Electronic Customer Relationship Management (e-CRM) in Jordan: The Case of Egyptian Arab Land Bank

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ABSTRACT

The continuous and rapid development of information and communication technology (ICT) influenced the operations and services provided by the banking sector. Many financial institutions adopted the “customer is king/queen” strategy by changing their business environment, making use of various types of ICT to their relationship with their customers. One of the major new trends is the concept of e-CRM, which defines an improved relationship with customers utilizing the Internet, web browsers, and other web applications. E-CRM is making customer service more effective and efficient. This paper aims to gain a better understanding of the application of e-CRM concept and its benefits to both customers and banks utilizing the case of the Egyptian Arab Land Bank in Jordan.

Keywords: Banking Sector, Case Study, Egyptian Arab Land Bank in Jordan (EALB), Electronic Customer Relationship Management (e-CRM), Information and Communication Technology, Jordan

1. INTRODUCTION

Living in a world connected by the Internet makes banks realize that electronic customer relationship management (e-CRM) has become a requirement for survival, not just a way to achieve competitive advantage. Several banks all over the world started using e-CRM concepts and technologies such as websites, e-mail, data mining and data warehousing in a try to achieve a win-win situation for both customers and banks. Furthermore, using web based customer relationship management tools and applications helps banks provide a wide range of new services such as viewing account details, fund transfer, bill payments and many others (Sangle & Awasthi, 2011).

E-CRM application results in a number of benefits to both companies and customers that range from decreasing administrative costs, simplifying marketing and sales processes, acquiring new customers, providing customers

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with better services, and increasing customers’ satisfaction and loyalty (Suryawanshi, 2012).

In order to achieve the goal of this paper, the Egyptian Arab Land Bank in Jordan (EALB) is taken as a case study in a try to explore the e-CRM practices in EALB and realize the associated benefits from e-CRM technologies in order to maintain a better relationship with customers and strengthen their loyalty to the bank. This paper will focus on the related literature, and relate that to the bank specifics. Next, the e-CRM aspects will be analyzed within the EALB bank, and finally finish with conclusions.

2. LITERATURE REVIEW

The concept of electronic customer relationship management (e-CRM) is not new if we look into it from a traditional view, where some researchers think of e-applications as the traditional ones but with an “e” added to them. This view lacks the in-depth view of the contribution of ICT into business domain. The following sections will visit the topic of e-CRM and its dimensions and then look into the related literature in the banking sector.

2.1. An Overview of CRM and e-CRM

Even though CRM has become widely used and recognized by all types of organizations, it has no universally accepted definition (Sivaraks, Krairit & Tang, 2011). In general it can be described as a strategy to build, manage and keep long-term relationships with customers through providing better customer services that will leverage customers’ satisfaction and loyalty (Khaligh, Miremadi, & Aminilari, 2012).

Customer relationship management (CRM) is part of the relationship management that was formally introduced in the service marketing literature. The later deals with customers as the core of any business and all companies are trying to effectively manage their relationship with them through adopting a well-defined series of functions, skills, processes and technologies that together help them to maximize their revenue from targeted customers (Chopra, Bhambri, & Krishan, 2012). Also, CRM system can be viewed as a technological tool designed to combine technical solutions, and to support business processes in the areas of marketing, sales, and service. Such systems are used in order to integrate and provide access to all customers’ information, which is stored in a central database (Troggler, 2009). Furthermore, CRM system is considered as an effective method to maintain customer database through which the company can best understand the customer’s needs and improve their relationship with them (Sureshkumar & Palanivelu, 2011).

Nowadays and as a result of the wide use of Internet technology, companies manage their relationship with customers in more efficient and effective way; what can be called e-CRM. According to Usman et al. (2012), electronic customer relationship management (e-CRM) can be defined as a marketing strategy for organizations that uses Internet and web applications and technologies to identify, categorize and serve customers for enhancing their loyalty and generating profit. Also, e-CRM can be viewed as a key component of electronic marketing that should be integrated in the overall strategy of CRM in the organization (Sivaraks, Krairit, & Tang, 2011).

CRM systems are classified by most of researchers into three categories, analytical, operational and collaborative (Khodakarami & Chan, 2011; Xiong, yue, & li, 2011; Oghojafor, Aduloju, & Olowokudejo, 2011; Jirehbandei & Pour, 2011; Troggler, 2009). The literature indicates that e-CRM falls under collaborative category while Xu and Walton (2005) viewed e-CRM as a fourth category of CRM systems besides the three categories mentioned previously.

On the other hand, e-CRM requires several technologies to work together in various directions and under one comprehensive platform that should be robust, scalable and flexible. Such platform will be designed with the following five major components (Chopra, Bhambri, & Krishan, 2012). The first component is the customer-centric information store
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