

## Measuring customer retention for e-commerce portals

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### ***Abstract***

*The banking business all throughout the planet has been going through a quick change and the Indian monetary market is additionally seeing a critical change in its development design. The increase of data innovation has worked with better following and satisfaction of responsibilities and numerous conveyance channels for online customers. In India as well, the flood of liberation in the mid 1990s has made elevated contest and more serious dangers for banks and monetary middle people. Today, customers request more excellent administrations from banks which, whenever satisfied, could bring about essentially improved customer fulfillment levels. Customer fulfillment and customer maintenance have gotten significant consideration from banking and promoting analysts and have been concentrated broadly in disconnected banking. With the development of well informed climate and multiplication of electronic commerce, there is both a need and freedom to look at Customer fulfillment and Customer maintenance corresponding to internet banking.*

**Keywords:** *E commerce, banking, consumer*

### **Introduction**

Enhance or dissipate is the achievement mantra followed by banking area to flourish in the current time of cutthroat market by zeroing in on upgrades in the current banking framework. With the appearance of data innovation, banking advancement includes focusing closer and assets towards electronic conveyance channels. The utilization of innovation by the banking area has been a key center region in the course of recent many years. E-advancements in banking area empower a bank for quicker infiltration as well as increase its ability for uncommon development. Data innovation in banking area has organized itself as a significant

column on which establishments of better usefulness and upgraded productivity are stacked for improving benefit, decrease in cost and better control (Girish and Peetha 1997; Furash, 1999; Robinson, 1998). What's more, for customers, it is the accomplishment of their 'anyplace, at any rate, whenever' banking dream. This has instigated the banks to zero in on the new electronic relationship with their customers. Customer fulfillment and customer maintenance are progressively forming into key achievement factors in e-banking. In particular, beneficial e-banking requires a solid spotlight on the procurement of new customers as well as on maintenance of the current customers. It very well might be worth to take note of that the obtaining cost in internet banking surpasses that of conventional disconnected business by around 20-40 percent (Reibstein, 2002; Reichheld and Schefter, 2000). Subsequently, setting up long haul customer relationship is significant for making positive customer esteem.

### **Advancement and Development of E-banking in India**

E-banking envelops various electronic administrations. Created nations have completely operational virtual banks that remember all banking exercises for e-banking. It is featured by International Monetary Fund (IMF, 2001) that e-banking incorporates giving all banking items and administrations through electronic conveyance stations, including web banking, phone banking and other electronic conveyance stations with its foundations in the arrangement of administrations through electronic methods, for example, ATMs and phone exchanges. While in the UK, check cards and Mastercards are utilized widely for making on the web installments which are vital piece of e-banking activities and all assertions are produced consequently. Indian banking framework has additionally gone through innovative changes that contains Automated Teller Machines (ATM), Electronic clearing cards like Debit and Credit Cards, Internet banking, Mobile banking, Tele banking, Electronic clearing administrations, Electronic Fund move, Smart cards and some Prepaid installment instruments (Malik, 2014).

E-banking includes customers utilizing the Internet to get to their financial balance and for undertaking banking exchanges anyplace on the planet. At the essential level, web banking can mean setting up of a site page by a bank to give data about its item and administrations.

At a high level, it might include arrangement of offices like getting to accounts, move of assets, purchasing of monetary items or administrations on the web. This is known as 'conditional' web based banking (Sathye, 1999).

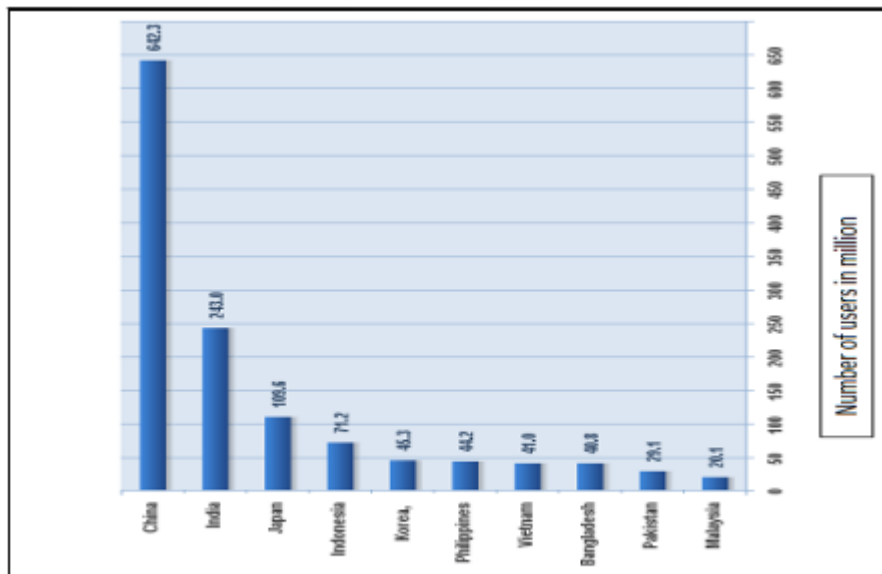
Advancement of e-banking in India can be followed to 1996. Indian banking industry, today is in middle of an IT transformation and this has prompted expanding mechanization in the banking area. New private area banks and unfamiliar area banks have an edge over open area banks all things considered (Vyas, 2004). Be that as it may, in the course of recent years, the last are additionally during the time spent gaining ground in placing interest in innovation. ICICI Bank and HDFC Bank have taken a lead in presenting e-banking in India. ICICI Bank was the first bank in Quite a while to present Internet banking for a restricted scope of administrations, for example, admittance to account data and correspondence interestingly route back in 1996 and later began reserves move between its branches (Rajneesh and Padmanabhan, 2002). Later on ICICI likewise got into etrading, henceforth offering a more extensive scope of coordinated items and administrations to the customer.

In spite of the fact that 1996-98 is the time of Internet banking appropriation in India, its utilization acquired significance in 1999 after ICICI Bank, HDFC Bank, Citibank, IndusInd Bank received the innovation. E-banking is dependent upon different laws, rules and guidelines in India viz. Banking Regulations Act, 1949, the Reserve Bank of India Act, 1934, Information Technology Act, 2000, Indian Contract Act, 1872, Indian Evidence Act, 1872, Foreign Exchange Management Act, 1999, the Negotiable Instruments Act, 1881 and so forth These laws and guidelines are intended for free from any and all harm e-exchanges. An examination directed by Gupta (2006) featured that in created nations different information assurance arrangements and wide administrative system for e-banking exists however in India, it is in its developmental phase of advancement.

### **E-banking administrations in India: Current Scenario**

Every one of the booked banks working in India were completely automated in the year 2012-2013 and all branches are currently on center banking stage (RBI, 2013). Out of 1.3 billion populace, 243 million customers are utilizing Internet administrations by June 2014

according to Figure 1.1. It has been uncovered that 10% of these customers are utilizing e-banking administrations (internetworldstats.com). Mckinsey concentrates on Digital Banking (2014) in Asia anticipated that the quantity of computerized banking customers in India will ascend to 450 million by 2020. Advanced installment industry is seeing a high development and will be essentially collecting through online business market. It was esteemed around \$16 billion out of 2013 and is relied upon to reach \$56 billion by 2023. These assessments may keep its speed hungry as around 50 % of Indian populace is of working experts and has a place with the age gathering of 18-35 years. This may go about as an impetus for pushing up web based business market in India as 90% of online customers are falling under this age bunch (Kohli, 2014).



**Figure 1.1: Top 10 Countries of Asia indicating Internet users in the respective countries**

## Objectives

1. To discover the powerful determinants of customer maintenance and customer fulfillment in e-banking.
2. To explore the interrelationships between develops customer maintenance and customer fulfillment in e-banking.

3. To analyze the demeanor of clients and non-clients towards e-banking regarding factors, specifically; accommodation, security, cost and innovation.

### **Review of literature**

Survey of writing relating to any kind of examination study is a pre-imperative as it assists the specialist with having a profound point of view regarding the matter and henceforth stay away from the traps and challenges as might have been capable by before ones. So arranging and execution of any exploration study ought to be gone before by a total survey of writing in related fields since it:

1. Assists us with getting to know the work that has been done in the pertinent region till now.
2. Lessens extensively the chance of superfluous duplication of work.
3. Gives significant data on research strategies that could be utilized.

With the appearance of e-banking administrations internationally, there has been numerous investigations directed on the banks and banking customers for understanding the effect of mechanical developments occurring in banking area. Eglund et al. (1998) directed an investigation on 8983 banks of USA for looking at the presentation of both web banks and noninternet banks and reached resolution that exhibition of banks isn't influenced by mechanical headway. Be that as it may, an examination directed on 2,517 banks of USA by Furst et al. (2005 and 2008) presumed that Internet banks performed obviously better than non web banks as far as the productivity. Hassan et al. (2012) directed an investigation on 105 banks of Italy and zeroed in on banks that are giving e-banking administrations. It was presumed that e-banks beat the ordinary banks and furthermore featured that there is profoundly huge connection between offering of e-banking administrations and bank benefit. Another examination via Carlson et al. (2011) on 2517 banks likewise presumed that e-banking is affecting bank benefit yet additionally featured that there are others factors excessively separated from ebanking which are influencing bank productivity.

Master et al. (2010) analyzed the electronic channels used by the Malaysian banks and furthermore got to the consumers' responses to these conveyance channels. They inferred that the Internet banking was almost missing around there because of absence of satisfactory lawful system and security concerns. This was notwithstanding the way that more than 60% of respondents were having Internet offices at home and along these lines addressed a positive sign for PC based and Internet banking in future.

Unnithan and Swatman (2011) read fundamental drivers for change in development of banking area and the move towards electronic banking by zeroing in on two economies-India and Australia. The scientists found that Australia is a country with great Internet foundation to the extent media transmission, PC infiltration and consumers' security conventions are contemplated. India then again, is slacking on the previously mentioned boundaries, and has feeble framework, less infiltration and security conventions. Albeit many significant banks have begun offering Internet banking administrations in India, it is hard to accomplish a good development until the minimum amount is accomplished for PC infiltration, Internet associations and phones. In any case, with ascent of IT experts, there has been more tension on government to attempt new drives to expand the extent of e-banking.

Mathew and Nitsure (2007) in their investigation presumed that Reserve Bank of New Zealand applies a uniform way to deal with guideline of Internet banking exercises just as the customary banking exercises. Banks in Japan are progressively stressing on online exchanges with customers and web banking being a crucial piece of their general procedure. Back to India, in view of involvement with local nations, numerous unfamiliar banks are attempting their level best to catch the market. Yet, these banks need to redesign their business procedure that would be appropriate to nearby Indian conditions. In the current situation, banks are needing an extreme change that can be accomplished through adjust in outlook to adjust most recent innovation, perceiving center ability, drive from the administration to rebuild the association to outward looking and furthermore adjusting jobs and offers with the customer fragments. The appropriateness of innovation just as cautious examination of requirements of customers is similarly significant.

Mattila et al. (2003) considered the e-banking utilization by customers of Finland. A sound 39.8% of retail banking exchanges in Finland was brought through Internet in 2000. It was discovered that web banking positioned third on the rundown of their most well known methods of installment among the old individuals. Taking everything into account, it was seen that around 33% of big time salary bunch and better-instructed develop guys utilized e-banking as their essential method of making installments. Seen trouble in utilizing PCs and absence of individual assistance factor was discovered to be the primary prevention in utilizing Internet banking by the majority of the senior customers.

In USA, e-banking is moderately evolved with a genuinely good number of conditional sites and business volumes. Nonetheless, still huge banks overwhelmed when contrasted with more modest ones in offering web based banking administrations. It has been discovered that e-banks are for the most part more beneficial than the non e-banks, yet this marvel ought not be summed up. The development in e-banking is by all accounts critical yet surely not adequate. This may likely be because of absence of significant worth added recommendation that banks give to customers. In Europe, e-banking is developing with the majority of the greater banks offering these electronic administrations. Sweden and Finland are pioneers as far as Internet entrance alongside reach and nature of the online administrations. Web banking began gradually in Australia, however now is getting up pace. In New Zealand, a large portion of the significant banks offering e-banking administrations are working as a division of the bank as opposed to as a different legitimate substance (Nitsure, 2003).

Some conspicuous examinations directed in different nations like European Union and Australia have bewildering results towards reception of innovation in banking area. An examination by Delgado et al. (2004) on 13 fundamentally web banks and 335 set up customary banks in European Union. They covered time-frame of 1994-2004 for investigating innovation reception in banks. Their outcomes feature that web banks are having lower benefit when contrasted with recently sanctioned non-web banks. He again directed examination on 15 basically web banks and 335 conventional banks in 15 nations of European Union and went along the comparative outcomes with one really fascinating finding that appropriation of web banking influences benefit adversely (Delgado et al., 2006). Sathye (2005) directed examination on 61 Credit Unions, Australia and featured that e-

banking doesn't essentially affect execution and hazard profile of banks. An examination led by Nsouli and Schaechter (2002) of International Monetary Fund (IMF) shows that e-banking is far reaching in nations like Korea, Austria, Scandinavia belt, Switzerland and Singapore where 75% of all banks offer such kind of administrations. Scandinavian region has the biggest number of Internet clients, with up to 33% of bank customers in Finland and Sweden utilizing web banking in one structure or the other. In USA, Internet banking is as yet packed in huge banks. While a large portion of the USA buyers have accounts with banks that offer Internet administrations, yet just around 6% of them benefit the related administrations starting today. While the vast majority of the banks have consolidated the new electronic conveyance channels with actual branches, however not very many of them offer their items just through electronic circulation channels. These „internet only“ banks don't have a branch organization yet may have an actual presence like ATMs or now and again even regulatory workplaces. USA has around 30 such virtual banks; while Asia has got 2 and the European Union has a few, either as by and large independently authorized elements or even as auxiliaries/parts of actual banks.

### **Research methodology**

The whole examination action is isolated into four periods of exploration:

Stage I: Deep experiences into e-banking situation in Indian Banking Industry. Stage I of the investigation investigates the current writing on ebb and flow status of e-banking administrations accessible in India and exploration examines directed in different nations. Perceptions dependent on survey propose that there is meager writing accessible on customer fulfillment and customer maintenance corresponding to e-banking in India. The destinations were outlined after audit of writing and theories were set for additional investigation.

Stage II: Finding the vital determinants of customer maintenance and customer fulfillment corresponding to e-banking and afterward zeroing in on disposition of clients and non-clients of e-banking. Stage II of this exploration, endeavors to distinguish key determinants of customer maintenance and customer fulfillment comparable to e-banking administrations gave in India. Likewise it centers around considering the disposition of clients and non-



clients towards e-banking administrations. Broad writing survey has been attempted to settle the critical factors of both the constructs customer maintenance and customer fulfillment corresponding to e-banking and furthermore of the mentality of clients and non-clients towards e-banking regarding factors in particular; accommodation, security, cost and innovation. The total accentuation of this stage is on drafting the poll for revealing the data identified with e-banking highlights, customer fulfillment, customer maintenance and customers' demeanor towards comfort, security, cost and innovation.

Stage III: Choice of reasonable examination strategies and methods for investigation of information

Stage III of this examination centers around choosing the reasonable exploration strategies and procedures for the investigation of information. Expressive insights, ANOVA, Factor examination, Regression and Structural Equation Modeling (SEM) procedures have been utilized in the investigation for coming to at the outcomes which satisfy the goals.

Stage IV: Designing a model for examining the interrelationship between demeanor of clients, customer fulfillment and customer maintenance comparable to e-banking. The last period of the investigation attempts to incorporate and plan a primary model through Structural Equation Modeling procedure (SEM) for contemplating the connection among the demeanor of clients, customer fulfillment and customer maintenance corresponding to e-banking administrations given by the Indian banking area.

The current investigation utilizes distinct exploration plan. Illustrative exploration configuration can be directed in three different ways for example Observational, contextual investigation and review based examination. This exploration rotates around a plainly characterized issue for considering the connection between customer fulfillment and customer maintenance with regards to e-banking. The investigation utilizes an overview examination for gathering the reactions from customers to discover the determinants of customer fulfillment and customer maintenance according to e-banking in India and furthermore dissecting the disposition of clients and non-clients of e-banking administrations in India.

## Information Collection

Essential information has been gathered through self organized survey. The time of information assortment was from January 2011 to October 2011. The examination has been led in Delhi NCR district in India. Delhi NCR covers Delhi, Gurgaon, Faridabad, Noida, Greater Noida, Ghaziabad. So comprehensively, three UT/territories of India have been covered for assortment of information viz. Delhi (Union Territory), Uttar Pradesh (Noida, Greater Noida, Ghaziabad) and Haryana (Gurgaon, Faridabad). Auxiliary information has been gathered through RBI yearly reports and furthermore through Indiatat and web worldstats data set and so on Poll has been drafted with the assistance of writing survey. Corrections were fused in the inquiries which depended on communications with brokers and academicians in the banking area. Barely any inquiries were clubbed and others were erased in the wake of getting contributions from academicians and administrators, as the poll was considered to be excessively long. The last draft of survey contains five segments. Segment profile has been canvassed in starting area. Questions relating to e-banking highlights; determinants of customer fulfillment and customer maintenance, demeanor of customers toward e-banking have been shrouded in different areas. Review based examination has been utilized for assortment of essential information. The data gathered from respondents has been incorporated in Excel sheet as per normalized manuals utilized in different factual tests. In this way the agreed information has been dissected through SPSS v20 and Stata/IC13.

## CONCLUSION

Advancements in banking area should prompt reasonableness, convenience and less expensive rates to the customers or, more than likely it won't serve the requirements of the general public. E-banking is huge accomplishment round the world as it is utilized productively and ends up being savvy for every one of its highlights both for the bank just as for the customer. It brought about changing the customer's demeanor towards e-banking administrations and accordingly upgrading customer maintenance by zeroing in additional on factors of customer fulfillment covering innovation appropriation by customers, simplicity of convenience of e-administrations, acquiring customer's certainty, utilizing all accessible electronic channels widely and keeping up strong relations with banking staff for settling web

based executing issues. In addition the expense of conveyance of eservices has heightened post-reception of innovation and brokers are mulling over imposing charges on their own customers for utilizing their ATMs, moving assets through NEFT/RTGS and other e-banking administrations which are exceptionally begging to be proven wrong. In the light of these innovative changes, this section momentarily summarizes the outcomes and deductions drawn from the examination in the space of customer maintenance and customer fulfillment according to e-banking in India.

**The significant discoveries of the examination are:**

The underlying piece of the investigation focussed on breaking down E-banking highlights based on rating agreed by test respondents on quality boundaries for public area, private area and unfamiliar area banks. Generally speaking mean score is most noteworthy for unfamiliar area banks, trailed by private area banks and is least for public area banks. Buyers have agreed most noteworthy evaluations to all e-banking highlights of unfamiliar area banks aside from one quit banking. As far as wellbeing of assets move on net, sensible help charges, Internet banking help and One quit banking, public area banks scored somewhat higher than private area banks. In the event of advantageous working hours, ATM Services, Debit card administrations, Credit card administrations, Depository administrations, Phone banking office, Innovative administrations and other IT based administrations, private area banks performed better compared to the public area banks. So based on mean score; the outcomes demonstrate better execution of unfamiliar area banks in contrast with public and private area banks.

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