

**BRAND LOYALTY IN E-WALLET: AN EMPIRICAL STUDY USING STRUCTURAL EQUATION****Dr. N. RAJENDRA PRASAD**Department of Commerce,
Osmania University,
Hyderabad, Telangana
rajendraprasad50@gmail.com**Abstract**

The Present study also provides the research in key role of customer satisfaction in buying the same brand of good (brand loyalty) of an e-wallet service provider.

The paper examines by means of observation and its impact on customer satisfaction, on brand loyalty in regular usage of e-wallet. Based on the theoretical model, can be defined as a theory that is developed to explain a situation or a phenomenon or further, to able to forecast it, a proposition made as a basis for reasoning were formulated. The primary data was collected from the respondents which consist of 400 e-wallet users. This paper gives an outcome of e-wallets, describes its functional behaviour of different e-wallets in India.

This study is a descriptive survey. The systematic research of population are the e-wallet users in Hyderabad which is considered to be a finite number. For sample selection, a convenience sampling method was used. A standard 5-point structured instrument is used to collect the primary data. The data was analyzed using SPSS and PLS software. A structural equation modelling test was used for the analysis of the data.

The results prove that customer satisfaction carries great impact on brand loyalty of e-wallet.

Keywords: *Demonetization, Digital Economy, Brand Loyalty, Paytm, E-Wallet, Customer Satisfaction.*

Introduction

Online money transactions and digital payments are now easy, not as difficult as they were before.

This makes it easy for people to smartly deal with the sudden ban on old currencies. And online transactions do come with a lot of benefits. There is great number of users using e-wallet sector. Making payments for online orders is easy with e-wallets. People started using their e-wallets resulting in the growth of the e-wallet providers like Paytm, Mobikwik and more.

Indian government started closely supporting and promoting UPI for online payments. In the present era, customers' continuously purchasing the same product of one brand has occupied a great importance and it has been a famous research topic in respect to marketing practitioners and researchers (Worthington, Bennett, & Charmaine, 2010). Major focus of companies was on loyal customers, because they are more profitable than non-loyal customers (Helgesen, 2006).

As if there is no particular definition of brand loyalty, a general view and opinion among scholars, it has carried a multidimensional phase, which defines and also measures in either behavioural and attitudinal terms (Jacoby J & E., 1978) (Dick & Basu, 1994) ; (Rundle Thiele



& Bennett, 2001) ; Worthington et al. 2010). Behavioral loyalty is defined as the frequency of repeat purchase while attitudinal loyalty is defined as the psychological commitment that a consumer makes in the t, such as intention to purchase and intention to recommend (without necessarily taking actual repeat purchase behaviour into account) (Jacoby 1971;).

In general, an initial proposal which is most commonly used to measure or calculate brand loyalty in financial terms, have been behavioural, attitudinal, otherwise it is a combination of attitude and behaviour. and behavioural (Rundle-Thiele and Bennett 2001). 1. NEED OF THE STUDY: After demonetization, use of e-wallet increased at a fast rate. In November, India banned circulation of Rs. 1,000 and Rs.500 which is 86% of the total India's currency. Since then, Indians have flocked to digital payments.

The country's standard digital payments offering, called the UPI, grew from processing \$15 million to \$359 million monthly. Companies need to have a good understanding of person's ancestors or family and social background to gain a competitive advantage online, in order to obtain the advantages or benefits of having loyal customers. As well having loyalty across the globe. (e-loyalty) or gaining customers satisfaction through online or digital payments. (Bhattacharjee, 2001) or personal characteristics (Magi, 2003).

In the process of finding out the research results and importance of e-loyalty, following the crucial areas promotion respect brand loyalty, to find the customers pulse who are repeatedly purchasing he same product or a different product of a particular brand, this happens usually through word-if-mouth, as recommendation is a crucial area of research (Srinivasan, Anderson, & Ponnaolu, 2002).

4. REVIEW OF LITERATURE

It was a challenge to Research Scholars / Academicians / Scholars in calculation brand loyalty as this dimension is formed by behavioural ad attitudinal from (Dick A & Basu. 1994)

From the prior purchases of consumers loyalty information is measured or calculated from the brand loyalty and its behaviour, the basic cause and reason customer will not switch to another brand of any product is due to brand loyalty which has been following from the era of ancestors, this brand loyalty has shown a remarkable progress in gaining customer's satisfaction and thereby customers purchasing the product of the same brand in long run. sss(Oliver R, 1997).



Brand loyalty is a technique to find out the customer's pulse in switching from one brand to another brand, at the times when brand makes a change in respect to price or in product features (Aaker D, 1991). Brand loyalty also features various potential benefits like, cost cutting, important feature of brand values, as well gaining the confidence of potential customers, as well creating its own place and rank in global market (Mao, 2010) (Moorman, Zaltman, & R., 1992)

Trust is indirectly 'an acceptance and willingness to believe in shifting to another partner upon whom we have the confidence'. (Chaudhari & Holbrook, 1999) Trusting a brand is nothing but an "acceptance of consumer or customer willingness to depend on proficiency of a particular brand in performing its function at a particular state or situation. Various benefits of the trust are as follows, in explaining loyalty and getting it close to consumers trust has been playing vital and a key role consistently.

The connectivity between trust of the customer or consumer and brand loyalty has been very familiar in different studies (Morgan R & Hunt S, 1994). According to (Morgan R & Hunt S, 1994) brand trust leads to brand loyalty because trust creates exchange relationships that are highly valued. (Cheung & Lee., 2001) A Theoretical and observation in a systematic approach of finding of research areas of trust in the articular and in terms of which it can be fully understood related online or internet shopping.

In this model, consumers believe in online shopping which is affected in an inclination or natural tendency and two groups of ancestral factors, trustworthiness of Internet vendors, and the external environment. (Syed & Norjaya, 2010) found that security/privacy, word-of-mouth, relation of trust built through online carries a great importance with online experience which does not miss quality information and also not showing any bad impact on brand reputation.

(Huan-Ming & Chewi-Jen, 2011) studied the aspect of believing in ones relationship between the qualities of e-retailer and intension of consumer while shopping online. Proved results were showing that belief in ones' relation has played a crucial mediator role in between e-retailer's quality and consumer intention through online shopping. Situations of consumer's purchase has been a major foundation for building trust through brand loyalty, as well building and maintaining brand promotion and consistency. (Cowles, 1997). Trust which has been consistently playing a vital role Elasticity of price and share market maintenance these are the factors which influence in turn is a combination of attitudinal and behavioural loyalty

In the field of e-loyalty several structural models of trust and its relationship to repeat visits to e-commerce sites have been presented (Jevons & Gabbott, 2000). Privacy has come out as a unique and important dimension of e-loyalty (Ratnasingham, 1998). The action of describing or portraying privacy and security is very similar to the difference stated by (Hoffman, Novak, & Peralta, 1999) et al.

(1999) identifying "environmental control" as separate to secondary use of information and its control as described above. There was a conception that because of sharing information which may reflect into several concerns Environment and its control which may also cause a major concern and a challenge for online security. Possibilities of informational theft may also occur.

(Gommans, Krish, & Katrin.) 2001) conducted a study on? From Brand Loyalty to



E-Loyalty: A Conceptual Framework? The basic aim of this paper is to integrate earlier research in bringing out the findings of brand loyalty in presenting a conceptual framework of “e-loyalty “and it’s beneath drivers. Depending upon the primary opinions or ideas, there will be a situation which gives scope of several significant research question which may arise in the future. (Tsai & Jong.,

2010) Based on the study collected information on security and its confidentiality on an online is strictly related to purchasing nature of the consumer. (Yen 2010) Opinions which were primarily investigated with risks are associated negatively with consumer loyalty, whereas switching costs customer’s brand satisfaction. By comparing a product with different brands, consumer satisfaction and its level can be easily measured. (Kotler, 2003, p. 36). Therefore, satisfaction is closely related to consumers’ expectations.

More importantly as much as the gap exists, there is a chance of mis-communication between the customer and their expectations, as well the exact performance of the product or service, as good the customer’s satisfaction (Hutcheson & Moutinho, 1998) Engel et al (1990) defines consumer’s satisfaction following the purchase evaluation, through which able to find out the second best alternative is opted at least to provide equivalent or exceed the expectation of customer.

To the other side occurs when the results do not meet customer expectations. Furthermore, (Kotler, 2000), gave a definition of customer satisfaction as Customer Satisfaction is the level of a person’s felt state which results in comparison of product’s second opinion and its ability to prove (or output) in correlation to the person’s expectation Am et al.

(2002) measured the satisfaction in Four dimensions; satisfaction by variety of products, price satisfaction, location or physical aspects of the store, service providers and marketing promotion.

5. RESEARCH METHODOLOGY

The questionnaire was prepared by keeping in view of a conducted survey instrument which includes a proposed model to examine the facts as a limited evidence as a starting point for further investigation of the customer’s interest

The items in the questionnaire are based on the study of the results in literature and research gap identified for the study. The population of e-wallet customers using Paytm in Hyderabad is finite, due to the uncertainty of the number of e-wallet customers, the sample is determined using the sample formula for finite population with 95% confidence level and 0.5% error margin, a magic sample number is achieved at 382 sample size.

Accounting the percentage of response rate at 30-45%, as a whole thousand questionnaires were distributed, out of which 400 were deemed to be appropriate to use for this study. The sampling study employed for this study is convenience sampling. Data collection tools are divided in two parts: 1) demographic characteristics (age, gender, marital status, income, education level, usage.).

2) Questionnaires: Security (Ebenoututeye, 2003), Perceived Risk (Hamid & Cheng, 2013), Trust (Srinivasan S. , 2013), (Chaudhari & Holbrook, 1999), (Doney & P., 1997) (Badr Eddadqoudi & Tqrurq, 2009), as a second opinion should be very careful while sending for the

second opinion or poll of a customer's satisfaction and their results(Odumeru A, 2012) lasting customer satisfaction questionnaire (Magi, 2003), (De Ruyter & K. P, 1998) were collected and are depending on Likert's five-item spectrum (Strongly Disagree to Strongly Agree).

To ensure the reliability and validity of the constructs, a basic study was conducted by taking 35 consumers as sample size. The reliability of the questionnaire was 0.65 (Cronbach alpha coefficient) for all the variables (Refer Table 2). For the statistical analysis, the descriptive statistics (frequency indicators, mean, and standard deviation) was used and for the inferential statistics, the structural equation model and smart PLS and SPSS software's was used. 5.1

OBJECTIVES

1. To study e-wallets. 2. To study if brand loyalty exists in e-wallets. 3.

To study the role of customer satisfaction in building brand loyalty in e-wallets. 5.2 Hypotheses Research Hypotheses are as follows: H1: E-wallet security is positively related to Customer Satisfaction.

H2: E-wallet security is positively related to Brand Loyalty.

H3: E-wallet Perceived Risk is positively related to Customer Satisfaction.

H4: E-wallet Perceived Risk is positively related to Brand Loyalty.

H5: E-wallet Trust is positively related to Customer Satisfaction.

H6: E-wallet Trust is positively related to Brand Loyalty.

H7: E-wallet Perceived Ease of Use is positively related to Customer Satisfaction.

H8: E-wallet Perceived Ease of Use is positively related to Brand Loyalty.

H9: Customer Satisfaction is positively related to Brand Loyalty.

6. DATA ANALYSIS

DATA ANALYSIS

Table 1: Demographic profile of the sample

		N	%
Gender	Male	188	46.9
	Female	212	53.1
	Total	400	100
Income (PM)	5000-10000	60	15.0
	10001-20000	102	25.5
	20001-30000	168	42.0
	>30001	70	17.5
	Total	400	100
Age	<20	22	05.5
	21<30	272	68.0
	31<40	106	26.5

	Total	400	100
Education level	Below under graduate	60	15
	Under graduate	148	37
	Post graduate	192	48
	Total	400	100

Source: Primary Data

The demographics from the above table can be explained as the total male respondents are 188 out of the 400 chosen respondents, whereas the female respondents were 212. The income group of the respondents has been considered at four levels, those earning Rs 5000-10000 are 60 respondents, the respondents in the income group Rs 10001-20000 are 102, the respondents in the income group Rs 20001-30000 income group are 168 and the respondents who earn above Rs 30000 are 70. Age group of the respondents is classified under three groups, below 20, 30 and 40 respectively. It is seen that the age group 21<30 has more number of respondents at 272. The second highest being the age group of 31<40 at 106. The last demographic that has been considered for this study is education level. The maximum number of respondents (192) are postgraduates.

Table 2: VALIDATION HYBRID STRUCTURES

AVA Validity & Reliability	Explained Variance	Cronbach Alpha	Subscription credit	redundancy		
Security	0.52	0.77	0.36	0.64	0.48	
Perceived Risk	0.51	0.71	0.57	0.68	0.43	
Trust	0.53	0.70		0.68	0.49	
Perceived Ease of Use	0.52	0.72		0.71	0.31	
Consumer Satisfaction	0.51	0.70	0.80	0.68	0.37	0.86
Brand loyalty	0.53	0.73		0.64	0.52	0.63

By comparing the values obtained from square root of variance for “ava” structure models in solidarity with other structures in Table 3, it can be a valid model.

Table 3: MODIFIED CORRELATION VALUE TABLE

Security	Brand	Trust	Perceived Ease of	Perceived	Consumer
----------	-------	-------	-------------------	-----------	----------

	Loyalty		Use	Risk	Satisfaction
Security 0.92					
Brand loyalty 0.91	0.73				
Trust 0.91	0.72	0.81			
Perceived Ease of Use 0.85	0.68	0.80	0.72		
Perceived Risk 0.84	0.66	0.79	0.71	0.89	

Table 4: THE RESULTS OF PATH COEFFICIENTS

R Square	
Security	0.62
Perceived Risk	0.68
Trust	0.71
Perceived Ease of Use	0.68
Consumer Satisfaction	0.79
Brand Loyalty	0.61

R square" Matrix is the result of “**PLS logarithms**” and “**smart PLS**” path coefficients test that shows the hidden explained variance of the dependent variable. In fact, the «**R²**» reflects the Suitability of this model and it is more suitable if the value is much closer to 1.

The mediating variable effects (Customer satisfaction)

As it is observed from the output of software and standard estimation as well as significant values, the results of indirect effects of model variables are calculated in the following table:

Table 5: Table of Indirect effects

(Customer satisfaction as mediating variable)

According to the significant relationship of variables, the examining of the hypotheses can be initiated. The results of tests based on structural equation modeling study are shown in Table (6). As it can be seen in this table, all research hypotheses have been confirmed in 99% confidence level

Table 6: Path Coefficient of total effects of constructs and significance of estimated parameters

Amount	To Affect	Level of Significance	Test	Beta Coefficient	Hypotheses (Directions)	ROW
WSS	+++	0.05 0.01 0.01	2.41 9.17 37.27	0.07 0.80 0.94	Security \Rightarrow brand loyalty Customer satisfaction \Rightarrow brand loyalty Security \Rightarrow customer satisfaction	1
SSM	+++	0.01 0.01 0.01	15.64 9.17 35.48	1.46 0.80 0.46	Perceived Risk \Rightarrow brand loyalty Customer satisfaction \Rightarrow brandloyalty Perceived customersatisfaction \Rightarrow Risk	2
WSM	+++	0.01 0.01 0.01	3.54 9.17 10.82	0.21 0.80 0.19	Trust \Rightarrow brand loyalty Customer satisfaction \Rightarrow brand loyalty Trust customersatisfaction \Rightarrow	3
WSM	+++	0.05 0.01 0.01	2.09 9.17 13.22	0.19 0.80 0.21	Perceived Ease of Use \Rightarrow brand loyalty Customer satisfaction \Rightarrow brandloyalty Perceived Ease of Use customersatisfaction \Rightarrow	4

According to the research findings, the results of Path Coefficient of total effects of constructs (test) showed that the model is in a good condition. Based on these facts, the results of hypotheses test which are derived from the model are as follows:

The results showed that, customer satisfaction plays a mediating role in the impact of Security of e-wallet on brand loyalty. The result is consistent with the results of (Ebenoututeye, 2003) (Oliver, 1993), (Dabholkar, Shepherd, & Thorpe., 2000), and



(Janghyeon, Yuksel, & Georgina., 2011). So it can be said that the security stems from the experience of customers, it is very important to measure and evaluate Security in the customers' level. So, the e-wallet (financial) service provider must give more importance to the impact of security on brand loyalty, because the results of this study showed that customer satisfaction plays a mediating role in effect of Perceived Risk on brand loyalty. The results are consistent with the research results of (Janghyeon, Yuksel, & Georgina., 2011) (Hamid & Cheng, 2013). The results of this part show that by improving Psychological (Perceived image of user), and perceived time-loss (taking more time than an alternative mode) customer satisfaction is increased, and ultimately through this method, the amount of brand loyalty is facilitated in e-wallet business. The results also show a significant and acceptable influence of mediating role of customer satisfaction in the effect of Trust on brand loyalty. The results of this part of the research are consistent with (Srinivasan S., 2013), (BadrEddadqoudi & Tqruq, 2009), (Moorman, Zaltman, & R., 1992) findings. In general, it can be said that by building and maintaining trust by e-wallet service provider with customers are critical to a brand's success in today's highly competitive global market. The results of the study show that, customer satisfaction plays a mediating role in effect of Perceived Ease of Use on brand loyalty. The results of this part of the study are consistent with (Odumeru A, 2012) findings. Thus, all hypotheses are supported.

7. RECOMMENDATIONS

1. It is recommended that the e-wallet service provider should take measures to improve security of services by building confidentiality, integrity, legitimate use and auditing for e-wallet users.
2. The service provider of e-wallet will need to take care to ensure that the possibility of danger of counterfeiting is minimized and they must be vigilant in monitoring their systems and operations so that fraud can be detected easily and quickly when it occurs. Highly confidential data of customer such as customers' personal identity number or other OTP should not be revealed to any third party other than the owner itself.
3. The willingness to use the e-wallet is directly proportional to the frequency of usage. Customers should get themselves exposed to e-wallet systems in order to gain experience and increase trust on the existing security.



4. It is suggested considering important role of perceived risk in customer satisfaction on brand loyalty, the e-wallet service providers should understand the consumers perceived risk such as financial loss, time-loss, etc., and implement strategies.
5. It would be better if companies firstly create e-wallet system in such a way that it is easy to use, which will make customers loyal by satisfaction.
6. It is recommended that the companies create satisfaction in customers through paying attention to customer needs and providing high security, considering the perceived risk, trust, and perceived ease of use of financial services (e-wallet) so that it will increase the intention for repetition of service use.

REFERENCES:

1. Aaker D, A. (1991). *Managing Brand Equity: Capitalizing on the value of a Brand Name*. New York: The Free Press. Badr Eddadqoudi, & Tqruq, N. A. (2009). *Assessing the impact of customer's trust and security reasons on willingness of customer for internet shopping among urban Moroccans*. *International Journal of Business & Management Studies*, 2 (1), 17-32. Bhattacharjee, A. (2001).
2. *A strong evidence of their antecedents of Eelectronic Commerce Service Continuance*. *Decision Support Systems*, 32 (1), 201-2014. Chaudhari, A., & Holbrook, M. B. (1999). *The continuous effects from trusting a particular brand and affect to brand and its performance*. *Journal of Marketing*, 62 (2), 35. Dabholkar, P. A., Shepherd, C. D., & Thorpe, D. I. (2000). *A systematic study of quality which is a service oriented: It is also said to be a longitudinal study with exact measurement issues with a study of thorough investigation*.
3. *Journal of Retailing*, 76 (2), 139-173. De Ruyter, J. B., & K. P, P. (1998). *Investigating drivers of bank loyalty: the complex relationship between image, service quality and satisfaction*. *International Journal of Bank Marketing*, 16 (7), 276-286. Dick A, S., & Basu., K. (1994). *Customer Loyalty: Toward an Integrated Conceptual Framework*.
4. *Journal of the Academy and Marketing Science*, 22 (2), 99-113. Dick, A. S., & Basu, K. (1994). *Customer Loyalty toward an integrated conceptual framework*. *Journal of the Academy and Marketing Science*, 22 (2), 99-113. Doney, P. M., & P., C. J. (1997). *An Examination of the nature of trust in buyer-seller relationships*. *Journal of Marketing*, 61 (1), 81. Ebenoututeye, A. (2003). *Systematic approach to e-business security*. Canada: University of New Brunswick, Fredericton.
5. Engel, J. F., Blackwell, R. D., & Miniard, P. W. (1990). *Consumer Behaviour*. (6th, Ed.) Hinsdale, IL: Dryden Press. Gommans, M., Krish, K. S., & Katrin., S. B. (2001). *From Brand Loyalty to E- Loyalty: A Conceptual Framework*. *Journal of Economic and Social Research*, 3 (1), 43-58. Hamid, N. R., & Cheng, A. Y. (2013). *An interpretation of analysis on the use of Electronic Payment Systems by Young Adult*. *WSEAS TRANSACTIONS on Information science and Applications*, 10 (1), 29-35.
6. Helgesen, O. (2006). *Customers who are faithful are said to be truly profitable? Consumer Satisfaction, Customer(Action) Faithfulness and profitability of any consumer at the Individual Level*. *Journal of Marketing Management*, 22, 244-266. Hoffman, Novak, T. P., & Peralta, M. (1999). *Building Consumer Trust Online*. *Communication of the ACM*, 42 (4), 80-85. Hutcheson, L., & Moutinho, G. D. (1998). *Measuring Preferred Store Satisfaction Using Consumer Choice Criteria as a Mediating factor*.
7. *Journal of Marketing Management*, 14 (7), 705-720. Jacoby J, C. R., & E., W. F. (1978). *Brand Loyalty: Measurement and Management*. New York: Wiley. Janghyeon, N., Yuksel, E., & Georgina. W. (2011). *Brand Equity, Brand Loyalty and Consumer Satisfaction*. *Annals of Tourism Research*, 38 (3),



1009-1030. Kotler, P. (2000). *Marketing Management (The Millenium edition ed.)*. NJ: Prentice Hall International Inc. Magi, A. W. (2003).

8. *Share of Wallet in Retailing: The impact of consumer satisfaction, Loyalty Cards and Shopper Characteristics*. *Journal of Retailing* , 79 (2), 97-106. Mao, J. (2010). *Customer Brand Loyalty*. *International Journal of Business and Management* . , 5 (7), 213-217. Moorman, C., Zaltman, G., & R., D. (1992). *Relation between traders and customers of marketing research: The dynamics of trust within and between organisation*.
9. *Journal of Marketing Research*, 29 (3), 314-329. Odumeru A, J. (2012). *The Acceptance of e-banking by customers in Neigeria*. *World Economic Review of Business Research* . , 2 (1), 62-72. Oliver R, L. (1997). *Satisfaction: A behavioural perspective on the consumer*. New York.: Irwin McGraw Hill. Oliver, R. L. (1993). *Cognitive, Affective and attribute bases of the satisfaction response*. *Journal of Consumer Research* , 20 (3), 418-430. Rundle Thiele, S., & Bennett, R. (2001).
10. *A Brand (product with quality) for all seasons? A discussion of brand and its belief approaches applying at different markets*. *Journal of Product & Brand Management* . , 10 (1), 25-37. Srinivasan, S. (2013). *Role of believing others in e-business success*. *Information Management and Computer Security* . , 12 (2), 166-172. Srinivasan, S. S., Anderson, R., & Ponnaolu, K. (2002). *Customer Loyalty in E-Commerce: An Exploration of its Antecedents and Consequences*. *Journal of Retailing* . , 78 (1), 41-50.
11. Tsai, Y. C., & Jong., Y. C. (2010). *Perceived Risk of Information Security and confidentiality in Online Shopping: A Study of environmentally sustainable products*. *African Journal of Business Management* , 4 (18), 4057-4066. Worthington, S. R., Bennett, R., & Charmine, H. (2010). *A Tri- Dimensional Approach for Auditing Brand Loyalty*. *The Journal of Brand Management* . , 17 (3), 243-253. Yen, Y.-S. (2010).
12. *Can perceived frisks affects the relation of switching costs and faith on consumer in e-commerce?* *Internet Research* , 20 (1), 210-224.