravi et al. (2001) that there are two types of online banking, namely e-banks and e-branches, an e-bank exists only on the Internet where paper record is not kept and it operates all over the world without any geographical boundaries and it is available round the clock and without any opening and closing hours, while e-branch bank is a brick-and-mortar bank that provides internet banking to its customers because customers prefer more e-branch service than e-banking service. It is further added by De Young (2001) that in online banking any type of transaction can be done except cash withdrawals with only mouse click at home or office. This type of accessibility is considered a key benefit for those who use this facility; it avoids the customers to go personally to a bank branch and to stand in the lines (ibid.).

1.1.3 Definition of CRM (Customer Relationship Management)

According to Galbreath and Rogers (1999, p 162) the definition of CRM can be described as:

... activities a business performs to identify, qualify, acquire, develop and retain increasingly loyal and profitable customers by delivering the right product or service, to the right customer, through the right channel, at the right time and the right cost. CRM integrates sales, marketing, service, enterprise-resource planning and supply-chain management functions through business process automation, technology solutions, and information resources to maximize each customer contact. CRM facilitates relationship among enterprises, their customers, business partners, suppliers, and employees.

For a successful company customers are the most important and they must be looked after and served properly. Many big companies are investigating in managing the relations through CRM. It helps a company by using correct processes and procedures to look after customers accurately. CRM is a software which gives a company valuable information at the most basic level like remembering the birthdays and names of the children of customers. This kind of information helps sales staff to give more value to make customers feel very special (Customer Relationship Management nd). Business call centers are the biggest user of CRM software because they contact many customers at the same time and give feedback. The strategy of CRM is not to have only installation of this software but its starting point is to consider employees at first, the employees must be well trained to CRM theory so they could get maximum benefits by using this tool (ibid.).

According to Brige (2006) customer relationship management is considered a new approach, new management concept. It is to manage technology, information resources, process and people to make an environment which permits a business to have view of its customers at 360-degree. CRM’s environment is complex and it needs the organizational change, a new thinking and vision of the business, database in CRM environment is considered as a resource from where commercial benefit is generated by understanding the customer behavior.

Firms can use CRM technology but mostly it is beneficial in financial and telecom sectors where a lot of data about customers is handled (Harvard Management Update 2000). CRM is a technology innovation with its ability to collect and make analysis of customer data by seeing the customer’s patterns, predict customer behaviour, respond on time with customised communication, creates predictive models and deliver products and services to individual customers. By using this technology, optimise interaction with customers create a 360-degree view of customers to learn from past interaction to the future trends (Chen and Popovich, 2003). 360-degree view of customer is a person to person model supported by technologies in prediction
of customers buying patterns and price differentiation (Galbreath and Rogers, 1999). The main idea of this model is that the best market performance is achieved by having superior skills in understanding the customer in better way (Narver and Slater, 1990). In figure 2 a view of 360degree customer view can bee understood.

Figure 2: 360 degree view  
Source: Kotorov (2002)

1.1.4 The Internet and E-CRM  

While Shan and Lee (2003) say that “E-CRM expands the traditional CRM techniques by integrating technologies of new electronic channels, such as Web, wireless and voice technologies, and combines them with e-business applications into the overall enterprise CRM strategy”. They further say

“the ability to capture, integrate and distribute data gained at the organization’s Web site throughout the enterprise”.

The purpose of E-CRM is to serve the customers in better way, retain valuable customers and enhance analytical capabilities in an organisation (Fjermestad and Romano, 2003).

It is supported by Hasham (2003) that by implementing E-CRM at the company all manual processes are removed:

...previously, a lead time of two to three weeks was required to find out what was happening in the business units, but now that has been removed. An immediate benefit was also the improvement of operational excellence and other intangible benefits.

It was further added by Young (2001) that E-CRM industry compound growth rate all over the world was 27 percent, from $5, 2 billion in 2000 to $17 billion in 2005. E-CRM is helpful for
companies to track all sales and marketing activities very easily they can pinpoint targets and make commitments and adjustments in new products. While Dyche (2001) says that benefit of electronic customer relationship management (E-CRM) is to retain the customers, improve customer service and to assist in analytical capabilities, in the meantime it is an infrastructure which provides support to valuable customers to remain loyal, E-CRM comprises of hardware, software, processes and applications to manage all these issues.

Companies need to create multi channel hub which can take information from recognized customers and make a single view of customers (Shan and Lee 2003). While 65 percent customers who purchase at a given website will never do a second purchase, this fact is the wake-up call for web-enabled companies that there is a huge service gap in online channels (Boston Consulting Group).

1.2 Problem Discussion

Financial “know-how” is very important factor in the purchase of financial products and customers do not wish to get this know how, they only get advice (Harrison, 1997). While Banks (2001) pointed out “consumer financial decision making relies on a core of information…and they [consumers] must have access to this information on a timely and regular basis”. To satisfy customers, companies should maintain consistency in all interaction channels like the Internet, E-mail, Telephone, Web, Fax and company areas like sales, services, marketing and other fields. Traditional CRM has limitations to support outside channels while E-CRM supports marketing, sale and service( Shan and Lee 2003).

E-CRM does not change the marketing but its role is to enhance the effectiveness and serve the customers in better way (Scullin et al. 2004). It reduces the cost of communication with customers and streamlines the workflow because of integration with enterprise system, it makes better market segmentation and helps in enhancing customer interaction, personalization and relationship opportunities (Adebanjo, 2003).

According to Feinberg et al. (2002) consumers are getting more involved to use web because of the internet is becoming more available and consumers are comfortable with web businesses, those consumers who are not using Web will use tomorrow and those who have never purchased today will buy tomorrow on the web. It is confirmed that the growth and importance of E-CRM is guaranteed (Reda, 2000).

It was further added by Shan and Lee (2003) that E-CRM has the power to develop sufficient value by allowing companies to collect, organize and segregate customers information, E-CRM concept is to understand who the customers are and what products they like companies can create value by automating who, what, when, where and how like words. E-CRM gives the ability to capture, integrate and distribute data obtained through company website. The successful key to manage customer relations is to integrate current CRM processes with E-CRM application, this integration of channels in all company areas is critical (ibid.).

According to Wells et al. (1999) a customer chooses the type of interaction; firms do not demand the customer to fit into company’s IT framework. For customer satisfaction, it is on its disposal to choose any method of interaction which ever it likes. This does not confirm that a firm should provide every method of interaction to the customers because during business process analysis
firms identify the contact points to support the customers and IT facilitates this interaction. According to Patton (2001) sales force is reluctant to use the system because management does not explain the full benefits of the tool and use inexperienced consultants. Based on these observations there is need for organizations to focus on users and consider their needs by considering the overall strategy for implementing E-CRM to become successful. Data integration from multiple sources like online and offline is a critical issue in successful and valuable E-CRM and it becomes a challenge for progressive companies initially (Nemati et al. 2003).

According to Adebanjo (2003) for selection of E-CRM these combinations of factors need to be managed properly. Before selection of the solution, organizations consider the functional attributes and application cost. There are other factors as well including forward and backward architecture compatibility, configurability, implementation time and cultural alignment (ibid.). The technology side of E-CRM represents many seams which must be joined tightly because there is no single software to fill this gap. Companies need a variety of software, hardware applications to implement it successfully (Anon, 2002). According to Kennedy (2006) in adopting E-CRM technology, there are challenges of data integration and IT architecture. Companies are not considering the Web as a single channel and it is not isolated from other channels. For successful implementation of this system companies need to set up traditional back and front office adjustments.

It is supported by Adebanjo (2003) that challenges which organizations face in selecting and implementing E-CRM applications can be overcome by training, awareness, detailed planning, resource management and competences development. For smart, speedy and efficient implementation of E-CRM solution it needs skills and competencies which are multi-dimensional (technical, operational, cultural, and organizational) and require team-oriented approach. The technical and management skill development is basic for successful implementation of E-CRM solutions. There may be some difficulties for medium or large organizations because of their requirements are complex while on the other side in small firms they have less complex requirements. So it is necessary for understanding the influencing factors and their impact on the selection of E-CRM.

According to Chen and Chen (2004) there should be complete overview of business model, system architecture and integration of IT and business strategy. There is suggestion that E-CRM has the capabilities to alter the business processes and there is need to examine the need to understand the interdisciplinary impact of technology innovations on the marketing.

On the ground of introduction above, it is assessed that there is enough information gap in the existing research which is related to the use of E-CRM in financial sector particularly the use of E-CRM, its benefits and how successfully it is implemented in banking sector. This fact shows that no many empirical studies have been done in this connection. Thus, the objective of this study is to contribute by filling this gap by exploring the dynamics of E-CRM in financial sector.
1.3 Research Problem and Research Questions

Our research problem based on problem area is formulated as follows:

To gain a better understanding of “How banks are using Electronic Customer Relationship Management (E-CRM) in online banking in B2C context?” For better understanding of this research problem following research questions have been developed;

Research Questions

RQ1: How does Electronic Customer Relationship Management (E-CRM) be used in online banking?

RQ2: How can banks get benefits of E-CRM technology in online banking?

RQ3: How can banks implement E-CRM technology successfully in online banking?

1.4 Disposition of the Thesis

This study is divided into six chapters. Until now, the content of the first chapter has been presented and following chapters will be discussed briefly. The second chapter will provide the reader with an overview of the literature related to the stated three research questions, while considering the previous research done within the area of E-CRM in online banking. Next chapter three will motivate and describe the methodology used in this study. Chapter four will show the empirical data collected during the research and be presented.

Furthermore, chapter five includes the analysis of the empirical data. The analysis contains both within case analyses of each bank and cross case analysis, where the data from different banks will be presented and compared. At the end, chapter six contains the overall conclusions that can be drawn from the research. Conclusions will be given in relation to the three research questions and the chapter ends with recommendations for managers, new dimensions in theory, and further research within the area of E-CRM in online banking sector be discussed.
2. Literature Review

In this chapter, we will present theory connected to research problem. This theory will be used to develop our research questions and for conceptualization.

RQ1: How does Electronic Customer Relationship Management (E-CRM) be used in online banking?

2.1 Elements of E-CRM

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

1. Customer Selection
2. Customer Acquisition
3. Customer Retention
4. Customer Extension

2.1.1 Customer Selection

It refers to customer targeting, segmenting, and mass customization which offers a customised product which fulfils the individual needs and maintains a low-cost position via mass-market operations. Mass customisation has been introduced into business processes which created new developments. First, customers have individual lives, and everyone has a unique set of needs and desires. Second, the fast growth of information and production technologies has made it possible to meet these individual needs to a high degree.

The Internet integration with Customer Relationship Management (CRM) gives possibility to capture and analyse customer’s click streams data e.g., by monitoring customer’s behaviour when they are online and surf the website and make purchase. There are two benefits of mass customization. First, it is done properly and with accuracy which increases the customer satisfaction level because only those services and products are provided which create benefit. Second, mass customization gives the potential to lock and bind the customer which will reduce the threat of switching to another website.

2.1.2 Customer Acquisition

It focuses on promotion and other incentives to acquire new customers and to serve existing customers to come online. While in online channels the firm should have at least the e-mail address of the customer. Detail customer profile includes information like age, financial status, personal interests and customers role in purchase process. To get this information, customers are offered incentives like gift certificates or free product samples. Primarily it is done through banner advertising. Marketers are using tools like viral marketing where the customers forward web address or company information to others via e-mail or by using SMS.

2.1.3 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: personalisation and communities. While personalisation of website is done by considering the needs of the customer and it makes possible for him to stick to particular website. While online communities create network effect with different users. Both types make the users stay on a particular website.
2.1.4 Customer Extension

It has focus on the maximization lifetime value of a customer. Companies expand this through existing customer relationship via cross-selling like if there is some change in customer account like address change, marital status change, large money transfer etc. A complete overview of customer relationship management cycle can be seen in figure 3.

Figure 3: Customer relationship management cycle
Source: Jelassi and Enders (2004), page.104

2.2 Process of E-CRM

According to Julta et al. (2001) there are four processes in E-CRM which consist of engage, purchase, fulfil and support components.

2.2.1 Engage Component

It is the network which enables the process of enhancing the right customer to buy a product or service. And they come prominently as a result of a search engine or via advertising banner. E-CRM is not doing online marketing, sales and service but supporting the traditional channels like storefront, resellers by using the Internet. When a customer search for products or services, he or she does browses which involve seeing contents, searches, compares, configure, interact, ask questions and listen. E-CRM has the capability to identify customer needs and solve the problem. During all this process, advertising effectively helps the customer to look at the product.

A merchant presents personalised view of the customer by using the way which includes traditional and online marketing tools and picks and choose products and forwards specific information to the customer. The localization requirements of the customers are understood at each location and contents are tailored to suit them. Localised contents are presented to customers to give them true picture like costs, rules and regulations. Complete customer information can create better customer experience and online information is recorded in a database. Sales leads
are followed up by sales department while data mining regarding customer data helps to analyse and create marketing campaign. Dot com companies are using traditional media too which includes newspaper, radio and television. Customer data warehouse is used for effective marketing campaign. This technique permits personalization and one-to-one marketing. History of sales order may be used for personalisation and gives more customer service by allowing the customer to view his past transaction history.

2.2.2 Order Component

In ordering, a customer makes selection and commitment to purchase a product. During customer interaction with the business, there is no distinction between the departments in the eyes of a customer it does not make any difference in dealing with marketing, sales or support service. He\she is dealing with the business. In dot com environment a customer views the business all at once. Here real-time shopping environment gives an overall view of price, shipping, availability and tax rules for product or service.

The customer ordering is linked with enterprise resource planning (ERP) or back office system. It creates more customer expectations because they are more accurate and is presented with accurate delivery date and order status information. Customers can make regular change in their orders and until the time of shipment, they want to view their past order transactions. For these reasons, order system should facilitate not to capture orders but to create real value to the customer. It must be real time supply chain management data which consists of demand planning and forecasting, manufacturing planning and scheduling, distribution and deployment planning and transportation planning and scheduling data. In B2C commerce, the payment system is mostly done via credit cards, micro payments and electronic fund transfer, and non cash settlements like contracts and invoices.

2.2.3 Fulfilment Component

It is the management and movement of information on product and service. When there is problem a customer sends back the product and gets replacement. The major enabler of fulfilment process is back end process integration, delivery capability and governance of sales around the globe. In back-end, E-CRM is integrated to the company’s internal systems where product availability and lead time can be accessed. All these systems are integrated with common database to be available for access. While in delivery of products it could be sent electronically or can be sent via other means. In digital goods, delivery capability is totally automated.

2.2.4 Support Component

In self-service application system, there should be ability to handle customer’s desires. Best of breed example has all the information available to customers in an online environment and which allows the modification and update of customer information at customer level. For example order tracking is the best example of self service application. Product upgradation notification is another support and engagement process. From a customer perspective, the customer should be informed of the updates and upgrades when they are available. This is achieved via customer contact point information which is already available in the system.

2.3 Components of E-CRM

Anton and Postmus (1999) has identified components which are used in E-CRM activities in a firm.
2.3.1 Contact and information, general E-CRM features

1. **Site customization** The most important feature of E-CRM is the information available to the browsing customer. Due to the richness of information on the website, it can be a weakness of E-CRM design. Those sites which offer customized features allow its users to filter the contents they want to see. Web based CRM’s future is “one-to-one” websites. After first visit a customer can see easily his/her preferences (like: www.yahoo.com; www.my.yahoo.com).

2. **Alternative channels** There are many kind of contacts to a company including fax, e-mail, toll-free number, postal address, call-back button, voice over IP and bulletin board. E-mail is an important tool for communication between company and its customers. It offers improved customer service and reduced cost because customer service queries are handled in low labour cost countries.

3. **Local search engine** This helps the visitors to search the key words to locate the required contents quickly on the site. This helps those visitors who are in search of specific information.

4. **Membership** By having a password, a visitor can browse the password protected pages of the site, this allows the company to collect information from customers when they register for the membership. It also gives the opportunity to track the behaviour of the customer on the site over a different time. This permits a business to assess the worthy customers by assessing the current and prospective customers profit and defect patterns.

5. **Ailing list** A visitor can receive more information by registering his/her e-mail address to a list to receive the automated emails. It is called newsletter. It gives the opportunity to the company to build a database or e-mail addresses of potential customers of the company’s products or service.

6. **Site tour** A customer can get familiarization with the web contents by site tour.

7. **Site map** It is a hierarchical diagram and also called site overview, site index or site map on the pages of website. This gives the opportunity to understand the structure of the website.

8. **Introduction for first-time users** For those visitors who are new on the website can surf to an introduction page which has information on how to use the site most efficiently. This facilitates the prospective customer to start purchasing.

9. **Chat** This facility allows the visitor on the site to chat with other visitors on the site or with personnel of customer service. It is not used widely but with passage of time it will be used globally when Internet penetration increases and bandwidth obstacles decrease.

10. **Electronic bulletin board** These boards allow visitors to exchange information with others, by this way the shape of website can be changed to serve the customers because they need more accuracy. A site visitor can put a message or can respond on the posted message on a special web page.

2.3.2 E-commerce features

11. **Online purchasing** It is the most important part of the website which allows the visitors to purchase the services or products online.
12. **Product information online** It gives product information to visitor on the website and it is a critical part since web customers gather product information from the site and after that they are ready to buy the product from the company.

13. **Customization possibilities** Visitors on the site can customize their required service or product before ordering. For example, online visitors can have the option to assemble a PC for specific configuration which is not listed on the website or purchaser of jeans pant can design a pant which fits ones body shape.

14. **Purchase conditions** Online visitor can view all the purchase and contract conditions which include shipping policies, return policies, guarantee, warranty and other company formalities.

15. **Preview product** It is possible for online customer to view the customised product before purchasing and it can be viewed in motion picture or a demo.

16. **External Links** Online visitor can quickly and easily link complementary products from other companies in the shape of external links in the website.

2.3.3 **Post-sales support features**

17. **FAQs** This feature works as self-help to the online customers who are looking for answers to their queries. And these frequently asked questions and their answers are available for reading. Its main advantage to the company is reduced traffic on customer service.

18. **Problem solving** By using this feature, customers are able to solve their problems regarding company products or services by themselves with online self-help routines. This is not popular because of resistance from the customers to use this feature.

19. **Complaining ability** Websites have a special area where customers can log in their complaints and problems and can get quick action from the company.

20. **Spare parts** Online visitors can order complementary products and spare parts. This facilitates the company to ensure repeat traffic to the website.

**RQ2: How can banks get benefits of E-CRM technology in online banking?**

2.4 **Benefits of E-CRM**

2.4.1 **General Benefits of E-CRM**

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

1. Create long-term relationship with customers with minimum cost.
2. Reduce the customer defection rate.
3. Increase the profitability from low-profit customers.
4. Focuses on high-value customers.

E-CRM is an approach in relationship management. It benefits to its stakeholders who include employees, customers, suppliers and channel partners (Ragins and Greco, 2003). According to Rigby *et al.* (2002) E-CRM takes many forms and depends on the objectives of every
organization, it is not only technology or software; this tool is used to align the business process with the customer in a strategic way.

E-CRM *increases customer loyalty* because information stored in this software helps a company to look actual cost of winning and retaining the customers. By using this information a company can use its time and resources for most profitable customers. In this way a company can find the best customers by managing them as a premium group. This shows that it is not advisable to treat all customers in the same way (Scullin *et al.* 2002).

E-CRM *gives more effective marketing* because this information is used to predict what kind of product a customer likes to buy and timing of the purchase. It allows to make the campaign targeted and to track it in more effective way. This customer data is used to analyze it in more effective way like which marketing campaign is the best and effective and its impact on sales and profitability (ibid.).

E-CRM *improves customer service and support* because it helps to receive, update and fulfill orders remotely and this finest tool is used to complete this service in the best practical way (ibid.).

E-CRM is an *efficient and cost reduction* tool which integrates all customers data into single database, it permits marketing teams, sales forces and all departments within the company to exchange information and to achieve the common objectives of the corporation by using the available statistics (ibid.).

### 2.4.2 Specific Benefits of E-CRM

According to Kennedy (2006) definite opportunities of E-CRM are;

1. Enhanced Customer Interactions and Relationships
2. Managing Customer Touch Points
3. Personalisation and E-Loyalty
4. Source of Competitive Advantage

#### 2.4.2.1 Enhanced Customer Interactions and Relationships

There are three phases involved in E-CRM and all are designed to manage customer life cycle and to maximise customers lifetime value (Kalakota and Robinson, 2001)

1. Enhancing the profitability of the current customers
2. Acquiring new customers and to
3. Keep profitable customers permanently

All these phases depend on the information regarding customer and insight of the organisation. By gathering online information of the customer which is already in an arranged format and can be pulled to analyse without data entry, as compare to traditional channels. This data streamlining technique enhances information quality with less time. Organisations can pick more information via online channels which leads better analytical decisions to have an overview of customer behaviour, as a result targeted and customised relationships are established. By using CRM both parties, customers and sellers receive benefits because customers receive those products or services which are more closely related to their desires while organisations receive high-value and low-risk customers. By designing properly and implemented CRM can remove many administrative demands in the organisation and gives better information to the customers at low
cost (Ahn et al. 2003). Cost effective marketing is achieved by well defined segmentation which increases profit. In association with other technologies which are used at the back end like customer databases, data mining and warehousing, value adding and personalised products and services create competitive advantage over the other companies (Ab Hamid, 2005).

2.4.2.2 Managing Customer Touch Points
When customers deal with an organisation they move between traditional and online channels. E-CRM supports these multi-channel touch points with the company and there should be consistency in customer experience. When multiple interaction points are offered to customers they will not be ready to repeat the processes if it is not integrated with other departments. Customers should have real time information via all the channels when they switch to alternative channels. There should not be any difference whether a customer is interacting with the company through the sales department, reseller or over the internet. This has created multi-channel management for successful CRM strategy in organisations (Crosby and Johnson, 2002).

The biggest advantage of E-CRM is to link all the operations in a business which affects the customer experience. Technology gives opportunity to companies to have customers feedback from touch points. The technology makes it possible for agents, managers, partners and other users to maintain a single view of the customer and gain organisational information instantly. This ability of single view of customers has improved customer service (ibid.).

2.4.2.3 Personalisation and E-Loyalty
With E-CRM, it has become possible for companies to tailor the overall customer experience at individual level. This tailoring is based on customer data, active personalisation which include information of contents presented and the products offered and supported by advertising from other organisations. The direct-to-customer channel is a key enabler to handle automated systems which make it possible to offer highly relevant contents because of the volume of data which can be collected (e.g., links clicked in emails, products viewed but did not purchase online etc.) for example Amazon a book seller, its customers get recommendations for books by using this personalised technology (Anon, 2001). These personalised websites have empowered the customers to make their preferences and facilitate the navigation (Ab Hamid, 2005). E-CRM improves Internet customer’s loyalty level. Salmen and Muir (2003) too highlighted that in Internet banking operations, electronic customer care tools may be used to enhance customer E-loyalty.

2.4.2.4 Source of Competitive Advantage
When well designed and correct E-CRM is implemented, it increases digital loyalty cycle which becomes lasting competitive advantage. When a firm uses E-CRM technology and redesigns its business processes to acquire customers and to retain them, it makes strength in the areas of customers purchase decisions. Which include pricing, quality of the product, marketing, sales and customer service. It creates more digital loyalty cycle (Anon, 2001). By using E-CRM, customer-centric companies are using customer information to manage pricing and marketing decisions in real time in better way (Kennedy, 2006).
RQ3: How can banks implement E-CRM technology successfully in online banking?

2.5 Rules for Successful Implementation of E-CRM

Nielsen (1992) has modified usability engineering life cycle based on Gould and Lewis’s (1985) model. This model can be used in any system for successful implementation. Figure 4 on page 15 gives an overview of the whole model. The model comprises of three stages

1. Pre-design
2. Design
3. Post design.

2.5.1 Pre-design Stage

First step in usability life cycle is the pre-design stage. This stage involves the gathering of data to get better understanding of the user community. Nielsen (1992) has highlighted the two factors which have the highest usability impact including user differences and task variability. To know the users and the task they perform is compulsory when designing any system. It is important for usefulness and usability of system. By spending time with users in their user environment, it is easy to learn and understand what users think of the system.

So it is vital that there should be investigation of the needs of the users to get desired results of highly successful, usable and useful product. There are many methods in front of designers to get familiarity with their users, the most accurate way is to go to the users environment and observe the users in their natural work environment. Designers can also get important information by interviews by giving questionnaires. In that way they can identify those areas where existing system is not able to meet the user needs or where user can not reach because of he\she does not understand the product. When the design team is able to understand the user target group and they identify the existing task of users then there is need to add those functionality in the product which are not offered previously.

After getting user knowledge, the designers should analyze the competitiveness. The common is to build prototype. The designers should perform users test to get empirical data which is required to establish a strategy to get usability goals. To save time to prepare a prototype, Nielson (1992) has given suggestion to use competing products for users test. This will give opportunity to designers to know the strengths and weaknesses of the existing products and brainstorm the new features to be added into their product. The end step in the pre-design stage is the setting of usability goals.

There are two advantages of these usability goals first is to focus on user interface design efforts which give designers an advantage to think of their design ideas again and during the design process. While second usability goal is to access acceptance criteria during the process of evaluation at the end of design process. These goals allow the designers to collect empirical data for the team to evaluate the success of the project.

General objectives are not helpful because they will not give help to the team to evaluate the success of the product. It is necessary for designers to set the goals. Those people who are involved in goal setting should convince the users about the exact benefits they can derive from the product. These three stages of pre-design which include knowing the users, competitive analysis and goal setting can be repeated. This repeated process gives assessment in one area and gives cues to repetition of another area. If there is quick move from pre-design stage it may cause serious problems in post-design stage of the product life-cycle.
Pre-design
Understand the target population users and tasks

Design
Objective: to arrive at a usable implementation that can be released

Post-design
Objective: to collect data for the next version and for new future products

1. Know the user
Visit customer sites
Interview individual users
Observe users and Processes
Analyze the tasks
Business process
Reengineering

2. Participatory design
Prototyping
Pilot projects
2. Coordinated designs
Consistency
Standards
Product identity

2.5.2 Design Stage
According to Nielsen (1992) the purpose of design phase is to get a point where useable implementation can be done. This design stage comprises of different tasks which involve different levels of design and involvement of different users and its testing. Like pre-design stage, this design stage can be repeated to make corrections. This participatory design process can be used to address those issues which were overlooked at pre-design stage. Users check the product and give advice to the designers if the product introduced work efficiently and effectively. Nielsen (1992) has highlighted the importance of this stage as users can raise those questions which design team was not able to consider previously. This interface consistency should transmit all related media which include applications, documents, online help and training material (Benbasat and Lim, 1990; Bennett, 1983; Davis and Jordan, 1997; Nielsen and Molich, 1990; Romano and Nunamaker, 1997; Satzinger, 1991; Shneiderman, 1987.)

Designers share common goal of interface and get to know how it appears to the users. Those tools which are used to assure the consistency in the projects may include interface standards, product identity and code sharing. After that is to develop guidelines and prepare heuristic analysis which gives a list of principles which can be used by developers in designing user interface. The goal of these guidelines is to prepare consistent interface and documentation and further it helps the users to know the error message system. It is important that there should be a prototype ready. And the goal to build a prototype is to reduce the risk at minimum cost. It should be prepared at the early stage so users can have interface and its feedback can be checked. These prototypes give opportunity to get first hand experience with the ultimate product. One should be designed early in the process so users have an interface with which to test and provide feedback. The prototype gives the users hands-on experience with the eventual product. Basically, if these changes are done later then it becomes more costly for the organization (Boehm, 1981; Cockburn,
It is essential that this phase make assurance that these changes are done all the time. While common methods used in empirical testing include: thinking aloud or GOMS analysis (Fountain and Norman, 1985, attitude and usability questionnaires (Davis, 1989,), users knowledge testing before and after system use and users observations (Prasse, 1990; Sullivan, 1991,) and group elicitation (Boy, 1997; Sullivan, 1991). Developers try to have repeated design. They have to revisit the previous stages and to refine the product. Developers will see the scenarios and solve and correct the design flaws which were highlighted in previous design. After the resolve of usability issues it is important to conduct additional testing and re-testing. Designers should be careful in exposing the testers to that point where they get capability to become experts. After a number of evaluations in the life cycle, the development team and other management will make their decisions to go further and release the product and move into the next post-design stage.

2.5.3 Post-design Stage

In the post-design stage, information is gathered for the next release. This designed product is used as a later version of the prototype. Designers will make follow up studies and will gather information of complaints on the basis of new product designed. Designers are given opportunity to visit real-user sites and see the real interaction of the users with the product. They may also able to get economic data while considering increased user productivity, product opinions and surveys and supervise the interviews. This process begins again and designers are able to re-acquaint with their users and are able to develop new and enhanced versions of existing products. At some time, management can decide to develop a team who make a decision when a new version should be introduced. When at the request of users, after detecting errors and rectification of these errors, development team adds the functionalities in new product version.

2.5.4 Reasons for Success

According to Fjermestad and Romano (2003) the management team gets guidelines regarding integrated E-CRM framework, improve usability and reduce resistance via training and education to users and by using prototyping and pilot programs. These two strategies work together. The company who got limited success in implementing E-CRM did not know how much effectiveness of people was there for successful system. When primary focus was given to people and they were involved in the design process, the resistance was eliminated. The key factor for successful E-CRM by making analysis was that of focus on people and incremental approaches. By using basic usability and resistance principles in this framework, organizations can achieve maximum success. CRM is a cumbersome combination of technology, people, software and business processes. It is recommended that system designers and implementation managers should consider usability to manage and reduce resistance.

2.6 E-CRM Integration Dimensions

According to Adebanjo (2003) there are three key dimensions of E-CRM integration:
2.6.1 Technical Integration
E-CRM applications should be compatible with the current technology and be adaptable to open architecture and could be integrated with other e-business applications which are likely to be introduced in future. This compatibility should be across the architecture which includes database, business logic and presentation layers.

2.6.2 Functional Integration
The E-CRM application should have the ability to improve the current business processes which is a key factor in successful implementation. Generally, if the application is more configurable it is easy to tailor to the requirements of the organization. While analysis of functional integration should include “fit” to the application with the other functions or processes within the organization. If this “fit” is not easy then organization can change its processes to fit the technology.

2.6.3 Cultural Integration
New applications can be deployed by considering the new working practices and accepted by organization. These impacts are considered during the planning stage of the project and where appropriate there should be necessary actions to be taken (e.g. training, awareness). Adebanjo (2003) further says that successful E-CRM applications are implemented when all dimensions are managed by considering the organizational structure. Different organizations have different dimensions to integrate. For example, call centers installed by a travel agency should have the ability to recognize the applicant details (technical), outstanding payments or automatic mail tickets (functional), further it should have ability to be user friendly (cultural). So if an organization which is setting up e-mail marketing facility would be interested to link the application with e-mail database (technical) and it should have at least the ability to send personalized offerings (functional).

2.7 E-CRM implementation perspectives
According to Adebanjo (2003) There are three implementation perspectives of E-CRM

1. Complexity  
2. Timeframe  
3. Configurability

These perspectives are viewed in different contexts by considering different type of applications available.

2.7.1 Complexity
It views the complexity by considering the cost of purchase involved in E-CRM. Basic stand-alone applications are the cheapest to buy and its implementation is very easy if its integration is with database only. While modular CRM applications are expensive than basic stand-alone applications and require external experts to integrate. The basic application can be installed within less than an hour without the help of external consultants. Similarly “Best of breed” and bespoke CRM are the most expensive applications because of complexity involved in integration and service.

2.7.2 Timeframe
The time required to implement E-CRM for basic stand-alone applications is the shortest. The basic experimented time consists of less than one hour for installation and two days for
configuration. While in full ERP deployment due to variety of functionality an organization can choose and set up central database at first and then install other modular applications like CRM, supply chain management, finance and purchase at later time. They are done in months while ERP based CRM applications are implemented over a longer time and it requires external help when a new module is installed. The cost difference between full ERP deployment and modular deployment is difficult to access. There are some cases where full deployment is more costly because of many applications are installed at once. The most expensive applications are “best of breed” and “bespoke” and take longest time to implement. If an organization deploys more applications, it require greater complexity, cost and time to implement and it takes years to deploy.

2.7.3 Configurability
Configuration involves making some changes to application functions to make it compatible for the requirement of the organization. Because such kind of applications are becoming more manageable because vendors are developing softwares with open architecture system so that later it is easy to integrate by using middleware. Bespoken CRM applications include software development for an organization by considering the requirements of the company. These are the most expensive types of E-CRM applications.

Due to integration and complexity involved, more interface management is required. The factors which impact on the configurability of E-CRM application consist of compatibility of database, alignment of process, users definition (e.g., users ability to specify displayed information and the format of display) and presentation template (the viewable page of the display). Basic stand-alone applications have less capacity to be configured and ERP modular systems can be configured to some extent. While “Best of breed” and bespoke applications can be configured easily by considering the exact users definition, process alignment, presentation preferences. Figure 5 shows the stages of configurability from basic E-CRM configurability to the complex applications.

![Figure 5: Time-based configurability of E-CRM applications](image)

3. Methodology

In this chapter, the research process will be described. Specifically, the research purpose, research method, research strategy, data collection method, sample selection, data analysis and quality standards will be presented. Additionally, the considerations that have influenced the choices of methods and approaches will be presented.

3.1 Research Purpose

The research purpose of this study is mainly descriptive since the main aim is to describe and to deeply understand the different type of electronic relationship tools, its benefits on relationship marketing by considering banks point of view. Furthermore, this study is also exploratory to some extent because it attempts to explore the context where successful implementation of this system is done.

3.2 Research Approach

This section will highlight two research approaches i.e., qualitative and quantitative and the type of research approach which we are using in this study.

The base of this study is on scientific theories and the research questions have been related to these theories so the study is deductive. Because of the fact that the conclusion is drawn from the information on gathered data which is full of values, perceptions and beliefs, so the data is non-quantifiable. Based on our research purpose and research questions, our research approach is qualitative. It is considered that qualitative method is the best way due to the fact that we want to gain understanding of how banks are using Electronic Customer Relationship Management (E-CRM) in online banking in B2C context.

3.3 Research Strategy

Yin (2003) says that different strategies are available which include experiment, survey, history and case study. The strategy of this research is case study. The most important reason to employ this research strategy is that our research questions are of ‘How’ character. The qualitative approach had been chosen already, the author decided to conduct comparative case study by considering multiple cases. Because this study will look into two banks for its investigation, so multiple case study was preferred.

3.4 Sample Selection

The author wanted to examine banks that have online banking facilities and establish customer relations by using internet channel. The sample selection was based on convenience sample by considering the activities of banks with latest E-CRM practices and the availability of interviewee willing to answer the questions. Introduction e-mail was sent to all banks who are working in Sweden for the purpose of the study. Their customer support office referred to the concerned persons involved in E-CRM practice. Two banks were ready for this study. Danske Bank in Sweden referred to their main head office in Copenhagen, Denmark and SEB Bank to its head office in Stockholm, Sweden. To reduce the expenses, e-mail communication was used extensively because of convenience and easy to understand language problem. Cases are chosen by considering these organizations because of involvement in B2C activity and it will help to deeply understand the practice of E-CRM. Utmost importance was done for the selection of the respondent based on our description and purpose of our study. These respondents were well qualified for the customer relationship matters. These are two respondents of the samples.
1. Danske Bank: Mr. Tonny Frederiksen, First Vice President, CRM Systems, 20 years experience in CRM.
2. SEB Bank: Mrs. Nenne Otta, CRM Manager, Digital Channels, 5 years experience in CRM

3.5 Data Collection
Since the study is of descriptive nature, the author considered primary data as most suitable for this study. Author felt that interviews were the suitable way to collect the data. Further, Danske bank’s website www.danskebank.com and for SEB bank, SEB Bank’s website www.seb.se were also used for primary data too.

Saunders et al. (2003) say that interview is the strongest tool which focuses on purposeful discussion between two or more people; it is helpful to get reliable and valid data which is relevant to research questions and objectives. Interviews were conducted to understand “how” situation questions. Semi-structured interview guide was established by considering the interviewee bias. Open ended questions were structured in interview guide by conceptualizing the purpose of study by considering used literature. And there was no right or wrong answer. The respondents were sent the whole draft of study including interview guide to read and understand the purpose of study via e-mail attachment including Self-Administered Questionnaire. Mrs. Nenne Otta of SEB Bank was sent on 5 August, 2008 and Online filled answers were received on same way on 11 August, 2008. While Mr. Tonny Frederiksen of Danske Bank was sent on 21 May, 2008 and received answers on same date. Author also collected data available on these banks websites in June, 2008 from Danske Bank and in August from SEB, 2008.

3.6 Data Analysis
The analysis has been conducted by using previous theories and studies used in chapter 2 which provided the base for data collection, analysis and comparison of this study. Analysis was done after the data collection. The answers were analyzed including the data available on these banks websites by considering the general analytical strategy. Data reduction technique was used to identify more relevant data. The most important variables were identified in chapter 2 and were used as base for comparison of data. Further, data was interpreted by using table and they were labeled with primary importance, high importance and low importance. Within case analysis was done for each case and then cross case analysis was done to see the similarities in both of cases and difference and after that conclusion was based on these comparisons.

3.7 Validity and Reliability
Measures were taken to make high validity of this study. At the start, literature search was done on the subject of E-CRM and Internet banking and relevant journal articles were used for this purpose. The theories and models were used from published credible source. Further, interview guide was reviewed by the supervisor of the author at Luleå University of Technology.

For high reliability, the questionnaire and report was sent through e-mail to give the respondents open time to go through the whole report and purpose of the study and to understand the questions in interview guide. Author gave them full opportunity to answer the questions with their own mind, for these purpose respondents were given open time to put down the answers in their free time.
3.8 Methodology Problems

Some difficulties arose during data collection since author at first considered to take USA banks for its data collection purpose by using personal contacts but later on due to non availability of concerned persons, the data collection was shifted to available banks in Sweden. For this reason personal contact of the author’s supervisor was also used.

One of the potential issues was absence of face to face interview with respondents in data collection technique. The major problem was cost and time since it was not possible for the author to go to Stockholm and Copenhagen from Luleå and also time schedule of author and respondents. Because one of the respondent of SEB was going on summer holidays. Telephone interviews were considered previously but were not used because of language problems in understanding English accent. Self administrated questionnaire also had consequences on answers since the respondents had to write down all the answers by themselves. The potential flaw is that answers were not fully explained by respondents in some aspects due to self writing of answers. They understood the questions in their own way without physical psychological impact of face to face interaction. For this purpose some data was also collected from these banks websites which were also rich source of data because these banks interact with their customers via their websites and they have most of E-CRM features available on their websites.
4. Empirical Data Presentation

In the previous chapter, the methodology of this study was presented. In this chapter the empirical data will be presented. Data was collected through two banks; both of them are active in Online Banking. Initially a brief introduction of these banks will be done and later data collected against each research question be presented.

4.1 Case 1: Danske Bank (www.danskebank.com)

Danske Bank is a full service bank with 431 branches, nine finance centers and five agricultural centres with an approximate staff of 6000 people in Denmark. It is part of Danske Bank Group and is being controlled through its head office in Copenhagen, Denmark. It has branches in Denmark, Sweden, Norway, Northern Ireland, The Republic of Ireland, Finland and the Baltic States. The group also has branches in London, Hamburg and Warsaw. While around 2 million customers use Bank’s online services. A well-qualified and professional staff provides individual services by considering the wishes and needs of the customers. The Group has about 24,000 staff members. With the new and updated position in 2008, Danske Bank Group is having the ranking among the best reputed banks in the world.

In 1975, Danske Bank achieved full nationwide coverage in Denmark. Danske Bank’s history goes back to 1871 but in 1990 Handelsbanken, Provinstable and Den Danske Bank merged and became single Danske Bank. After the merger, all three banks computer system became integrated and it was a technological head start which Danske Bank achieved in 1990. As a result its share increased in value in stock market. This central IT platform is used by all staff of various divisions, brands and products are developed by using this resource. In most of the countries e-banking is used and its security system is of the highest standard. The slogan at Danske bank is “the best local financial partner”. The customer relationship at Danske Bank is based on respect, integrity, responsiveness, openness and complete knowledge of customer’s circumstances, wishes, needs and a balance between what is offered and what is received in return. Long-term and committed relationship banking is offered by considering customers specific needs. Big customers of the bank include General Electric, AT&T, Ciba, Lee, Daimler, Fujifilm, Roche and Statoil.

4.1.1 E-CRM in online banking

The interviewee Mr. Tonny Frederiksen is the Vice President CRM Systems from Danske Bank was provided a list of variables in the shape of questions which are relevant to the study and which were investigated in detail. According to Danske a new strategy had been outlined at the bank which includes a large number of steps to change in new customer relation channels like www, pda, self service etc.

RQ1: How does Electronic Customer Relationship Management (E-CRM) be used in online banking?

For more than 15 years, Danske had IT strategy based on a single, centralised IT platform. All its divisions and subsidiaries are operating on that shared platform. Its website provides bank information, product information, brochures, country information where Danske is operating, events, e-mail support, news and search. When a customer gets Danske eBanking facility, it is available for 24 hours a day, 7 days a week. It is a Web-based system and it even enable companies to conduct routine banking transactions. It gives a company quick access to its
accounts, create and approve payments and also gives the current liquidity situation of the firm. A
customer company can also integrate its accounting data with Danske’s online system. Its website
is one of the main interaction points with its customers. A customer receives automatic e-mail of
transaction.

The first part of the CRM tool at Danske is the Customer Portal was set up at the end of 2002.
This portal helps the bank advisers to see the overall view of individual customer’s files, their
history and facilities provided to them. In addition, this portal also has the products and solutions
which are relevant to the customer’s history. This service gives a lot of information about
customer behaviour. Initially at first step personalized banners are forwarded to individual
customers and the next step is product presentation which is based on customer score models and
behaviours and by considering these score models, matching is done to provide individual needs.

Danske also has the Adviser Portal, and it helps to overview tasks, files, and customer leads
generated from customers behaviour. Danske is in a position to introduce automatic limits for all
customers and it is based on the overall overview of score models and customers credit history. It
helps to the bank advisers to offer more effective advisory services and sales. At the end of 2003,
Danske introduced more items related to CRM tool, one of them was Financial Planner. This tool
made it possible for the customers to create and maintain their own financial budgets via
eBanking facility. By using this tool, customers can share their financial information with bank
advisor, this has helped advisory service to make decisions based on actual facts while previously
it was based on manual entries.

Here is the list of all the features of Daske eBanking system. Certain features are not available in
all countries. To have some features available it is the requirement for customers to have Markets
Online module of eBanking on their computer.

**Essential functions**
1. View balances and entries. 2. Make payments to creditors & order cheques. 3. Securities trading*
4. View custody accounts*

**Accounts/payment types**
1. Domestic accounts (both DKK & foreign currency). 2. Domestic payments. 3. International
payments from Denmark. 4. Local payments outside of Denmark (which is not available in
Germany, Ireland and Northern Ireland)

**No. of users**
One agreement - multiple users: 1. Variable authorisations. 2. Variable permissions. 3. Personal
passwords

**Connections**

**File transfer (payment information)**
File transfer and integration with clients company accounting system.

**Flexible payments**
1. Store and re-use creditor information. 2. Execute payments in a file. 3. Execute payments online

**Other options**
1. Restriction of funds available for transactions. 2. Various securities & forex modules. 3. Trade
Finance module

**Various language versions**
1. Danish guide. 2. Swedish guide. 3. Norwegian guide. 4. English guide

Invoices can be generated in these languages.
RQ2: How can banks get benefits of E-CRM technology in online banking?

Danske offers competitive financial products and advisory services, like by having online banking facility and cash management services in North Europe, a customer can have real-time overview of its liquidity and currency position, it can make local payments and across the border transactions, in that way cost and administrative work is minimised. Similarly Danske has large staff at back-office operations; on any problem this staff can be accessed. Through Danske website a customer can pay his bills, have alert of its cash balance via email or SMS, can get electronic account statement, order foreign currency, able to access financial markets, monitor investments, trade securities by using Danske investment tool. A customer can use either a PC or a Mac, Danske security system is of the highest standard. These are the main features of Danske online banking system, all are not available in English in all operating countries.

A customer can see online information available for help, see products, services, jobs, organisational structure, browse the website to get inside information of bank services, a customer can email, call for instant help to customer support office, or make appointment with bank staff. Their enquiry is forwarded to the concerned branch, so a customer does not need to contact other channels. On its website, a customer can see financial results of many years, profits, speeches of management, bank announcements, and this is available online and can be accessed instantly. With Market Online module, a customer can have all information related to securities prices, interest rates and foreign exchange rates. A customer can choose its own price profile. Similarly with Trade Finance module at Danske, a customer can create and process these facilities, like export and import documentary credits, export and import collections and international guarantees and can see current their status. It is user friendly overview can be seen quickly to transactions.

Danske has implemented Direct Marketing tool in May 2008 including personalized marketing across all channels and new products have been distributed. Danske Bank is building a Digital Banking strategy with main focus on self service, channel shift and automation like where leads are pushed to the customer at specific times, such as turning 18, specific products are offered. To do effective marketing it is essential to secure campaign matching to the specific customer and the ability to push product offerings in online channels. Danske tracking system is so strong that its central database locates the browsing customer or visitor on its website and can see the specification of connected computers and their location so Danske customers feel comfortable that no one can interfere in the transactions communication.

Its people who are dealing with customers in financial instruments have completed training programme. The cost of operation has reduced because of automation, reduced staff and self service. Bank has introduced new no-fee personal banking packages; this has been adopted by thousands of old and new customers and Danske customers have increased. These no-fee packages were introduced in Sweden last summer and started this campaign in Norway in January, 2008. By using IT development and by increased use of the digital signature, the cost of operation of bank has reduced.

Customers interaction has increased due to 24/7 access and providing the customers the ability to compare multiple providers. This IT platform has helped because a customer contact via different channels include bank desk, online channels and they are provided same service because of central data base. By using Danske eBanking, its customers have looked their individual personal fees report pages which were at least 450,000 by year 2007.
By having full information of customers it is possible to offer differentiated products based on customer recognition and due to relevant product offering customers loyalty has increased at the bank. Customers are required to install Danske security software to protect the online security of transactions. It has e-Safekey security system which meets the requirements of Danish Bankers’ Association. It has become a competitive advantage and has created loyalty for Danske because of online channels where contents are customized like an example it could come with a message to the customer “can see your house has increased in value, do you know that you can increase your loan by 1 Million”. Danske has done investment in “Digital Banking” product development, improved process efficiency and give better customer experience.

RQ3: How can banks implement E-CRM technology successfully in online banking?

Danske products and systems are highly integrated and they function on all branches and departments. It has different modular systems for different purposes, one is Business Online, it is a combination of various modules which depend on customer’s choice. They are Cash Management Account Information, Cash Management Payments, Cash Management File Transfers, Collection Service: Collect payments in several countries. In Markets Online: Securities and forex trading, including spot, forward and swap rates are traded. In Trade Finance: Export and import documentary credits, export and import collections, and international guarantees are handled. While in Country modules, the cash management modules are available for Denmark, Sweden, Norway, Finland, Germany and United Kingdom, a customer can make local payments in these countries. Danske bank will add these modules in future for Poland, Northern Ireland and Republic of Ireland.

Danske cannot implement E-CRM without having a predefine vision, mission, strategy and most of all business objectives. For implementation of system, at first all the stakeholders of the system particularly customers and employees are identified. Later suggestions from all the system users are collected before finalising the whole IT design it is re-structured and shortcomings are eliminated. Then IT development team again check the functions and at later stage it is implemented. Training and education of the staff is a part of IT strategy because it is the most important to train to employees to think out of the box, get the complete understanding of the system, the benefits and look at the future rather than history and influence the customer in the direction as Danske want. During 2008, there was a greatest challenge for Danske bank to share its IT platform with Sampo Bank in Finland. And it was one of the largest IT operations and it was done around Easter 2008. Bank has begun comprehensive training programme for 3500 new employees and it did 20,000 training days before and after Easter. While in the Baltic region, Danske will integrate gradually to its shared platform and it is being done in 2009.

At Danske self service solutions are provided with high level of security, its security system is based on these principles; When a customer is communicating Danske identifies before transmission of information unauthorized persons cannot break into the communication and no other person can execute account transfer or transactions. At Danske the “One Group – one system” motto is one of the guiding principle of the banks IT strategy. Groups all brands and subsidiaries operate on the same platform. All products systems are integrated to the other financial companies. This system streamlines bank products which are tailored to the wishes of customer needs and it also ensures high efficiency in all business areas. Because now banking sector is the most digitalised industries in the world and most of bank products and services are on IT based, at Danske IT is the core of business development. And it is delivering best products and processes to the market by using IT strategy. This strategy does not only cover what Danske has today but also need to prepare and cater for what comes tomorrow. What Danske has today is
a leap toward the future and a great benefit as compared to what it did yesterday. By using its central database, bank has streamlined its processes, systems in all dimensions of the bank operations. This central platform is one of the key for banks growth strategy. In October 1991, three bank systems joined to form one platform. Whenever a new bank is purchased by Danske, it is integrated with the central database platform.

4.2 Case 2: SEB Bank (www.seb.se)

SEB is a financial group located in North Europe. It is a universal bank with 5 million private customers, it especially targets high-end private clients who use private banking, it also has strong focus on the corporate and institutional segments, where it is serving 400,000 customers. SEB has major share in international business activities and its substantial part of its business is in Germany where it operates under BfG bank.

In Sweden it has strong position in fund management, life insurance, mortgage and finance company sectors. SEB is also a strong player on the stock market, currency trading and international payments. It has 200 branches in Sweden where its largest number of customers are located and has total 600 branches around the world where more than half of its customers use online banking services. It is offering universal banking services in Sweden, Germany and Baltic countries-Estonia, Latvia and Lithuania. Similarly it also has local presence in Poland, Ukraine and Russia and a global presence through its international network in other countries. SEB has offices in Switzerland, England, Luxembourg, France, Spain, USA, Brazil, China and Singapore. It also offers Private Banking in Finland, Denmark and Norway through its local subsidiary banks in these countries.

SEB was started in Sweden in 1856 by André Oscar Wallenberg in the name of Stockholms Enskilda Bank. Skandinaviska Enskilda Banken(SEB) was established in 1972 after a merger with Skandinaviska Banken. By acquiring German BfG bank and three Baltic banks, SEB now has established itself as a player on the European financial market.

Electronic banking services are highly developed and popular in Sweden as compare to the rest of Nordic region. While in recent years almost all kind of banking services which are suitable for electronic processing have migrated to the internet. There are some 7.21 million internet banking users in Sweden in which 6.527 million are retail and 683,000 are corporate customers. SEB has about 22,000 employees. SEB was awarded 1st rank of Merchant Banking Award 2007 & 2008 “Best Bank in Sweden” by Global Finance Magazine. It is serving a lot of big companies include Ericsson, Gambro, ABB, Electrolux, Scania, Atlas Copco, and AstraZeneca.

SEB has strong tradition in private banking, 500 employees take care of the customers where ever they are. SEB administer around EUR32 billion and 28,000 private individuals and companies trust and chose as their bank.

4.2.1 E-CRM in online banking

The interviewee Miss. Nenne Otta is the CRM Manager Digital Channels at SEB Bank, she has five years experience in the field of E-CRM, she was provided a list of the variables of the study in the shape of questions which are relevant to our study and which were investigated in detail.
RQ1: How does Electronic Customer Relationship Management (E-CRM) be used in online banking?

In SEB, selection and acquisition of customers is mainly done by traditional channels such as by post and telephone. While retention and extension of customers is based on the information available in SEBs record. According to Nenne Otta, SEB forward information to its customers through its inlogged internet website, and also to some extent by traditional channels. This is not individually based but with groupings. SEB has quite big groupings when customers are targeted for marketing, they are contacted in big groups but not in narrow grouping. The availability of 24 hours bank service is very important as the customers can be in contact with the bank anytime from their home. SEB has a great support desk by telephone in Gothenbourg which is a part of communication that can be done through the secured mail on the internet site.

A customer can buy majority of the bank’s products and services in its inlogged environment. For security reasons a new customer has to visit a branch in order to become a member of the inlogged environment of SEBs website. A customer can get information about the products and services both on the open homepage as well as on the inlogged environment of SEBs website. As the banking industry is highly regulated so SEB has to inform to customer about all the purchase conditions. There is also a challenge in legislation that has not been adapted to the new digital world. This means that it is sometimes difficult to make a simple user-friendly application as the customer might have to answer 10 different questions.

SEB has a great website which is easy to navigate but not that advanced on “One-to-one” customisation. It is using e-mail channel to communicate with its customers. For the moment it do send out newsletters to its customers. But telephone is most popular. A customer can search information within banks website, can customise its monthly saving amount. When a customer enters the website of SEB, it can have full information of bank products, features, how to locate information, can get introduction when first time uses. SEBs telephone and mailing is secured. If a customer has any complaint, SEB has specific department for complaints which cover all channels, it is not specific for only internet.

RQ2: How can banks get benefits of E-CRM technology in online banking?

The fact that online banking makes life easier and saves a lot of time, it is the number one factor for loyalty. To analyse the customer behaviour the tricky part is to have enough staff and systems that can execute all the marketing activities and there should be a proactive CRM plan. And the potential is immense if it is compared with the traditional channels. By doing the marketing in SEBs inlogged environment or by e-mail SEB get several advantages like:

1. Lower cost, due to automatic execution of transactions SEB cost is less.
2. Faster transaction time which means that it can have information from the customers in about two to three days which mean more sales opportunities.
3. In-house production due to in house customer data.
4. Effective follow-up.
5. Tracking system that shows leads.

Despite these great potential of an internet site there is necessity to have a fast and professional in-person support and SEB has the following possibilities:
1. Telephone/ general banking support
2. Telephone / support desk for questions regarding the functions on its in-logged environment
3. Branches in many cities  
4. Secured mailing through the inlogged environment

Generally, the customers do their transactions by themselves so there is no need to have operations department to do that. Another cost-cutting advantage is definitely that SEB has fewer branches and also less people working there and mostly to focus on online banking. A customer can communicate with the bank through the inlogged environment and via e-mail which is low-cost communication as compare to postal units or telemarketing. This e-banking has a great potential and SEB has seen that the online customers are more active and therefore also more profitable for the bank. The challenge is how it makes the customers even more active and what are the triggers. When it comes to marketing activities SEB see three points. For personalisation on the site.

1. Automatic triggers - for example, alerts that the customer has to pay his e-bill. This is through the website, SMS or E-mail.  
2. Non-manual information and offers – for example, when the customer exceeds a high balance on the checking account, one should have the automatic message one should transfer some part to a higher yield account. Another example is a sales or buying indication.  
3. Narrow groupings of manually produced information and offers.

By convincing and proving to the customers that their internet bank is not only a site where one does the everyday transactions on a 24 hours basis. That SEB offer help and advice on how to solve and improve the economic situation through the different life-stages of the customer. This is going to become even more crucial with younger generations that have high requirements of modern technology.

**RQ3: How can banks implement E-CRM technology successfully in online banking?**

As SEB has so many different products and services it is difficult to have a deep knowledge of all of them and it is costly to have a specialist staff on all products. So it was solved by having two different support desks. One for general questions and economic advice while second for the inlogged site which focus on functionality and technicalities on online problems in communication. From an image point of view it is always beneficial to be the first with the latest. However, from a profit perspective SEB has to analyse how big the portion of the customer base requires the latest technology.

SEB gives opportunity to its employees to enhance their in service training. In 2007, SEB invested a total of SEK 240m in competence development. And almost all employees participate in some kind of training while 1300 leaders participated in International leadership framework. In January 2009 SEB has accepted 25 trainees at different roles within SEB in one of its division in north Europe. To improve quality and efficiency, SEB has installed a culture of continuous improvement through by considering four areas like sales tool and standardised processes, performance management, skills building, mindset and behaviour. SEB gives more importance to have open and continuous dialogue with its employees, in late 2007, a new employee survey was conducted throughout the group called Voice and the response was as 87 percent.

SEB use the basic E-CRM due to cost restraints, system limitations and also all the IT systems do not have a 100 % interaction. The impact of configurability of E-CRM implementation in online banking is crucial. It is costly to make the alterations to SEBs systems, but without the configuration it is not as effective and one would not get an overall system control.
5. Analyses

In the previous chapter, the empirical data for this study was presented. In this chapter, the empirical data will be analyzed which was generated from the answers of the respondents. To begin, a within-case analysis will be conducted for each of the case study by comparing both of the case data. Then cross case analysis will be done, which will show the comparison of each case to find similarities and differences.

5.1 Within-Case Analysis 1: Danske Bank

In this section, within-case analysis is presented, i.e. Danske Bank, each research question is compared by using theories and the findings taken from the case.

5.1.1 Research Question 1: How does Electronic Customer Relationship Management (E-CRM) be used in online banking?

1 Mass Customization
The website of Danske Bank provides bank information, product information, brochures, country information where Danske is operating and its web-based system enable companies to conduct routine banking transactions, they use Danske international cash management facility and can execute trade in financial markets by using banks web site which confirms Jellasi and Enders (2004) that in E-CRM customers are mass customized by using mass marketing operations.

2 Monitor Customer Behavior
Danske has customer portal which help the bank advisers to see the overall view of individual customer’s files, their history and facilities provided to them. It also has the products and solutions which are relevant to the customer’s history. Personalized banners are forwarded to individual customers which confirm Jellasi and Enders (2004) that internet gives possibility to capture and analyse customer’s click streams e.g., by monitoring customer’s behaviour when they are online and surf the website and make purchase.

3 Market Segmentation
Danske has different products for different markets and certain features are not available in all countries. To have some features available it is the requirement for customers to have special permission. Which is same as Jellasi and Enders (2004) that markets are divided into segments to see each segment individually.

4 Mass Market Operation
At Danske, CRM tool helps the bank advisers to see the overall view of individual customer’s files, their history and facilities provided to them. This has helped advisory service to make decisions based on actual facts. Which confirm to Jellasi and Enders (2004) that for customer satisfaction, mass market operations are done.

5 Customer Promotion and Retention
Danskes Customer and Adviser Portal service gives a lot of information about customer behaviour. Personalized banners are forwarded to individual customers and products are presented based on customer score models and behaviours. Matching is done to provide individual needs. Which confirm to Jellasi and Enders (2004) that promotion and other incentives are forwarded to acquire new customers and to serve existing customers to come online.
6 **Personalization**
Danske introduces automatic limits for all customers based on the overall overview of score models and customers credit history. Bank adviser offer more effective advisory services and sales. While Jellasi and Enders (2004) say personalisation of website is done by considering the needs of the customer and it makes possible to stick to particular website. And Julta et al. (2001) says that personalisation is the process which tailors information to specific user.

7 **Maximize Customer Lifetime Value**
Danskenes IT platform is easy to use, self service, know the customers history and behaviour. Which confirm to Jellasi and Enders (2004) that companies expand this through existing customer relationship.

8 **Right Product for Right Customer**
Danske introduce automatic limits for all customers. Which confirm to Julta et al. (2001) that it is the network which enables the process of enhancing the right customer to buy a product or service.

9 **Customer Profiling**
Personalized banners are forwarded at Danske to individual customers and the next step is product presentation and customized products are forwarded. While Julta et al. (2001) says that online interactive marketing utilises the personalisation, customer profiling and related advertising.

10 **Enhanced Customer Service**
Danskes IT platform is based on a single centralised platform. Its all divisions and subsidiaries are operating on that shared platform. Which confirm to Julta et al. (2001) that by having access to common customer database, a business can perform more effectively

11 **Accurate Marketing Campaign**
For more than 15 years, Danske has IT strategy has been based on single, centralised IT platform. Online banking facility is available for 24 hours a day, 7 days a week. Which is same as Julta et al. (2001) said that customer data helps to analyse and create marketing campaign. Data mining of customer data warehouse is used and it allows the effective marketing campaign.

12 **One-to-One Marketing**
Danske’s customer portal helps the bank advisers to see the overall view of individual customer’s files, their history and facilities provided to them and offer the products and solutions which are relevant to the customer’s history. Which confirms Julta et al. (2001) this technique of knowledge management permits personalization and one-to-one marketing.

13 **Accuracy in Order Management**
Danskes customers can execute trade in financial markets by using banks website. It gives a company quick access to its accounts, create and approve payments and also gives the current liquidity situation of the firm. A customer company can also integrate its accounting data with Danske’s online system. Which confirms Julta et al. (2001) that customer ordering is linked with enterprise resource planning (ERP) or back office system for better and competitive pricing, just in time (JIT) inventory control, related logistics and customer service activities.
14 Self Service Application/Time Saving
Danske’s website is one of the main interaction points for transactions with Danske and its customers which is self service. Which is same as Julta et al. (2001) that self-service applications allow the modification and update of customer information at customer level. For example order tracking is the best example of self service application.

Table 1: Variables checked by case 1: Danske Bank

<table>
<thead>
<tr>
<th>Variables</th>
<th>Theory</th>
<th>Case 1: Danske</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Customer Promotion and Retention</td>
<td>Jellasi and Enders (2004)</td>
<td>Low Importance</td>
</tr>
<tr>
<td>6 Personalization</td>
<td>Jellasi and Enders (2004)</td>
<td>Primary Importance</td>
</tr>
<tr>
<td>7 Maximize Customer Lifetime Value</td>
<td>Jellasi and Enders (2004)</td>
<td>Low Importance</td>
</tr>
<tr>
<td>8 Right Product for Right Customer</td>
<td>Julta et al. (2001)</td>
<td>High Importance</td>
</tr>
<tr>
<td>9 Customer Profiling</td>
<td>Julta et al. (2001)</td>
<td>Primary Importance</td>
</tr>
<tr>
<td>10 Enhanced Customer Service</td>
<td>Julta et al. (2001)</td>
<td>Primary Importance</td>
</tr>
<tr>
<td>11 Accurate Marketing Campaign</td>
<td>Julta et al. (2001)</td>
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</tr>
<tr>
<td>12 One-to-One Marketing</td>
<td>Julta et al. (2001)</td>
<td>Primary Importance</td>
</tr>
<tr>
<td>13 Accuracy in Order Management</td>
<td>Julta et al. (2001)</td>
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<tr>
<td>14 Self Service Application/Time Saving</td>
<td>Julta et al. (2001)</td>
<td>Primary Importance</td>
</tr>
</tbody>
</table>
5.1.2 Research Question 2: How can banks get benefits of E-CRM technology in online banking?

1 Competitive Financial Product
Danske offers competitive financial products and advisory services, through its website a customer can pay his bills, can order foreign currency, can access to financial markets, monitor its investments, can trade securities, can get discounts and fee waivers on many transactions. It has become a competitive advantage by using online channels. Which confirms to Ab Hamid (2005) that the back end of E-CRM offers products and services which create competitive advantage over the other companies.

2 Real-time Overview of Liquidity Position
Danske’s customers can have always real-time overview of its liquidity and currency position, they can have alert of their cash balance via email or SMS and a customer can have electronic account statements. No theory supports this point.

3 Localization of Transactions
Danske customers can make local payments and across the border transactions. No theory supports this point.

4 Minimized Administrative Work
Danske’s online banking facility and cash management service has reduced the administrative work because its customers are using that service by themselves. It supports Rigby et al. (2002) that E-CRM takes many forms this tool is used to align the business process. Further Ahn et al. (2003) support that by designing properly and implemented CRM can remove many administrative demands in the organisation.

5 Highest Security System
Danske tracking system is so strong that its central database locates the browsing customer or visitor on its website and can be seen the location so Danske customers feel comfortable that no one can interfere in the transactions communication. Customers are required to install Danske security software to protect the online security of transactions. Its e-Safekey security system meets the requirements of Danish Bankers Association. No theory support this point.

6 Complete Overview of Organizational Activities
A customer can see a lot of online information available for help. This is available online and can be accessed instantly. Which confirm to Crosby and Johnson (2002) that customers should have real time information via all the channels when they switch to alternative channels.

7 One Point of Contact
At Danske, a customer can email, can call for instant help anytime or can have appointment with bank staff they can call to customer support office. So a customer does not need to contact other channels. Which confirm to Julta et al. (2001) that in dot com environment a customer views the business all at once.

8 Locks in Target Prices
At Danske by using Market Online module, a customer can choose its own price profiles or the market information. These prices and rates are real-time and can be traded. There is no theory support.
9 Complete Overview of Transactions
With Trade Finance module at Danske, a customer can create and process these facilitis, like export and import documentary credits. Similarly online monitoring of each facility starting from beginning upto end can be seen. Which partly supports to Ragins and Greco (2003) that E-CRM benefits to its stakeholders who include employees, customers, suppliers and channel partners.

10 Reduced Cost of Operation
At Danske, by using IT and by increased use of the digital signature, the cost of operation of bank has reduced. Which confirm to Jellasi and Enders (2004) that customers are offered products at low cost. And Scullin et al.(2002) that information stored in this software helps a company to look actual cost of winning and retaining the customers. And Ahn et al. (2003) that properly and well implemented CRM gives better information to the customers at low cost.

11 Different Contact Options for Customer
Danske’s IT platform has helped to serve the customers because a customer contact via different channels including bank desk, online channels and they are provided same service because of central database. Which confirm to Scullin et al.(2002) that E-CRM integrates all customers data into single database.

12 Customer Recognition
eBanking facility at Danske secure campaign matching to the specific customer and the ability to push product offerings in online channels. Which confirm to Scullin et al.(2002) that information stored in E-CRM is used to predict what kind of product a customer likes to buy and timing of the Purchase.

13 Increased Customer Loyalty
The technology has made it possible to maintain single view of customers, as a result relevant products are offered which increase customer loyalty at bank. Which confirms to Anon (2001) that when well designed and correct E-CRM is implemented, it increases loyalty.

Table 2: Variables checked by case 1: Danske Bank

<table>
<thead>
<tr>
<th>Variables</th>
<th>Theory</th>
<th>Case 1: Danske</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Competitive Financial Products</td>
<td>Ab Hamid (2005)</td>
<td>High Importance</td>
</tr>
<tr>
<td>2 Real –time Overview of Liquidity Position</td>
<td>No theory supports</td>
<td>Low Importance</td>
</tr>
<tr>
<td>3 Localization of Transactions</td>
<td>No theory supports</td>
<td>High Importance</td>
</tr>
<tr>
<td>5 Highest Security System</td>
<td>No theory supports</td>
<td>High Importance</td>
</tr>
<tr>
<td>6 Complete Overview of Organizational Activities</td>
<td>Crosby and Johnson (2002)</td>
<td>Low Importance</td>
</tr>
<tr>
<td>7 One Point of Contact</td>
<td>Julta et al. (2001)</td>
<td>Low Importance</td>
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</tr>
<tr>
<td>8 Locks in Target Prices</td>
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</tr>
<tr>
<td>13 Increased Customer Loyalty</td>
<td>Anon (2001)</td>
<td>Primary Importance</td>
</tr>
</tbody>
</table>

5.1.3 Research Question 3: How can banks implement E-CRM technology successfully in online banking?

1 Evaluate Customers Feedback
Danske get suggestions from all the stakeholders. Before finalising the whole IT design it is restructured and shortcomings are eliminated. Which confirm to Nielsen (1992) that when the design team is able to understand the user target group and they identify the existing task of users then there is need to add those functionality in the product which are not offered previously.

2 Evaluate Competing Products
Nielsen (1992) has suggested to use competing products for users test. This will give opportunity to designers to know the strengths and weaknesses of the existing products and brainstorm the new features to be added into their product. General objectives are not helpful. It is necessary for designers to set the goals. These three stages of pre-design which include knowing the users, competitive analysis and goal setting can be repeated. No support from the Danske.

3 New Feature Additions
Danske consider all those contact points which are mostly suitable by considering the suggestions of its customers and employees. Which confirms to Nielsen (1992) that management can decide to develop a team who make a decision when a new version should be introduced. After detecting errors, development team adds the functionalities in new product version.

4 Trained Personnel is Key for Successful Implementation
At Danske, training and education of the staff is a part of IT strategy because it is the most important to train to employees to think out of the box, get the complete understanding of the system, the benefits and look at the future and influence the customer in the direction Danske want. Which confirm to Fjermestad and Romano (2003) the key factor for successful E-CRM by making analysis was that of focus on people and incremental approaches.
5 Every Organization has Different E-CRM Requirement
At Danske there is a greatest challenge to share its IT platform with Sampo Bank in Finland during 2008 and it is one of the largest IT operations in the organization. Similarly in the Baltic region, Danske will integrate gradually to its shared platform. Which confirm to Adebanjo (2003) that successful E-CRM applications are implemented when all dimensions are managed by considering the organizational structure. Different organizations have different dimensions to integrate.

Table 3: Variables checked by case 1: Danske Bank

<table>
<thead>
<tr>
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<td>1 Evaluate Customers Feedback</td>
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<tr>
<td>2 Evaluate Competing Products</td>
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<td>No Importance</td>
</tr>
<tr>
<td>3 New Feature Additions</td>
<td>Nielsen (1992)</td>
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</tr>
<tr>
<td>4 Trained Personnel is key for successful implementation</td>
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<td>5 Every Organization has Different E-CRM Requirement</td>
<td>Adebanjo (2003)</td>
<td>Low Importance</td>
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5.2 Within-Case Analysis 2: SEB Bank
In this section, within-case analysis of SEB Bank is presented, each research question is compared by using theories and the findings taken from the case.

5.2.1 Research Question 1: How does Electronic Customer Relationship Management (E-CRM) be used in online banking?

1 Mass Customization
SEB has grate website, the customers can buy majority of the banks products and services in banks open homepage and inlogged environment which confirms Jellasi and Enders (2004) that in E-CRM customers are mass customized by using mass marketing operations.

2 Monitor Customer Behavior
At SEB, selection and acquisition of customers is done by post and telephone while retention and extension based on the information available in SEBs record. SEB forward information to its customers through its inlogged internet site. This is not individually based but with groupings. Which confirm Jellasi and Enders (2004) that internet gives possibility to capture and analyse customer’s click streams e.g., by monitoring customer’s behaviour when they are online and surf the website and make purchase.
3 Market Segmentation
SEB forward information to its customers through its inlogged internet site. This is not individually based but with groupings. Which is same as Jellasi and Enders (2004) that markets are divided into segments to see each segment individually.

4 Mass Market Operation
SEB has a support desk by telephone in Gothenbourgh which is a part of communication and also through the secured mail on the internet. Which confirm to Jellasi and Enders (2004) that for customer satisfaction, mass market operations are done.

5 Customer Promotion and Retention
At SEB, customer selection and acquisition is done by traditional way by sending letters. While customer promotion and retention is done by using the SEBs internal record. Which confirm to Jellasi and Enders (2004) that promotion and other incentives are forwarded to acquire new customers and to serve existing customers to come online.

6 Personalization
SEB has great website but not so advance to have one-to-one customization but some services like monthly savings amount can be customized. Which partly confirms to Jellasi and Enders (2004) that personalisation of website is done by considering the needs of the customer and it makes possible for him to stick to particular website. And Julta et al. (2001) says that personalisation is the process which tailors information to specific user.

7 Maximize Customer Lifetime Value
At SEB, a customer get information about the products and services both on the open homepage as well as on the inlogged environment and through telephone. Which confirm to Jellasi and Enders (2004) that companies expand this through existing customer relationship via cross-selling like if there is some change in customer account e.g, address change, marital status change.

8 Right Product for Right Customer
SEB has local search engine which helps customers to see relevant product or information. Which confirm to Julta et al. (2001) that it is the network which enables the process of enhancing the right customer to buy a product or service.

9 Customer Profiling
SEB forward information to its customers through its inlogged internet site and by traditional channels. It has complete information of every customer. While Julta et al. (2001) says that interactive marketing tracks customer movement and put forward suggestions or advertisements to the customers.

10 Enhanced Customer Service
SEBs database help out in full customer support in different way, by using different multi channels like customer support center, site toure, etc. Which confirm to Julta et al. (2001) that by having access to common customer database, a business can perform more effectively in cross-selling and up-selling.
11 Accurate Marketing Campaign
In SEB, selection and acquisition of customers is mainly done by post and telephone while retention and extension on the data available in SEBs record. Which confirm to Julta et al. (2001) that customer data helps to analyse and create marketing campaign.

12 One-to-One Marketing
At SEB the management see the overall view of individual customer’s files, their history and facilities provided to them and offer the products and solutions which are relevant to the them. Which confirms Julta et al. (2001) that this technique of knowledge management permits personalization and one-to-one marketing.

13 Accuracy in Order Management
At SEB website customers can pay bills and do trade in stock broking, see account status and the stock prices. Which confirms Julta et al. (2001) that customer ordering is linked with back office system. It creates more customer expectations because they are more accurate.

14 Self Service Application/Time Saving
SEB’s system enables companies to conduct routine banking transactions, can execute trade in financial markets by using banks website by themselves. Which confirm to Julta et al. (2001) that in self-service application system, there should be ability to handle customer’s desires.

Table 4: Variables checked by case 2: SEB Bank

<table>
<thead>
<tr>
<th>Variables</th>
<th>Theory</th>
<th>Case 2: SEB Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right Product for Right Customer</td>
<td>Julta et al. (2001)</td>
<td>Low Importance</td>
</tr>
<tr>
<td>Customer Profiling</td>
<td>Julta et al. (2001)</td>
<td>Primary Importance</td>
</tr>
<tr>
<td>Enhanced Customer Service</td>
<td>Julta et al. (2001)</td>
<td>Low Importance</td>
</tr>
</tbody>
</table>
5.2.2 Research Question 2: How can banks get benefits of E-CRM technology in online banking?

1 Competitive Financial Product
SEBs customers do their transactions by themselves so there is no need to have operations department to do. It has fewer branches and also fewer people working there and mostly to focus on online banking. Which confirms to Ab Hamid (2005) that the back end of E-CRM include customer database, data mining and warehousing which create competitive advantage over the other companies.

2 Real-time Overview of Liquidity Position
SEBs customers can view their liquidity position and can have electronic account statement. However some functions are semi-automatic which mean that the customer does transaction on the site but SEB has one department which execute it. No theory supports this point.

3 Localization of Transactions
SEBs customers can make local payments and across the border transactions. No theory supports this point.

4 Minimized Administrative Work
SEB’s online banking facility has reduced the administrative work because its customers are using that service by themselves. It supports Rigby et al. (2002) that E-CRM takes many forms this tool is used to align the business process. Further Ahn et al. (2003) support that by designing properly and implemented CRM can remove many administrative demands in the organisation.

5 Highest Security System
At SEB all incoming and outgoing messages are checked for computer virus. Similarly when a customer enters banks inlogged site, its all communication is secured by firewall. SEB has digital signature certification which is confirmed before entering banks inlogged environment. No theory supports this point.

6 Complete Overview of Organizational Activities
At SEB customer can see products, services, jobs, financial results of many years, profits, bank announcements instantly. Which confirm to Crosby and Johnson (2002) that customers should have real time information via all the channels when they switch to alternative channels.

<table>
<thead>
<tr>
<th>11Accurate Marketing Campaign</th>
<th>Julta et al. (2001)</th>
<th>Low Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>12One-to-One Marketing</td>
<td>Julta et al. (2001)</td>
<td>High Importance</td>
</tr>
<tr>
<td>13Accuracy in Order Management</td>
<td>Julta et al. (2001)</td>
<td>Primary Importance</td>
</tr>
<tr>
<td>14Self Service Application/Time Saving</td>
<td>Julta et al. (2001)</td>
<td>Primary Importance</td>
</tr>
</tbody>
</table>
7 One Point of Contact
At SEB, a customer can email, can call for instant help anytime to our support office in Gothenburg or can have appointment with bank staff. Which confirm to Julta et al. (2001) in dot com environment a customer views the business all at once.

8 Locks in Target Prices
At SEB, a customer can have all information related to securities prices, rates and fee structure. There is no theory support.

9 Complete Overview of Transactions
SEB customer can do online processing facilites, like export and import documentary credits and its status. It partly supports to Ragins and Greco (2003) that E-CRM benefits to its stakeholders who include employees, customers, suppliers and channel partners.

10 Reduced Cost of Operation
At SEB, due to automatic transactions, the cost of operation has reduced. Which confirm to Jellasi and Enders (2004) that customers are offered products at low cost. And Scullin et al.(2002) that information stored in this software helps to look actual cost of winning and retaining the customers. And Ahn et al. (2003) that properly and well implemented CRM can remove many administrative demands in the organisation at low cost.

11 Different Contact Options for Customer
SEBs customers contact through telephone, branches, in logged environment which has automatic features too. Which confirm to Scullin et al.(2002) that E-CRM is a tool which integrates all customers data into single database.

12 Customer Recognition
At SEB, due to in house customer data, effective follow up is done by having complete customer information. Which confirm to Scullin et al.(2002) that information stored in E-CRM is used to predict what kind of product a customer likes to buy and timing of the purchase.

13 Increased Customer Loyalty
SEBs customers save a lot of time, it is the number one factor for loyalty, a customer can access 24 hours service thought telephone, and inlogged environment. Which confirms to Anon (2001) that when well designed and correct E-CRM is implemented, it increases loyalty.
Table 5: Variables checked by case 2: SEB Bank

<table>
<thead>
<tr>
<th>Variables</th>
<th>Theory</th>
<th>Case 1: SEB Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Competitive Financial Products</td>
<td>Ab Hamid (2005)</td>
<td>High Importance</td>
</tr>
<tr>
<td>2 Real –time Overview of Liquidity Position</td>
<td>No theory supports</td>
<td>High Importance</td>
</tr>
<tr>
<td>3 Localization of Transactions</td>
<td>No theory supports</td>
<td>Low Importance</td>
</tr>
<tr>
<td>4 Minimized Administrative work</td>
<td>Rigby et al. (2002) and Ahn et al. (2003)</td>
<td>Low Importance</td>
</tr>
<tr>
<td>5 Highest Security System</td>
<td>No theory supports</td>
<td>Primary Importance</td>
</tr>
<tr>
<td>6 Complete Overview of Organizational Activities</td>
<td>Crosby and Johnson (2002)</td>
<td>High Importance</td>
</tr>
<tr>
<td>7 One Point of Contact</td>
<td>Julta et al. (2001)</td>
<td>High Importance</td>
</tr>
<tr>
<td>8 Locks in Target Prices</td>
<td>No theory supports</td>
<td>Primary Importance</td>
</tr>
<tr>
<td>9 Complete Overview of Transactions</td>
<td>Ragins and Greco (2003)</td>
<td>Low Importance</td>
</tr>
<tr>
<td>10 Reduced Cost of Operation</td>
<td>Jellasi and Enders (2004), Scullin et al. (2002), Ahn et al. (2003)</td>
<td>Primary Importance</td>
</tr>
<tr>
<td>11 Different Contact Options for Customer</td>
<td>Scullin et al. (2002)</td>
<td>Low Importance</td>
</tr>
<tr>
<td>12 Customer Recognition</td>
<td>Scullin et al. (2002)</td>
<td>High Importance</td>
</tr>
<tr>
<td>13 Increased Customer Loyalty</td>
<td>Anon (2001)</td>
<td>Primary Importance</td>
</tr>
</tbody>
</table>

5.2.3 Research Question 3: How can banks implement E-CRM technology successfully in online banking?

1 Evaluate Customers Feedback
SEB has two different support desks by considering the customers requirements. One for general questions and economic advice and second for the inlogged site which focuses on functionality. Which confirm to Nielsen (1992) that two factors which have the highest usability impact including user differences and task variability.

2 Evaluate Competing Products
Nielson (1992) has suggested to use competing products for users test. This will give opportunity to designers to know the strengths and weaknesses of the existing products and brainstorm the
new features to be added into their product. Because SEB is using basic E-CRM, there is no support from the SEB on this issue.

3 New Feature Additions
At SEB, it is costly to make the alterations to its systems. Which do not support to Nielsen (1992) that management decide when a new version should be introduced. When at the request of users, development team adds functions in new product version.

4 Trained Personnel is Key for Successful Implementation
SEB gives opportunity to its employees to enhance their skill through training. And almost all employees participate in some kind of training. Which confirm to Fjermestad and Romano(2003) that the key factor for successful E-CRM is to focus on employee and incremental approaches.

5 Every Organization has Different E-CRM Requirement
SEB is using basic E-CRM due to cost restraints. Which confirm to Adebanjo (2003) that successful E-CRM applications are implemented when all dimensions are managed. Different organizations have different dimensions to integrate.

Table 6: Variables checked by case 2: SEB Bank

<table>
<thead>
<tr>
<th>Variables</th>
<th>Theory</th>
<th>Case 1: SEB Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Evaluate Customers Feedback</td>
<td>Nielsen (1992)</td>
<td>High Importance</td>
</tr>
<tr>
<td>2 Evaluate Competing Products</td>
<td>Nielson(1992)</td>
<td>No Importance</td>
</tr>
<tr>
<td>3 New Feature Additions</td>
<td>Nielsen(1992)</td>
<td>No Importance</td>
</tr>
<tr>
<td>4 Trained Personnel is key for successful implementation</td>
<td>Fjermestad and Romano(2003)</td>
<td>Primary Importance</td>
</tr>
<tr>
<td>5 Every Organization has Different E-CRM Requirement</td>
<td>Adebanjo (2003)</td>
<td>Low Importance</td>
</tr>
</tbody>
</table>

5.3 Cross-Case Analysis
In this part of the analysis, the two cases will be analyzed and the results will be compared. Research question one will be analyzed at first then second and third questions will be analyzed.

5.3.1 Research Question 1: How does Electronic Customer Relationship Management (E-CRM) be used in online banking?

Table 5.3.a shows the variables which were correlated with theory, and answers of respondents from both of the banks.
Table 7: E-CRM in online banking:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Case One: Danske</th>
<th>Case Two: SEB</th>
<th>Theory Vs Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Mass Customization</td>
<td>Primary Importance</td>
<td>Primary Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>2 Monitor Customer Behavior</td>
<td>Primary Importance</td>
<td>Low Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>3 Market Segmentation</td>
<td>Primary Importance</td>
<td>Low Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>4 Mass Market Operation</td>
<td>High Importance</td>
<td>Primary Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>5 Customer Promotion and Retention</td>
<td>Low Importance</td>
<td>High Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>6 Personalization</td>
<td>Primary Importance</td>
<td>High Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>7 Maximize Customer Lifetime Value</td>
<td>Low Importance</td>
<td>High Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>8 Right Product for Right Customer</td>
<td>High Importance</td>
<td>Low Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>9 Customer Profiling</td>
<td>Primary Importance</td>
<td>Primary Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>10 Enhanced Customer Service</td>
<td>Primary Importance</td>
<td>Low Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>11 Accurate Marketing Campaign</td>
<td>Low Importance</td>
<td>Low Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>12 One-to-One Marketing</td>
<td>Primary Importance</td>
<td>High Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>13 Accuracy in Order Management</td>
<td>High Importance</td>
<td>Primary Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>14 Self Service Application/Time Saving</td>
<td>Primary Importance</td>
<td>Primary Importance</td>
<td>Supported</td>
</tr>
</tbody>
</table>
5.3.2 Research Question 2: How can banks get benefits of E-CRM technology in online banking?

Table 8: E-CRM benefits in online banking:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Case One: Danske</th>
<th>Case Two: SEB</th>
<th>Theory Vs Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Competitive Financial Products</td>
<td>High Importance</td>
<td>High Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>2 Real -time Overview of Liquidity Position</td>
<td>Low Importance</td>
<td>High Importance</td>
<td>Not Supported</td>
</tr>
<tr>
<td>3 Localization of Transactions</td>
<td>High Importance</td>
<td>Low Importance</td>
<td>Not Supported</td>
</tr>
<tr>
<td>4 Minimized Administrative work</td>
<td>Low Importance</td>
<td>Low Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>5 Highest Security System</td>
<td>High Importance</td>
<td>Primary Importance</td>
<td>Not Supported</td>
</tr>
<tr>
<td>6 Complete Overview of Organizational Activities</td>
<td>Low Importance</td>
<td>High Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>7 One Point of Contact</td>
<td>Low Importance</td>
<td>High Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>8 Locks in Target Prices</td>
<td>Primary Importance</td>
<td>Primary Importance</td>
<td>Not Supported</td>
</tr>
<tr>
<td>9 Complete Overview of Transactions</td>
<td>High Importance</td>
<td>Low Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>10 Reduced Cost of Operation</td>
<td>Primary Importance</td>
<td>Primary Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>11 Different Contact Options for Customer</td>
<td>Low Importance</td>
<td>Low Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>12 Customer Recognition</td>
<td>High Importance</td>
<td>High Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>13 Increased Customer Loyalty</td>
<td>Primary Importance</td>
<td>Primary Importance</td>
<td>Supported</td>
</tr>
</tbody>
</table>

5.3.3 Research Question 3: How can banks implement E-CRM technology successfully in online banking?

Table 5.3.c shows the variables which were correlated with theory, and answers of respondents from both of the banks.
Table 9: Successful implementation of E-CRM in online banking:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Case One: Danske</th>
<th>Case Two: SEB</th>
<th>Theory Vs Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Evaluate Customers Feedback</td>
<td>High Importance</td>
<td>High Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>2 Evaluate Competing Products</td>
<td>No Support</td>
<td>No Support</td>
<td>Supported</td>
</tr>
<tr>
<td>3 New Feature Additions</td>
<td>Low Importance</td>
<td>No Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>4 Trained Personnel is key for successful implementation</td>
<td>Primary Importance</td>
<td>Primary Importance</td>
<td>Supported</td>
</tr>
<tr>
<td>5 Every Organization has Different E-CRM Requirement</td>
<td>Low Importance</td>
<td>Low Importance</td>
<td>Supported</td>
</tr>
</tbody>
</table>
6. Findings and Conclusions

In the previous chapter, the empirical data gathered from the two cases was analyzed. In this chapter, the research questions highlighted in chapter one will be answered by presenting the findings of this study. After that, some general conclusions about each question will be made. Finally, the implications for further research will be suggested.

6.1 How does Electronic Customer Relationship Management (E-CRM) be used in online banking?

The findings show that banks are using E-CRM tool for mass customization, customer profiling, self service and time saving as their primary goal. Then second priority is for mass market operation, accuracy in order management, personalization and one to one marketing as their secondary task. And the low importance is given to marketing campaign. While in monitoring customer behavior, market segmentation and enhanced customer service, right product to right customer, customer promotion and retention one bank gives more importance while other gives low importance.

On the basis of findings from the study, following objectives are considered the most important for the banks participated in E-CRM activity.

- Mass customization
- Customer profiling
- Self service
- One-to-One and Personalization service

6.2 How can banks get benefits of E-CRM technology in online banking?

By understanding the views of the respondents, it is found that primary benefit of E-CRM in banking sector is the reduced cost of operation, locks in target prices and increased customer loyalty. While secondary importance is given to customer recognition, competitive products and high security system. While the low priority is given to different contact options for customer to contact and minimized administrative work. While in overview of transactions, localization of transactions, real time overview of liquidity position, organizational activity and one point of contact, one bank is giving less importance while other is giving more importance.

The findings show that definite benefits which are derived from a bank perspective by using E-CRM tool are;

- Reduced cost of operation,
- Locks in target prices
- Increased customer loyalty
6.3 How can banks implement E-CRM technology successfully in online banking?

By evaluating the views of the respondents, it was found that their primary focus in implementation of E-CRM tool is training of staff as a key for successful implementation. Then the high priority is given for customer feedback and it is evaluated and low importance is given about the fact that every organization has different E-CRM requirements. We could not see any support for new feature additions in E-CRM system and evaluation of competing products. The results show that successful implementation of E-CRM is derived from the key factors which are:

- Staff training
- Evaluation of Customer feedback

6.4 Implications for Practitioners

The implication for practitioners can be seen as suggestions for banks who sell their products through websites. The following implications are based on the empirical data, analysis, and conclusions made during this study. I suggest to the management, they should adopt new technologies in analyzing customer behavior to offer them accurate products. Further consider the voices of the customers by adapting their products, procedures and processes. Because of the short product life cycle and easiness of a customer to switch to another online bank to have more competitive and customer-focused banks. This is a new sector to consider and the banks should constantly re-engineer their processes and procedures and short them by evaluating customers feedback. Then they will get cost competitiveness in their line of business and be able to start up new products by having in-house complete customer data. As an outcome more profits and benefits both to banks and the customers.

6.5 Implication for Theory

The theories we used as frame of reference correspond well with the actual findings from the cases. They are very close to our study and our findings. But we could not see the support of these theories in the areas like real-time overview of liquidity position, localization of transactions, highest security system, locks in target prices since most of the theories used in literature review are of common theories of E-CRM practices. These theories should be revised by considering financial sector because banks are giving highest importance for highest security system and locks in prices.

6.6 Implication for Future Research

After the research it was found that there is much work done on the E-CRM sector but we could find if the password, credit card or e-mail of a customer is hacked then how to speed up and renew new-password by using online channels like by using e-mail or phone numbers and to maintain the customer relations. We think this research has opened new space for future researchers which include who to use E-CRM on the breakdown of internet connectivity or when banks are under maintenance of their central database system. Another interesting area of E-CRM research is at B2B at international level by using the common central database of a bank.
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**Web Addresses**


SEB Bank, [http://www.seb.se](http://www.seb.se), August,2008

**Interviews**

1.Mrs. Nenne Otta, CRM Manager, Digital Channels, SEB Bank, August 11th ,2008
2.Mr. Tonny Frederiksen, First Vice President, CRM Systems, Danske Bank, May 21st ,2008
Appendix A: Interview Guide

Facts about the organisation:
Name of the Bank:
Name of the Respondent:
Position of the Respondent:
Year of establishment:
Turnover:
Geographical Area activities:
Number of Employees:

Q1. How customer selection, acquisition, retention and extension is done by using e-CRM in online banking?

Q2. How e-CRM is helpful to engage customers, their orders, fulfil them and support in online banking?

Q3. How the functions of e-CRM in online banking are described?

Q4. How can the kinds of e-CRM be described in online banking?

Q5. How the contact and general e-CRM features be defined in online banking?

Q6. How can the E-Commerce features be defined in online banking by using e-CRM?

Q7. How can the post sales support features be defined by using e-CRM in online banking?

Q8. How do you think that e-CRM increases customer loyalty in online banking?

Q9. How e-CRM has the role to do effective marketing in online banking?

Q10. How e-CRM has the capability to improve customer service and support?

Q11. How do you think that e-CRM is efficient as a cost reduction tool?

Q12. How e-CRM is helpful in enhancing customer interaction and relationship in online banking?

Q13. How it is easy to manage customer touch points by using e-CRM in online banking?

Q14. How can personalization is done to enhance online loyalty by using e-CRM in online banking?

Q15. How e-CRM has the capacity to become as a competitive advantage in online banking?
Q16. How do you think that the rules of pre-design stage, design stage and post design stage are essential to implement successful e-CRM in online banking?

Q17. How training and education of the staff is the reason of successful e-CRM implementation in online banking?

Q18. How e-CRM should be compatible with the current technology?

Q19. How do you think that new working practices are helpful for successful implementation of e-CRM?

Q20. How the basic e-CRM is easy to implement than complex e-CRM?

Q21. How configurability has the impact of e-CRM implementation in online banking?