



E-MARKETING PRACTICES OF PUBLIC AND PRIVATE SECTOR BANKS A COMPARATIVE STUDY OF CANARA BANK AND AXIS BANK

Dr. Lamaan Sami

Assistant Professor, Department of Commerce,
Aligarh Muslim University, Aligarh-202002

ABSTRACT

This research paper evaluates the differences in electronic marketing practices of public and private sector banks in India. Data have been collected through questionnaires designed on a five point Likert scale from 231 customers and analyzed with the application of independent sample t-test. Canara Bank and Axis Bank have been chosen from public and private sector respectively. Mobile banking, internet banking, CRM, online bill payment, ATM service are the components of e-marketing used by the author in the current study. The analysis of data revealed that significant differences exist between the satisfaction level of customers in Canara Bank and Axis Bank.

Key words: e-marketing, satisfaction, customers, Canara Bank and Axis Bank.

1. Introduction

The terms e-marketing, internet marketing, and online marketing, are frequently interchanged, and can often be considered synonymous. E Marketing or electronic marketing refers to the application of marketing principles and techniques via electronic media and more specifically by the Internet. E-marketing is the process of marketing a brand using the internet. It includes both direct response marketing and indirect marketing elements and uses a range of technologies to help connect businesses to their customers. E-marketing encompasses all the activities a business conducts via the worldwide web with the aim of attracting new business, retaining current business and developing its brand identity. Email marketing is directly marketing a commercial message to a group of people using email. In its broadest sense, every email sent to a potential or current customer could be considered email marketing. It usually involves using email to send ads, request business, or solicit sales or donations, and is meant to build loyalty, trust, or brand awareness. Email marketing can be done to either sold lists or a current customer database. Broadly, the term is usually used to

send email messages with the purpose of enhancing the relationship of a merchant with its current or previous customers, to encourage customer loyalty and repeat business, acquiring new customers or convincing current customers to purchase something immediately, and adding advertisements to email messages sent by other companies to their customers. E marketing can be considered to be equivalent to internet marketing and digital marketing. However, E marketing is sometimes considered to have a broader scope than Internet marketing since it refers to digital media such as web, e-mail and wireless media, but also includes management of digital customer data and electronic customer relationship management systems.

2. Review of Literature

Iqbal (2005) revealed that Indian banking sector has shifted from “class banking” to “mass banking” and later on “productive banking” after adoption of LPG (privatization, liberalization and globalization). Besides, he found that information technology act as a tool for the building up blocks of banking sector with more advancement and improvement. The study by **Swaminathan (2008)** highlighted that modern technology such as internet and mobile phones provide information to the consumers and helps in innovating new e-marketing methods for the survival of e-marketers in the competitive market. **Siddique & Rehman (2011)** explored that e-marketing has given a positive and encouraging response to the customers and provides required information along with customers order for the product and payment online and e-marketing plays a vital role in the present era of marketing. **Anthony & William (2015)** examined the implementation of e-marketing practices in the hotel industry. The research was conducted using a survey method in Argentina and the results showed that hotel companies having higher level of e-marketing practices achieve better business performance. The research further showed that hotel companies adopting high level of e-marketing like use the internet, Wi-Fi, digital satellite TV, DVD, interactive or cable TV in rooms, personal digital assistant (PDA) and information decision support system in their daily operations. However, it has been revealed that hotels are not utilizing ICT to its full potential due to lack of financial resources as well as a lack of knowledge and hence there is need for making improvement in e-marketing. **Khan (2016)** explored the e-Marketing practices of two foreign banks namely Standard Chartered and HSBC bank operated in India. The study was an empirical study which measured the differences in e-marketing practices of Standard Chartered and HSBC. Data have been collected through questionnaires designed on a five point Likert scale from Delhi. The sample size of the study was 95 customers and independent sample t-test has been used for hypotheses testing. The

author revealed that significant differences exist between the satisfaction level of customers in Standard Chartered and HSBC with respect to e-marketing.

3. Canara Bank

It is an Indian state-owned bank established at Mangalore in 1906. The headquarter of Canara bank is located at Bangalore, Karnataka. The government nationalized the bank in 1969. As of September 2016, the bank had a network of 5847 branches and more than 10026 ATMs spread across India. The bank also has offices abroad in London, Hong Kong, Moscow, Shanghai, Doha, Bahrain, South Africa, Dubai, Tanzania and New York. Padma Shri (CA.) T. N. Manoharan is the current chairman of the bank.

4. Axis Bank

Axis Bank is the third largest of private sector banks in India offering a comprehensive suite of financial products. The bank has its head office in Mumbai and registered office in Ahmedabad. It has 2,959 branches, 12,743 ATMs, and nine international offices. The bank employs over 50,000 people and had a market capitalization of US\$16 billion as on March 31, 2016. Besides, 30.81% shares are owned by United India Insurance Company Limited, Oriental Insurance Company Limited, National Insurance Company Limited, National Assurance Company Ltd, GIC, LIC & UTI and remaining 69.19% shares are owned by Mutual Funds Institutions, FIIs, Financial Institutions (banks), Insurance companies, corporate bodies & individual investors among others as of 30 Jun. 2016.

5. Objective of the Study

The objective of the study is to investigate the differences between the satisfaction level of customers in Canara Bank and Axis Bank regarding e-marketing practices.

6. Hypotheses Development

Ho₁: There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding internet banking.

Ho₂: There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding mobile banking.

Ho₃: There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding CRM.

Ho₄: There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding online bill payment.

Ho₅: There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding ATM service.

7. Research Methodology

The population of this study consists of all customers of Canara Bank and Axis Bank. Random sampling has been applied to collect data from the customers of two banks residing in selected cities of Uttar Pradesh. The size of the sample is 231 customers. So far data collection is concerned; a well designed questionnaire set on a five point Likert-scale has been used to collect data from customers living in living in Aligarh, Agra, Mathura, and Hathras. Lastly, independent sample t-test has been used to test the hypotheses of the study.

Table 1: Sample Size

Selected Banks	Questionnaires		
	Distributed	Rejected	Accepted
Canara Bank	250	103	147
Axis Bank	150	66	84
Total	400	169	231 (Sample Size)

Source: Primary Data

8. Demographic Profile of Respondents

The study highlights the demographic profile i.e. age, gender; religion, and education of the selected respondents.

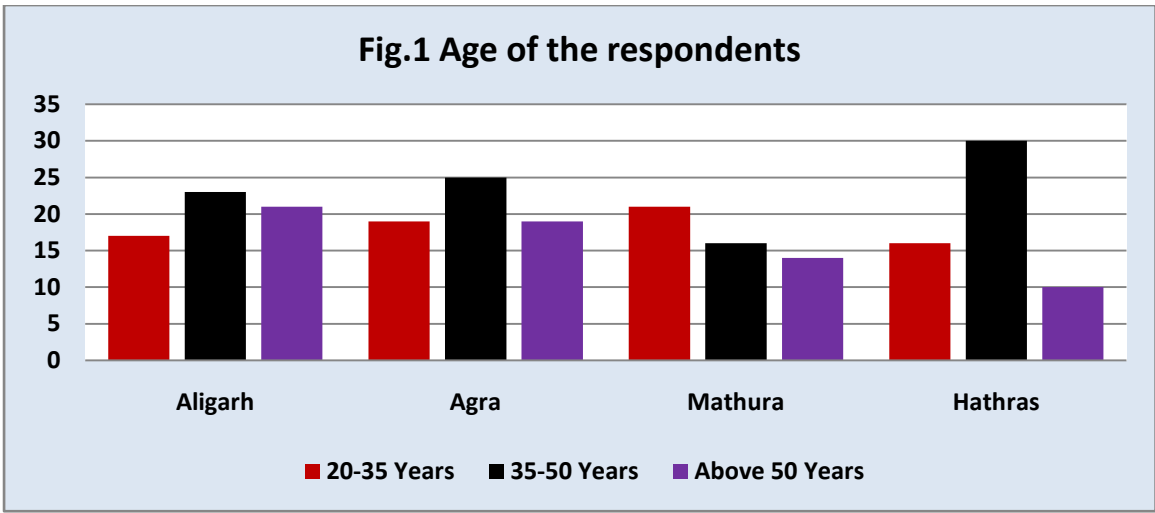
8.1 Age of the Respondents

Table 2 and figure 1 highlight the age of the selected respondents. 73 respondents were fall in the age limit of 20-35 years. Besides, 94 respondents belong to the age of 35-50 years whilst 64 were of the age of more than 50 years. In the district of Aligarh, 23 respondents were belong to the age limit of 35-50 years. Moreover, 25 respondents in Agra were of the age limit of 35-50 years. In Mathura, 16 respondents were fall in the age group of 35-50 years as against 30 in Hathras.

Table 2: Age of the Respondents

Age	Aligarh	Agra	Mathura	Hathras	Total
20-35 Years	17	19	21	16	73
35-50 Years	23	25	16	30	94
Above 50 Years	21	19	14	10	64
Total	61	63	51	56	231

Source: Primary Data



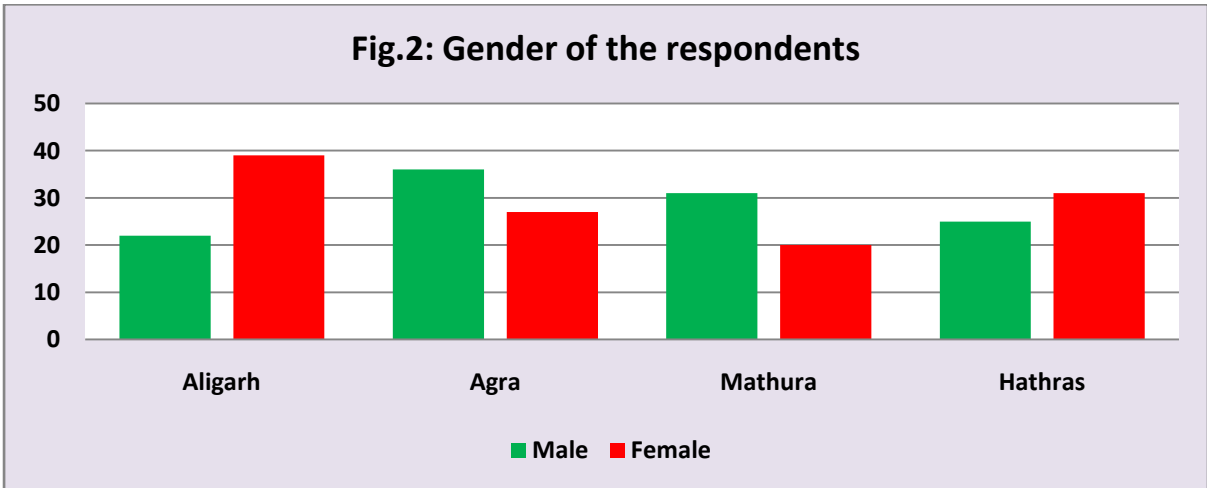
8.2 Gender of the Respondents

Table 3 and figure 2 highlight the gender of the selected respondents. Out of 231 respondents, 107 were males and 124 were females. In the district of Aligarh, 22 respondents were male while 39 were females. Besides, 27 and 20 females were found in Agra and Mathura. Further, 25 males and 31 females were recorded in the district of Hathras.

Table 3: Gender of the Respondents

Gender	Aligarh	Agra	Mathura	Hathras	Total
Male	22	36	31	25	107
Female	39	27	20	31	124
Total	61	63	51	56	231

Source: Primary Data



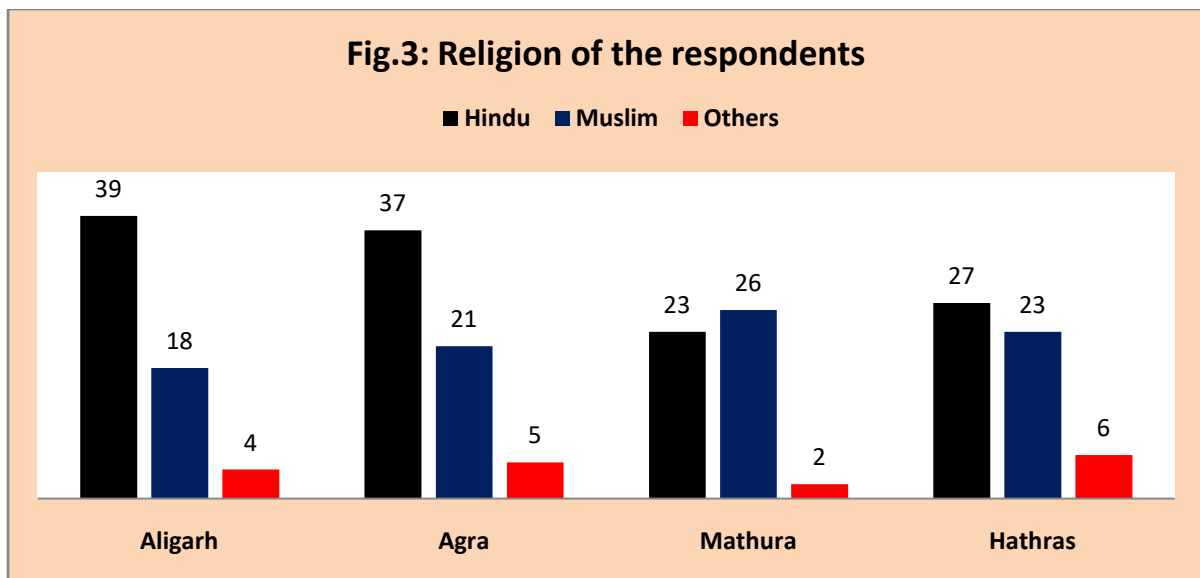
8.3 Religion of the Respondents

Table 4 and figure 3 highlight the religion of respondents. The maximum respondents (176) were found Hindu in all four districts. Firstly, 39 and 18 were Hindus and Muslims respectively in Aligarh District as against 37 and 21 in Agra. Secondly, in the district of Mathura, 23 were Hindu and 26 were Muslims and 2 belong to other religion. Thirdly, 27 and 23 respondents were Hindu and Muslim in Hathras respectively. In this way, a total of 176 Hindu, 88 Muslims and 17 were following other religion.

Table 4: Religion of the Respondents

Religion	Aligarh	Agra	Mathura	Hathras	Total
Hindu	39	37	23	27	176
Muslim	18	21	26	23	88
Others	4	5	2	6	17
Total	61	63	51	56	231

Source: Primary Data



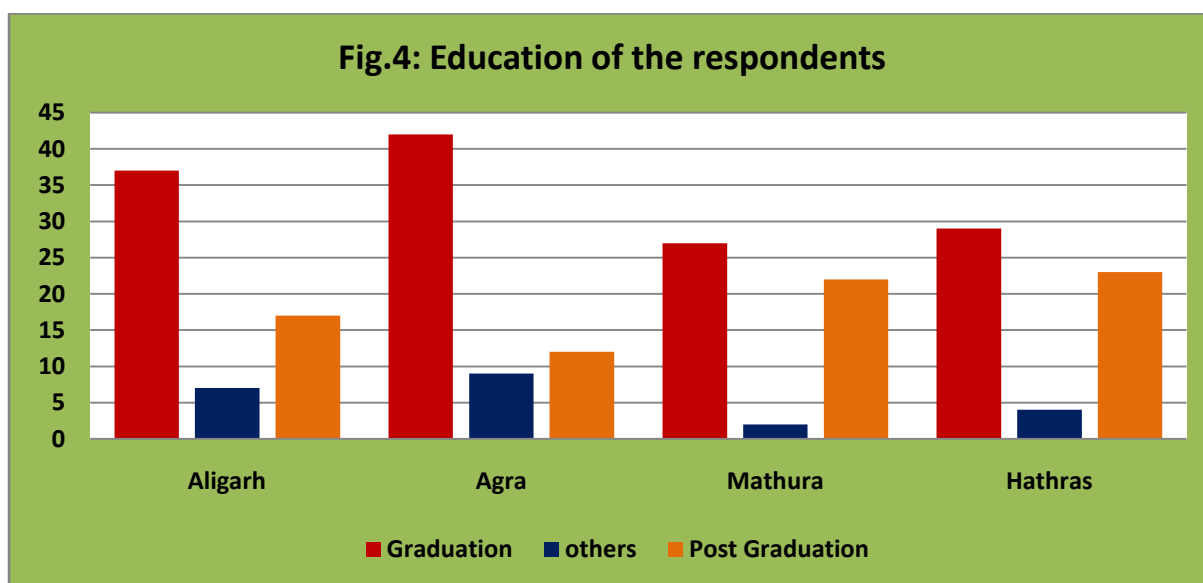
8.4 Education of the Respondents

Table 5 and figure 4 exhibit the education of the selected respondents of four districts. The maximum respondents were found graduates followed by post graduates. Minimum hold other degrees like PhD or diploma. The maximum post graduates were found in Mathura and Hathras. In this way, 135 were graduates, 74 were post graduates, and 22 have other qualifications.

Table 5: Education of the Respondents

Education	Aligarh	Agra	Mathura	Hathras	Total
Graduation	37	42	27	29	135
Others	7	9	2	4	22
Post Graduation	17	12	22	23	74
Total	61	63	51	56	231

Source: Primary Data



9. Hypothesis Testing

Ho₁: There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding mobile banking.

Ha₁: There is a significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding mobile banking.

Table 6: t-test for Variable Mobile Banking

Banks	N	Mean	SD	T Value	df	P Value
Canara Bank	147	3.843	1.3320	12.964	229	0.000
Axis Bank	84	3.229	1.0671			

Source: Output of SPSS_19

Independent sample t-test has been used as a statistical tool to examine the difference in satisfaction levels of customers in Canara Bank and Axis Bank. The null hypothesis is that there is no significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding mobile banking and the alternative hypothesis states that there is a significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding mobile banking. Table 6 shows the mean value, standard deviation, t value and significant value. The value of 't' is 12.964 and significant value is 0.000 which is less than 0.05 at 95 percent confidence interval. Therefore, null hypothesis is rejected and hence it can be said that there is a significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding mobile banking.

H₀: There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding internet banking.

H_a: There is a significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding internet banking.

Table 7: t-test for Variable Internet Banking

Banks	N	Mean	SD	T Value	df	P Value
Canara Bank	147	4.009	2.0874	-4.456	229	0.001
Axis Bank	84	3.127	1.679			

Source: Output of SPSS_19

Independent sample t-test has been used as a statistical tool to examine the difference in satisfaction levels of customers in Canara Bank and Axis Bank. The null hypothesis is that there is no significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding internet banking and the alternative hypothesis states that there is a significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding internet banking. Table 7 shows the mean value, standard deviation, t value and significant value. The value of 't' is -4.456 and significant value is 0.001 which is less than 0.05 at 95 percent confidence interval. Therefore, null hypothesis is rejected and hence it can be said that there is a significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding internet banking.

Ho₃: There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding customer relationship management (CRM).

Ha₃: There is a significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding customer relationship management (CRM).

Table 8: t-test for Variable CRM

Banks	N	Mean	SD	T Value	df	P Value
Canara Bank	147	3.637	0.9871	31.008	229	0.0079
Axis Bank	84	3.448	1.3244			

Source: Output of SPSS_19

Independent sample t-test has been used as a statistical tool to examine the difference in satisfaction levels of customers in Canara Bank and Axis Bank on the variable customer relationship management (CRM). The null hypothesis is that there is no significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding CRM and the alternative hypothesis states that there is a significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding CRM. Table 8 shows the mean value, standard deviation, t value and significant value. The value of 't' is 31.008 and significant value is 0.0079 which is less than 0.05 at 95 percent confidence interval. Therefore, null hypothesis is rejected and hence it can be said that there is a significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding CRM.

Ho₄: There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding online bill payment.

Ha₄: There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding online bill payment.

Table 9: t-test for Variable Online bill payment

Banks	N	Mean	SD	T Value	df	P Value
Canara Bank	147	4.012	1.745	14.466	229	0.009
Axis Bank	84	4.179	2.641			

Source: Output of SPSS_19

Independent sample t-test has been used as a statistical tool to examine the difference in satisfaction levels of customers in Canara Bank and Axis Bank on the variable online bill payment. The null hypothesis is that there is no significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding online bill payment and the alternative hypothesis states that there is a significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding online bill payment. Table 9 shows the mean value, standard deviation, t value and significant value. The value of 't' is 14.466 and significant value is 0.009 ($P < 0.05$). Therefore, null hypothesis is rejected and hence it can be said that there is a significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding online bill payment.

H₀: There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding ATM service.

H_a: There is a significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding ATM service.

Table 10: t-test for Variable ATM service

Banks	N	Mean	SD	T Value	df	P Value
Canara Bank	147	3.578	2.089	-3.309	229	0.557
Axis Bank	84	3.941	2.415			

Source: Output of SPSS_19

Independent sample t-test has been used as a statistical tool to examine the difference in satisfaction levels of customers in Canara Bank and Axis Bank. The null hypothesis is that there is no significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding ATM service and the alternative hypothesis states that there is a significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding ATM service. Table 10 shows the mean value, standard deviation, t value and significant value. The value of 't' is -3.309 and significant value is 0.557 which is more than 0.05 at 95 percent confidence interval. Therefore, null hypothesis is accepted and hence it can be said that there is no significant difference in satisfaction levels of customers in Canara Bank and Axis Bank regarding ATM service.

Table 11: Summary of Hypothesis Tested

No	Hypotheses	Results
1	There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding mobile banking.	Rejected
2	There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding internet banking.	Rejected
3	There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding CRM.	Rejected
4	There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding online bill payment.	Rejected
5	There is no significant difference between the satisfaction levels of customers in Canara Bank and Axis Bank regarding ATM service.	Accepted

Table 12: Shows T value and P Value of Hypothesis Tested

No	T Value	P Value	Remarks
Hypothesis 1	12.964	0.000	Significant Difference
Hypothesis 2	-4.456	0.001	Significant Difference
Hypothesis 3	31.008	0.0073	Significant Difference
Hypothesis 4	14.466	0.009	Significant Difference
Hypothesis 5	-3.309	0.557	Insignificant Difference

10. Conclusion

E-Marketing or electronic marketing refers to the application of marketing principles and techniques via electronic media and more specifically by the Internet. In this empirical study, an attempt has been made by the researcher to measure the differences in electronic marketing practices of Canara Bank and Axis Bank. Data have been collected from 231 respondents through questionnaires designed on a five point Likert scale from Aligarh, Agra, Mathura, and Hathras. Independent sample t-test has been used as the statistical tool to examine the differences in satisfaction level of customers of Canara Bank and Axis Bank on the variables: mobile banking, internet banking, CRM, online bill payment, and ATM service. The study further highlights the demographic picture of the respondents selected

from four districts. It has been found that 73 respondents were fall in the age limit of 20-35 years; 94 respondents belong to the age of 35-50 years; and 64 were of the age of more than 50 years. Besides, 107 were males and 124 were females. The maximum respondents (176) were found Hindu in all four districts. So far education is concerned; the maximum respondents were found graduates followed by post graduates. The results of independent sample t-test documents significant difference exists in satisfaction levels of customers regarding mobile banking, internet banking, CRM, online bill payment but significant difference does not exist in satisfaction level of customers regarding ATM service.

REFERENCES

1. Achrol, R. (1991). Evolution of the marketing organization: New forms for turbulent environments. *Journal of Marketing*, Vol. 55, No. 4, 77-93.
2. Al-Dalaeen, B. (2016). A comparative study on e-marketing practices of Jordan Kuwait bank and Arab bank. *European Journal of Business and Management*, Vol.8, No.33, 102-108. Available at: www.iiste.org
3. Anthony, K. & William, T. (2015). Effect of e-marketing practices in hotel industry. *International Journal of Applied Research and Management*, Vol. 14, Issue 3, 111-116.
4. Brassington, F. & Pettitt, S. (2000). *Principles of Marketing*, 2nd Edition, Harlow: Pearson Education Limited.
5. Ecie, W. (1973). Marketing in Banking. *The Banker's Magazine*, August.
6. Carl McDaniel Jr. & Roger Gates. (1999). *Contemporary Marketing Research*, South Western College Publishing, Ohio, USA, 4th ed., 304.
7. Gilligan, C., & Wang, Y. (2008). Web-based destination marketing systems: Assessing the critical factors for management and implementation. *International Journal of Tourism Research*, 10. 55- 70. Available at: www.interscience.wiley.com
8. Iqbal, SMA. (2005). Information Technology in Indian Banks: A Building Block for Economy in New Millennium, *Banking Finance*, October, Volume XVIII, No.10, 5-11.
9. Khan, A. (2016). E-marketing practices of Standard Chartered and HSBC. *KCMT Journal of Management Studies*, Vol. 4, Issue 2, 25-32.
10. Kumar, H. (2004). A comment on customer satisfaction measurement in banking services. *Business perspectives*, Vol.6, No.1, 78-79.

11. Kennett, et.al. (1995). Marketing financial services to mature consumers. *Journal of Services Marketing*, Vol.9, No.2, 33.
12. Kotler, P. & Keller, K.L. (2006). *Marketing Management*, Delhi Prentice Hall of India Private Limited.
13. Kotler, P. (2003). *Marketing Management*, 2nd ed., Pearson Education (Singapore) Pvt. Ltd., New Delhi. 208.
14. Malhotra, N.K. (2004). *Marketing Research: An Applied Orientation*, Pearson Education, (Singapore), Pvt. Ltd., Delhi, 4th ed. 558-583.
15. Seth, K. & Parvatiyar, M. (1995).The evolution of relationship marketing. *International Business Review*, Vol. 4, No.3, 14-18.
16. Siddiqui, M.I. & Rehman, S. (2011). E-Marketing Experience as a Marketing Tool. *International Journal of Multidisciplinary Research and Development*; Vol. 2(2), 308-312.
17. Swaminathan, K. (2008). E-Marketing-Methods and Applications- for Successful Marketing in Global Marketing Scenario, *Indian Journal of Marketing Research*, 145-154.
18. Varshney, R. L., & Gupta, S. L. (2005). *Marketing management – text and cases: An Indian perspective* (3rd ed.) New Delhi: Sultan Chand, 6.
19. Varghese, E. (2000). *Marketing of Banking Services*, PhD Thesis, Kerala University, Kerala.