
Original Article

Online banking in India: An approach to establish CRM

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Arpita Khare

is an Associate Professor in L.D.C. Institute of Technical Studies, Allahabad, India. She has about 12 years of teaching experience and her interest areas are services marketing, consumer behavior, retail management and supply chain management.

ABSTRACT Technology is fast altering the business servicescape. Its role in improving customer service levels is being used strategically and increasingly by service organizations. The service attributes and quality can be enhanced by deployment of technology. The Internet has facilitated convenience in customer interactions and transactions with the banks. Online banking is currently emerging as a new approach in India for providing improved accessibility and expediency to customers. Most banks have their own websites for improving the customer interface and offering online services. The article studies the applicability of online banking in India and its role in fostering relationships with customers and giving them more value. The research was conducted on customers familiar with online banking in India, and their perceptions about online banking were studied. The findings reveal that customers are using the services but are skeptical about the financial transactions and service quality dimensions.

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INTRODUCTION

The escalation of relationship marketing has been with the underlying objective of developing long-term relationships with customers. In trying to retain customers, banks are attempting to expand their service offerings. Most banks are striving to devise strategies which take into account the changing needs of their customers.¹ It has implications for exploring and understanding customer needs and accordingly designing marketing strategies that would build loyalty. Implementing appropriate customer retention imperatives lowers the necessity to look for new and potential customer databases and

permits the organization to focus efficiently on building fruitful relationships with their existing customers.² Athanassopoulos³ posits that losing customers not only leads to lost sales and opportunities but also creates a pressure on the organization to splurge resources to acquire new customers. This is expensive for the organization in terms of resources expended.

The expansion of relationship marketing was primarily focused towards understanding the needs of the existing customers of the organization and trying to retain them. The growth in online banking has amplified the range of interface options presented to customers. This has resulted in a steady increase in the number of customers interacting through remote channels with the

Correspondence: Arpita Khare
L.D.C. Institute of Management, Allahabad, India

banks.⁴ Online banking or Internet banking concepts are new in developing countries and are poised to change the face of banking services. The diffusion of new technologies with user-friendly service dissemination models is supposed to improve the banking services.⁵ The general tendency towards adoption of Internet-based models for transactions is leading to 'virtualization' and would enormously affect the bank and customer relationships.⁶

Most banks are investing in customer relationship management (CRM) technologies for improving the customer interface and adding more value to the transaction. The aim herein lies in enhancing customer satisfaction and value to customers. In India, the past decade has witnessed incremental growth of financial services and the banking sector. Liberalization has accelerated the entry of multinational banks into the Indian banking industry. The foray of international banks with improved services and customer-centric strategies has augmented the competition in the stagnant Indian banking industry. It has increased the pressure on domestic banks to broaden their service portfolios and increase the thrust towards developing and nurturing relationships with customers. This was the area which was largely being ignored by the Indian banks; they were not expending resources in improving their services. Loveman⁷ suggests that implementing technology is not the end goal, but to identify relevant information about customers and to use it appropriately and strategically for creating value for customers. The present research is focused towards understanding the advantages of using online banking in the Indian banking sector for improving customer service and consequently building relationships with customers.

The value perceived by customers is of prime importance for organizations in relationship marketing.^{8,9} The first part of the research paper deals with a literature review of online banking. The second part deals with the research methodology and findings.

The third part presents the analysis and the final part covers the managerial implications of using technology in Indian banks. A self-administered questionnaire was used to understand customers' perceptions regarding use of technology in improving service quality in banking services. The research focused on assessing a change in value perception following the use of technology and to comprehend how it improves customer satisfaction.

LITERATURE REVIEW

Grönroos¹⁰ defines relationship marketing as a 'social process oriented to establish, maintain, enhance and when necessary also to terminate relationships with customers and other stakeholders, at a profit so that the objectives of all parties are met. This is achieved by a mutual exchange and fulfillment of promises'. The concept of relationship marketing was introduced by Berry¹¹ who emphasized the need to develop sustainable relationships with customers. Relationship marketing is driven towards developing a customer-centric approach with specific customer segments and delivering services according to individual customer needs.¹²

In recent years banking has witnessed changes not only in customers' demands for better service quality but also new technological innovations and entry of competitors from other businesses.¹³ The primary objective of employing technology in services has been to reduce operating costs¹⁴ and provide enhanced service to the customers. Improving service quality and facilitating relationship building with customers is a prime concern for banks. Technology may be used to standardize service offerings and reduce the heterogeneity prevalent in customer/staff relationships.¹⁵ The focus of adopting CRM has been towards understanding the different customer needs, and accordingly developing delivery models for providing them better value. In marketing, research has related

relationship marketing with direct marketing, database, loyalty, retention and transaction marketing, but these research studies fail to understand the importance of strategic issues of relationship marketing.¹⁶ The focus of relationship marketing is to develop a meaningful customer relationship culture of trust and loyalty.

The past decade has witnessed increased usage of technology in day-to-day business transactions. It has increasingly found strategic adaptation in the service sector. This is primarily driven by the organizational need for managing customers in an efficient manner and developing them as a valuable asset for the organization. It has led to an increased pace of technological innovations which had the overall objective of driving out the inefficiencies related to cost and customer management. As Peppers and Rogers¹⁷ state, CRM may be viewed as a tool specifically designed for one-to-one customer interactions with the responsibility of improving the transactions. CRM may be considered a strategic endeavor which is designed to build a better relationship with the customer and improve operational efficiencies. This would entail building communication systems within the organization and having a cross-functional orientation.¹⁸ No relationship management strategy can promise success if it is not implemented throughout the organization and incorporated in the basic marketing approach of the organization. Designed strategically CRM initiatives can lead to increased profits and competitiveness. CRM emerged as an amalgamation of different management and information system approaches, particularly relationship marketing,^{19,20} and technology-oriented approaches such as computer-aided selling and sales force automation (SFA).²¹

CRM is argued to result in greater customer satisfaction and higher customer retention.^{22–24} The CRM system's success may be ascertained by establishing its overall contribution towards improving

organizational performance, managing customer relationships effectively and leading to organizational learning.²⁵ These initiatives should lead to cost savings, increased market share and profitability.²⁶ CRM strategies aim at retaining customers by improving services thereby focusing on customer loyalty.^{27,28}

With the advent of technologies like Internet banking, online services and ATMs, the service delivery platforms of the banks have undergone a major change. Research posits that technology is increasingly playing the role of service enabler to the customer^{29–32,4} and is considered a necessity in delivering quality service. This has not only provided customers with a varied assortment of services to look into while selecting a bank, but has also led to an increase in their expectation levels.

Increasing the service variety has led to the customer looking for more value in the transactions. Customers are increasingly switching to banks which promise better service levels and facilities. In their research Bloemer *et al*³³ used multivariate regression analysis to propose a model for describing the relationship between service quality and loyalty. Much research has focused on the behavior of the customer towards banking services and their churn behavior.^{34,35}

The growing importance of using technology in banking services cannot be ignored; however, research emphasizes that personalization and human interactions are also imperatives for building long-term relationships with customers.^{36–38} Technology by itself cannot develop loyalty for the banks; it would only improve the service transactions.

The online banking and electronic payment systems are redefining the mode of financial transactions in the banks leading to a more efficient transaction system.⁵ The fascination with online banking is fostered because of convenience, and hassle-free transactions that it offers at the click of a button. It is argued that adoption of online banking smoothes the flow of information and aids in improving operating efficiency

for the bank³⁹ and the customer. In recent years online banking channels have gained popularity in research circles^{39–43} and banks are using online modes for building relationship with customers.

Online banking is set to revolutionize banking transactions in the developing countries also. The diffusion and acceptance of technology may take some time, but it is apparent that it would facilitate increased transparency and improved service. Chou and Chou⁴⁴ posit five basic services which are being provided through online banking. These may be listed as follows:

1. Access to information about account balances and transactions.
2. Payment of bills.
3. Facility to transfer funds between accounts.
4. Credit card advances and transactions.
5. Ordering cheques.

In research conducted by Thornton and White⁴⁵ the seven distribution channels (ATM, EFTPOS, credit card, cheque, human teller, telephone and Internet) were compared with a view to understand the set of variables affecting their usage by the customers. The research findings concluded that the customer was affected by attributes like convenience, service, technology, change, knowledge, computer and Internet in usage of different channels.

Internet banking systems may be referred to 'open systems',⁴⁶ promising easy interface at the customers' convenience. Research emphasizes that personalization and human interactions are imperative for building long-term relationships with customers^{36,37} and technology may be considered as a competitive strategy for providing more value in service transactions. Online transactions should provide assurance to the customers regarding the operational feasibility and financial transactions. In developing countries where people are not familiar with online systems and technology, trust plays a

pivotal role in building relationship with customers. Trust may have several meanings, and may vary with customer requirements. Customers' prefer to do online transactions with a firm they already have a relationship with. Trust is dependent upon competence and assurance to resolve conflicts, deliver on time by reducing complexity and facilitate coordination. In an online environment, the bank's website should assure the customer that their needs would be taken care of competently. This is an important factor in online transactions.⁴⁷ Flavian *et al*⁴⁸ posit, 'High levels of perceived risk are associated with some products, such as financial services. Consequently, the strategic role of consumer trust in online financial services is clearly represented'.

In the Internet-based environment, the customer has access to a large variety of information and can be selective in deciding the kind of service he wants and banks are increasingly finding it tough to lure customers to retain them. Gwinner *et al*²⁹ suggest that as employees and consumers become more accustomed to the service provider, the social aspect of the transaction is improved. CRM strategies are being initiated in the banks with the purpose of understanding the customer better and doing customer profiling in an efficient manner. CRM is a set of IT applications which are having a strategic orientation. Research conducted by Sanchez *et al*⁴⁹ posits that the value perceived by the customer in the banking sector comprises of six dimensions: *value of the establishment, the staff, services offered, price, emotional and social value of the transaction*. Some research indicates that banks should focus on improving shareholder's perception,⁵⁰ enhancing customers' perception regarding banking service attributes,^{24,51,52} and developing customer trust and confidence.⁵³ Roig *et al*⁵⁴ state that while it is apparent to organizations 'to compose an offer of value to the customer, it does not seem to be clear what the value perceived by the customer is'.

Technology is being understood in banks as a tool which would facilitate better understanding of the customer needs and smooth the transaction. Srirojanant and Thirkell⁵⁵ speak of Internet as a tool which links the customers with the organization, leading to higher degree of interaction and foster relationship building. The objective of the research was to discern through primary research the nature of relationship marketing in the Indian banking sector through technology. The plethora of initiatives like Internet banking, ATMs, transactions through online banking has not only increased the pressure on banks to be competitive but has also raised customer expectations. The strategy is to reduce the human element in service transactions but this may have an impact on the customer loyalty and retention.^{56,57}

RESEARCH METHODOLOGY

The research combined both exploratory and descriptive research designs. There was limited available information about the perceptions of the customers' and bank staff regarding online banking in India, so an exploratory research was conducted initially to identify the main attributes of online banking. The results of the data were used to design a questionnaire; this comprised of the exploratory research design.

The research was conducted in the city of Allahabad, in the northern part of India. The sample was restricted to a non-metropolitan city, as online banking is expanding across the country and it would be interesting to understand the perceptions of customers in a non-metropolitan city. The research was conducted in two phases. In the first phase of the research, an exploratory research was undertaken with the customers and bank staff. The respondents were contacted at the banks during the bank working hours through the week. The responses of customers and bank staff about online banking and technology usage in banking services were recorded. A structured and

open-ended questionnaire was used to collect the data about the customers and banking staff perceptions. The total sample in the first phase was 25 banking staff from both public sector and private sector banks and 30 customers, who had used online banking.

The main objective was to identify customer satisfaction with online banking; thus the sample comprised essentially of people who were aware of online banking and were using it for their banking transactions. The questions were related to the usage of technology and the convenience it bestows on the user. For first phase of the research, data were collected by visiting the banks and requesting the staff and the customers in the bank to cooperate in the research. The customers and the bank staff were requested to complete an open-ended, structured questionnaire. Their inputs were recorded for designing a structured questionnaire for the second phase of the research.

The second phase of the research used the structured questionnaire. The questionnaire was structured under three attributes of banking service related to technology deployment, improvement in the quality of service delivery after technology is being deployed by banks and improvement in customer relationship because of online banking. In the second phase of the research information was collected *only* from the customers. The bank staff was not used for collecting the data in the second phase, as the main objective was to identify the customers' perception about online banking in India. The sample comprised of customers who were familiar with online banking features. For collecting the information, the customers were contacted at the banks, and through a bank intercept technique were requested to fill out the questionnaire. The research was conducted in the month of *April 2009*. The sample size for the customers was 150, out of which only 80 usable questionnaires could be used for final tabulation and analysis. The rest of the questionnaires were illegible, or incomplete.

Findings

The initial responses under the three headings are presented in percentages. The findings related to technology deployment are shown in Table 1.

Table 1 comprises the responses of customers' use of online banking. The findings show the awareness and usage of online banking transactions by the customers and the easy accessibility it offers. Regarding trust and risk involved in the banking transactions, customers were not very comfortable with it being a secure medium for financial transactions. This may be attributed to slow diffusion of technology in India, many people desist from using online modes of transaction as it is more convenient for them to visit the bank and have face-to-face transactions. However, in most banks, there are long queues and customers have to wait for many hours for their transactions. Even for withdrawing money, making payments or updating their passbooks, customers have to wait for a few hours. The bricks and mortar environment may be more secure, but it does imply wastage of time for customers. Sathye,⁵⁸ in his study on traditional banking services, states that the customers' perceptions regarding traditional banking services affects their decision to adopt the online services offered by the same bank. He posits that security concerns, user-friendly websites, perceived benefits and value from the service, resistance to change, pricing, and infrastructural concerns affect the customers' perception about online banking. The research findings support Sathye's research findings. Research emphasizes that

personalization and human interactions are imperative for building long-term relationships with customers^{36,37} and customers in India are more comfortable with the face-to-face interaction with banking staff.

For online banking transactions, lack of Internet accessibility in daily life acts as an inhibitor to customers' preference for an online mode. If the customer expects easy accessibility and efficient service, online banking was considered convenient. Customers, who were using online banking for making payments, checking their account status and for other services, felt that online banking provided them more flexibility and convenience than the bank branches. They also felt that online banking was hassle-free and responsive.

The findings related to improvement in the quality of services after using technology for banking transactions are shown in Table 2. The responses related to improvement of quality in the online banking services were not very encouraging. Most respondents using the online services did not feel that it improved the quality of the banking facilities and services. There was a degree of skepticism in their relating it with quality.

Table 2 shows that customers were not very confident about technology's role in providing error-free service. The common perception that technology reduces errors and brings efficiency in the operations and transactions was not shared by the customers. The percentage of responses in the table show that customers had the notion that technology had improved the operations of the bank but there was still scope for

Table 1: Customers' perceptions about technology deployment in banking transactions

<i>Technology-related attributes</i>	<i>% Score</i>
Percentage of customers using online banking on a regular basis	77.5
Percentage of customers who perceive that online banking provides different services for online transactions	75.0
Customers frequency of transactions through online banking per month	51.25
Percentage of customers who consider online banking as a secure transaction medium	57.5
Percentage of customers who perceive that online banking facilitates easy accessibility and operations	73.75

Table 2: Improvement in service quality with usage of technology

<i>Quality attributes</i>	<i>% Score</i>
Facilitating efficient handling of account	56.25
Improvement in attitude of service personnel	65.0
Frequency of mistakes on account	62.5
Instructions carried out or not	60.0
Miscellaneous errors in data entry (name or address entry mistakes)	58.75

Table 3: Findings related to customer relationship

<i>Customer relationship attributes</i>	<i>% Score</i>
Variety of services available	85.0
Helping nature of staff	60.0
Knowledge about the services to the staff	70.0
Transparency in terms of charges taken	60.0

improvement. The percentages indicate that the common services had not become efficient with technology deployment.

Fjermestad and Romano⁵⁹ state that the goal of CRM systems is to improve customer service, retain valuable customers and to aid in improving analytical capabilities. Winer⁶⁰ attributes CRM as the new mantra for marketing and building relationship with customers. The effective CRM entails focusing upon improving service by being responsive to the needs of the customers. Thus technology can help in enhancing the relationship with the customers. CRM as a tool has a very wide influence on the organization's functioning and may be used for a broad range of possible applications such as SFA, customer service functions, marketing automation, collaborative communication and customer analytics.⁶¹ Knowledge about customer requirements can enable the banks to develop effective marketing strategies. These parameters were taken for deciding upon the attributes for CRM in online banking. The decision support application of CRM⁶² and the use of Internet in managing relationships have gained significant importance in recent years.^{63,64} It becomes important to device marketing strategies for designing personalized communication with the customers.⁶⁵

Table 3 shows the customers' perceptions about improvement in services offered because of technology and its impact on staff's performance. Eighty-five per cent of the customers using online banking services felt that technology has increased the variety of services provided by the banks. The technology deployment has though not drastically affected the banking staff's performance. There appears to be scope for improvement on these attributes. In some cases the customers were of the opinion that the bank staff did not have adequate information about the technology, and also because of poor connectivity and server problems, the information accessibility was not very efficient. This attributed to 60 per cent responses on attribute of Transparency in terms of charges taken. The customers opined that many times the transactions were not debited or credited from their accounts immediately, and there were delays in the transactions being posted in their pass-books or online accounts. They attributed this to slow and unresponsive service.

The customers may be aware of online banking, but they are still not very comfortable with using it regularly. They use it as an alternative to the regular banking. The bias of customers is more evident for the financial security in transactions.

Customers are not comfortable with the online transactions, as they feel that it is not secure and safe.

Analysis and discussion

In the statistical analysis, a relationship between use of technology, improvement in quality of services and better management of customer relationship has been ascertained. To understand the relationship between technology usage, quality and customer relationship a correlation was computed. The correlation between the three variables of online banking was computed. The X comprised of the three variables (technology use, quality of services and CRM) and the relationship was studied with the other two variables respectively, Y. Thus, there were two pairs of correlations derived for the three variables.

The results show that there is a positive relationship between technology and quality of service and use of technology and customer relationship. The correlation between technology and improvement in the quality of services was positive, with *P* value being 0.714776. This shows that information technology has diversified the services offered by banks and as a result the customers' perception about quality of services offered by banks has improved. Most Indian banks are using IT to increase their service quality which would help them increase their revenue as well as strengthen their customer base. Further deployment of technology would lead to improvement in service quality; however, it is important that the customers are made aware of the technology so that they may exploit it to the fullest. The apprehension regarding online banking

should be reduced by developing trust for online banking services.

In case of technology deployment and its role in improving the customer relationship, the *P* value was 0.766645, which showed that these two variables are also highly correlated with each other. Banks are using IT to improve their customer relationship by sending information of their accounts through e-mails, providing different options available to access their accounts, making payments online. Technology is acting as a catalyst for facilitating banks to improve their customer relationships.

The results (Table 4) posit that there is a very low correlation between CRM and the quality of service. This may be attributed to the fact that Indian customers are more comfortable with visiting the banks and having face-to-face interaction with the bank staff. The queries and complaints can be handled more efficiently by the bank staff than through the online banking system. The quality of services is attributed to be not dependent upon CRM because the relationship of the customer with the banks is based upon their knowing the bank staff and having their account with the bank for a number of years. Most customers prefer a service provider whom they can trust and in online transactions security/privacy issues affect customer satisfaction.^{66,67} Thus having a long-term interaction with a bank fosters the trust the customers feel and may encourage them try online banking services of that bank. The customers feel assured when they are able to discuss their problems and plans with the bank staff. The online mode does not provide the benefit of personalized interaction.

Table 4: Correlation among IT, quality of services and customer relationship

	<i>Parameter</i>		
	<i>IT</i>	<i>CRM</i>	<i>Quality of services</i>
IT	—	0.766645	0.714776
Quality of services	0.714776	0.307987	—
CRM	0.766645	—	0.307987

In India online banking is still in the nascent stages of development. Although all the banks have websites and are offering a variety of services through the online mode, customer usage of these services is still limited. Research findings demonstrate that people are aware of online banking and are willing to use the facilities as it offers greater flexibility and accessibility, but as far as usage is concerned it is still limited. The research was conducted only on the customers who were using online banking services; they primarily used it for checking their balance and account status. The customers are hesitant to try the online banking option for financial transactions as they perceived a risk in financial transactions. They used online services as an exploratory service and were not accustomed to conduct all their transactions through online systems.

According to the McKinsey report,⁶⁸ 'The last decade has seen many positive developments in the Indian banking sector. The policy makers, which comprise the Reserve Bank of India (RBI), Ministry of Finance and related government and financial sector regulatory entities, have made several notable efforts to improve regulation in the sector'. The banking sector is heavily spending to improve the infrastructure and expand the service portfolio by making banking more convenient through Internet. There is an increasing preference given by Indian consumers towards multinational banks, which have made a foray into the Indian economy with their multi-faceted services.⁶⁹ This increases the pressure on the Indian banks to improve their services and provide a transparent and efficient banking system. With Internet usage to grow in the coming years, the banking sector in India is all poised for massive change.

The findings suggest that realignment of responsibilities of bank staff and technology is important for imparting CRM benefits. The bank staff has to instill confidence among the customers about online banking. The Indian customer is more accustomed to face-to-face

interactions with the bank staff, and may be skeptical about the security aspects of online transactions. Even though using the traditional model entails inconvenience and a long wait at times, customers are more comfortable and assured in the traditional model. To increase their acceptability towards online banking, the customers' perception about risk has to be changed. This implies defining the roles of staff in the bank branches and moving towards a 'relationship-driven sales culture'.⁴ The benefits of online banking revolve around 24 hours accessibility, where the customers have the convenience to access the services through technology without the intervention of inter-personal exchanges.³⁰ To set up this kind of environment would necessitate increased penetration of Internet across the country and strengthening the trust in online banking services. The banks can use technology for improving services, like improving online banking from anywhere at any time. The customers can make payments through online banking. This is in tandem with the suggestion of Lee and Allaway⁷⁰ wherein they propose that successful implementation of self-service technology improves the cost efficiency of service firms and brings down the operating costs, thus making it possible to engage the service staff in more varied service offerings. Since in India, technology in the banking sector is being implemented to improve quality of services and to cut down costs, the focus should be in setting the milieu for accessibility, convenience, trust and more value. As observed in research by Durkin,⁴ awareness campaigns about online banking directed towards customers would change customer behavior slowly. To instill confidence in them would require consistent efforts from the Indian banks as most customers are not conversant with technology's many facets. The key motivators are convenience and accessibility and these should be harped upon. For the customer the quality of service is the core element

wherein the service firms can differentiate themselves^{71,54} and this can be improved through usage of technology.

MANAGERIAL IMPLICATIONS

The research was conducted only on the customers using the online banking services in India. The underlying objective was to understand the perceptions of the users, so that the banks can modify their services in accordance to their needs and thus improve the customer services. Even the customers using the online banking were skeptical about its benefits and financial security attributes and this inhibited them from using the services frequently. The major implications of the research are:

1. Customers should be made aware of the safe and secure use of online banking.
2. More advertisements and general awareness should be created about online banking. This may be done through user-friendly websites and also instructions for using them.
3. Service Personnel should help customers to understand the online banking. They should have information so that they are able to handle all the queries and complaints of the customers. In some cases, the bank staff did not possess the information to help the customers.
4. Accounts should be handled efficiently and mistakes on account should be avoided.

The trend of technology adoption in Indian banks is slow, as it also involves integrating the back-end functions of the various branches of banks. It requires a consistent effort from top management to increase the pace of technology deployment and use it as a strategic tool for building relationships. Involvement of the service staff would lead to building trust with the customers and helping them to access and avail the online services. Therefore, implementing CRM in banks should be in line with the assertion by

Bose⁷² and Ahn *et al*⁷³ that it is a set of software modules which can transform an organization's interaction with its customers. Kellen⁷⁴ posits that CRM is a business strategy for nurturing long-term relationships with customers simultaneously increasing the profitability of the business. The customers seek trust in their financial transactions, and if the trust is ensured,⁷⁵ they may be willing to use the online banking options. Previous research shows that risk associated with online banking transactions is much higher than traditional banking systems^{76,77} and customers are reticent towards trying the online mode. The research findings show a similar inclination, as all the customers, even though were aware of online banking options were not using it on a regular basis. This corresponds with earlier research that bank reputation⁷⁸ and technological competence⁷⁹ have an impact on customers' perception and attitude. Therefore, technology implementation should involve communicating to the customer about its benefits. Technology may not be only seen as a competitive tool for banks in giving them operational efficiency. It should also be viewed as a strategy for improving service delivery and providing customized services to the customers. If the customer fears and inhibitions are appropriately handled there will be an increased usage of online banking. Convenience and relevant customer information may encourage customers to try online banking services, as was observed in online brokerage services.⁸⁰ Since online banking is poised on the growth stage, the scope for building competitive advantage is immense.

LIMITATIONS

The research findings indicate that online banking may be used as a strategy for improving the bank's operations and services. As a developing country, India lacks IT infrastructure and there is a low penetration of the Internet in the interiors of the country. The current research used very few

attributes for understanding the perceptions of the customers' regarding online banking. There is scope for conducting research on online banking and CRM using a comprehensive scale which examines the multi-dimensional attributes of online banking and its ability to improve CRM.

The research was restricted only to the customers using the online banking services, thus the perceptions cannot be generalized for non-users. Further research may be undertaken to understand the perceptions of non-users and a comparison may be done with the online banking users. The research was only conducted in a non-metropolitan city, and the sample size was small. Research can be undertaken on much larger scale and data may be collected from across different cities of the country. Online banking is highly dependent on technology penetration levels; thus research may be conducted to understand the role of Internet accessibility and online banking usage.

CONCLUSIONS

India has a rapidly growing Internet penetration and a predominantly young population. This coupled with increased education and changing demographics presents immense opportunities for online services. Technology is fast transforming the way services are being delivered and customized for customers. The research corroborates that there is immense potential of online banking in India. There is acceptance of the online models and the fears of the customers may be handled by counseling and guidance. The younger consumer group offers a huge potential market, as they are more Internet-savvy and susceptible to new technological advancements. They are accustomed to using web-based services and are therefore positive about the Internet banking benefits. The online banking is no longer restricted to major cities of the country but has expanded its reach across the country's cities and regions.

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