Impact of Digital Marketing on Customer Perception During Covid -19 (Omicron) Relating to Ease of Banking Transactions

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Abstract

This research paper introspects to understand the impact of digital marketing on the banking sector based on customer perspectives of demographic factors about gender, age, and occupation. Due to the 3rd phase of Covid 19 (Omicron), the banking sector intensified and adopted digitalization for consumers in times of new normal. It adopted new developments to enhance the ease of accessibility, and to make it consumer-friendly. Because of the fear of the pandemic and its tragic consequences, it enabled in affecting the consumer's perspective.

The paper is an exploratory study conducted to know the impact of demographic factors on banking transactions based on the database collected from 100 consumers online; through a questionnaire; besides a few selected interviews. It adopted a mixed method to reach the conclusion by holding ANOVA tests. It identified that there is a significant difference between gender and mode of banking and there is a significant difference between age and post services facilities provided by the banks. The research was conducted in a limited period and conclusively resolved with the empirical findings.

Keywords: Consumer Perception, Demography, Covid-19, Digital Marketing, Banking.

Introduction

Today all organizations/institutions are striving to reach their customers in the most effective possible way. It necessitates the improvement of customer satisfaction, values, and loyalty. Contextually the banking sector in India has undergone a significant change in recent years. It has brought significant changes through the adaptation of information technology in its business day-to-day operation. This forced the customers to minimize their physical visits to the bank branches. The process is complicated with multiple touch points. Due to the unlimited information available on the internet, customers conduct considerable online banking services. Because of the ease of involvement, most customers prefer to conduct online transactions. It further indicates that banks should have a strong online presence. Customer service employees should be available online to provide after-sales services and the sales staff should use the digital channel for cross-selling and up-selling.

Digital Marketing is a sort of marketing that is frequently used to advertise products or services and reach customers through the digital platform. Digital marketing goes beyond online marketing to include outlets that hardly rely on the use of the internet. It includes mobile phones (both SMS & MMS), social media marketing, display advertising, search engine marketing, and many other kinds of digital marketing are also included. Desai (2009) concluded that digital marketing has a promising future for sustainable long-term method products or services in today's technology-driven market with all its advantages and disadvantages. Bala and Verma (2018) reported that digital marketing allows customers to reach a broader audience than conventional means. They further added that digital marketing is typically less expensive than traditional marketing and allows customers to monitor their progress daily. In the context of digital marketing, Customer Relationship Management (CRM) is the backbone of a successful digital campaign. Customer Relationship Management is the main pillar that provides a solid foundation for advertising and the sale of any product or concept. CRM refers to the collection of programs that will enable us to handle things like a customer database, customer interaction, and everything else related to customer needs and satisfaction. In the analysis between CRM and Digital marketing, Tandon et.al (2020) found a significant and positive relationship between customer engagement and customer satisfaction. Hasanat et.al (2019) reported that a customer engagement strategy through obtaining feedback and reviews helps in providing satisfaction to the customer and also helps in maintaining customer loyalty. Out of various delivery channels, digital banking is taking a boom and has become the most popular and convenient mode of banking among customers. This paper mainly studies the impact of demographic factors (age,

gender & occupation) on the uses of digital marketing in the banking sector.

Review of Literature

The word "digital marketing" refers to the integrated marketing services often used to attract, connect, and deliver clients digitally. Digital marketing covers a range of platforms, including content marketing (the marketing process which includes the making of videos or blogs, or digital posters for sharing), search engine optimization (a collection of techniques aimed at the visibility of keywords from the web pages), influencer marketing (the niche market, the person who can influence the buying decisions of the consumers because of the person's position and information), social media (the type of marketing which includes the social media platform to grab the consumers), and online advertising (the form of marketing which mainly uses the internet for promotion of their products and services), to assist firms in connecting with customers and determining the efficacy of marketing initiatives in all-time basis (Lee,2001). Digital marketing is generally the use of technology to reach the demand and needs of the consumers' marketing activities as per their knowledge (Iacono et al.,2009). The usage of word-of-mouth (WOM) on social media and for popularising websites is crucial for digital marketing success. Furthermore, WOM is associated with attracting new users and growing website traffic, both of which improve marketing visibility. Technology is crucial in enhancing the standard of service offered by business units (Khan et al.,2009). Encouraging consumer interactions on the company's official website or via its online networking" is what social media marketing entails (Chaffey,2011). Customer information satisfaction (CIS) for digital marketing can be thought of as a collection of feelings of different intensities that occur after utilization and are triggered by sales activities, information systems (websites), online products/services, customer support, after-sales service, and workplace culture (Giese et al., 2013). The business strengthens its real interaction with digital users and develops a smooth network of consumers, suppliers, and partners to achieve success (Alshaketheep et al., 2020). As a result of technological advancements, traditional marketing has given way to digital marketing (Bhattacharya and Bolton,2009). Traditional marketing functions are boosted by stretching digital technologies over the internet (Urban, 2004). Online banking usage is influenced by factors such as education, gender, and income. Trust, gender, culture, religion, security, and pricing are obstacles that have little impact on user attitudes regarding mobile banking (Palani and Yashodha, 2012). Customer engagement is critical for businesses in a variety of situations which includes new business start-ups, expansion into new geography, customer market segments, the launch of a new product, the development of new applications

for an existing product or service, the marketing of low-involvement products and services, infrequent repeat purchases, and low switching costs (Israel and Hay, 2006). The customer's perception towards the use of digital technologies which are provided by both private and public banks (Jain A S, 2012).

Digital banking is mainly used to reduce the cost of the financial gateway and is a powerful marketing model (Shaikh and Karjaluoto, 2016). We can't deny the reality that this banking sector is always developing for connecting people digitally. In this context, the current research aims to assess bank executives' opinions on the efficacy of in-branch efforts by banks to encourage clients to embrace and use digital banking channels. Consumers' perception and precondition variables are the main matter for customers; while using the digital mode of banking, as well as factors that are affecting the customers' perception to utilize contemporary banking modes. These have been the focus of research in the domain of digital banking (Alalwan et al., 2017; He et al., 2019). Client satisfaction and engagement are achieved in the field service by swiftly resolving customer concerns. Within the service organization, people and material management are seamlessly interwoven. Allocating, scheduling, and deploying the appropriate personnel, with the correct components, at the right time ensure customer satisfaction (Xu et al., 2002). Through the integration of CRM with ERP (enterprise resource planning) or SCM (Supply Chain Management), the information recorded and maintained inside CRM solutions may play a critical role in organizing, providing a key to increased customer service. In today's system/driven operation, many conventional tasks are completed through the use of the internet. Banking, reservations, and other services are mostly handled by the use of the internet. As a result of this customers hardly visit any retail outlets. Yet they cannot complete all banking operations when traveling or when they are busy. This is the biggest drawback in a predefined circumstance. To address this issue, banks have developed a unique form of smartphone application known as Mobile Banking. Customers have begun to see bank services via mobile as more appealing than any other feature of the bank. Customers have begun to evaluate banks based on the convenience and convenience they offer. Using mobile applications, bankers have helped to establish numerous financial services.

Research Problem

The surge of the 3rd wave of Covid-19 (Omicron) jeopardized smooth financial transactions, due to consumer perceptions regarding its virulence and unexpected complexities. It impacted digital marketing consumer perceptions in the domain of demographic factors.

Research Gap

This specific introspection pertained to the period of the 3rd wave of Covid-19 omicron, which had customer apprehensions and peculiar perceptions probing into the demographic only.

Research Objective

1. To understand the impact of digital marketing on the mode of Banking based on consumer perception.

2. To evaluate the impact of digital marketing on preferred banking operations.

3. To explore the impact of the post-service facilities on consumer perception.

4. To introspect the impact of digital marketing on age, gender & occupation in the demographics.

Methodology

To know the impact of digital marketing on the banking sector based on the basis of consumer perspective an online survey was carried out. Due to the emergence of the 3rd wave of COVID-19 spread of the Omicron variant and consequently lockdowns, the majority of the responses were received via online medium. Non-probability sampling approach was adopted for data collection. The participation was made completely voluntary with anonymity and confidentiality assurance. A total of 122 respondents were collected. The final analysis of data was performed on 100 responses. The data were subjected to SPSS 26 for statistical analysis. The research introspection was carried out on the demographic factors like age, gender, and occupation on the use of the digital medium. The exploratory research was conducted between the period from the end of August to October.

Demographic Discussion and Analysis

Table: 1:- Online survey of respondents

Variables	No. of Respondents	Percentages
Gender		
Male	62	62%
Female	38	38%
Age		
< 22years	15	15%
23 yrs. – 35yrs.	42	42%
36 yrs. – 50yrs.	31	31%
More than 50 yrs.	12	12%
Profession		
Student	18	18%
Govt. Employed	27	27%
Pvt. Employed	45	45%
Others	10	10%

Source: own analysis, 2022

The study was collected on 100 respondents, of the 112 responses received online by serving the questionnaire. Out of the 100, 62 respondents are male and 38 are female respondents. The classified four age

groups have been studied in relation to classified four categories of the profession. Then ANOVA Test was conducted on the database generated from the demographic study.

Interpretation

The demographic analysis shows that 62% of the respondents are male and 38% are female. Male respondents are higher than female ones. A maximum of the respondents were lying in the age group of 23yrs-35yrs i.e., 42(42%). In terms of Profession, a maximum of the respondents was privately employed i.e., 45(45%), followed by Govt. employed and students.

Consequently, descriptive statistics and an ANOVA test was conducted based on the database.

Table-2:- Impact of mode of banking (Descriptive)

	Type	Number	Mean	SD	SE
Gender	Male	62	1.29	0.458	0.058
	Female	38	1.26	0.446	0.072
Age Group	Below 22 yrs	15	1.33	0.488	0.126
	22-35	42	1.24	0.431	0.067
	36-50	31	1,23	0.425	0.076
	Above 50 yrs	12	1.50	0.522	0.151
Occupations	Student	18	1.39	0.502	0.118
	Govt. Employee	27	1.30	0.465	0.090
	Pvt. Employee	45	1.20	0.405	0.060
	Others	10	1.40	0.516	0.163

Source: Own Analysis, 2022

ANOVA

Table: 3:- Use of mode of banking

		Sum of Squares	Df	Mean Square	f	Sig.
Gender	Between groups	0.17	1	0.17	3.821	0.046
	Within Groups	20.143	98	0.206		
	Total	20.160	99			
Age	Between groups	0.788	3	2.263	2.578	0.039
	Within Groups	19.372	96	0.202		
	Total	20.160	99			
Occupation	Between groups	0.653	3	0.218	1.071	0.365
	Within Groups	19.507	96	0.203		
	Total	20.160	99			

Source- Own analysis, 2022

Interpretation

From above table 2 and table 3, there was a significant difference between gender and mode of banking operations. The value of the mean shows that the male respondents were very much more friendly with the online mode of banking rather than the traditional one. There was also a significant difference between the age groups with the mode of banking. We also found that the age group of 22yrs-35yrs was much attracted towards the mode of banking. Further, there was no significant difference in the attraction towards the mode of banking with the occupations of the consumers.

Moreover, the descriptive and ANOVA Results for the impact of digital marketing on preferred banking operations according to consumer perception are mentioned below:

Table: 4: Impact on Preferred Business Operations (Descriptive)

	Type	Number	Mean	SD	SE
Gender	Male	62	1.71	0.663	0.084
	Female	38	1.82	0.766	0.124
Age Group	Below 22 yrs	15	1.73	0.458	0.118
	22-35	42	1.86	0.783	0.121
	36-50	31	1.71	0.739	0.133
	Above 50 yrs	12	1.50	0.522	0.151
Occupations	Student	18	1.39	0.778	0.183
	Govt. Employee	27	1.59	0.572	0.110
	Pvt. Employee	45	1.98	0.723	0.108
	Others	10	1.80	0.422	0.133

Source: Own Analysis, 2022

ANOVA

Table: 5:- Preferred Banking Operation

		Sum of Squares	Df	Mean Square	f	Sig.
Gender	Between groups	0.265	1	0.265	0.536	0.466
	Within Groups	48.485	98	0.495		
	Total	48.750	99			
Age	Between groups	1.287	3	0.429	0.868	0.461
	Within Groups	47.463	96	0.494		
	Total	48.750	99			

Occupation	Between groups	5.376	3	1.792	3.966	0.010
	Within Groups	43.374	96	0.452		
	Total	48.750	99			

Source: Own Analysis, 2022

Interpretation

In these pandemic times, most consumers are tied and adopting the digital mode of operation in the banking sector. The banking sectors are developing more and more technologies, which will help consumers for easy access to banking operations. There is no significant difference between gender and the preferred mode of operations of banking. In the context of Age, there is no significant difference between the age groups and the preferred mode of banking operation. But the mean shows that the range of 22yrs – 35yrs old is more friendly towards the preferred mode of banking. Occupation has a significant difference between the preferred mode of banking operations and the occupations of the consumer. Mainly the private employees are more familiar with the preferred banking operations.

The descriptive and ANOVA results on the impact of the post-service facilities on consumer perceptions are given below:

Table: 6:- Impact of the post-service facilities (Descriptive)

	Type	Number	Mean	SD	SE
Gender	Male	62	2.37	0.730	0.093
	Female	38	2.58	0.642	0.104
Age Group	Below 22 yrs	15	2.67	0.617	0.159
	22-35	42	2.48	0.634	0.098
	36-50	31	2.42	0.720	0.129
	Above 50 yrs	12	2.17	0.937	0.271
Occupations	Student	18	2.44	0.784	0.185
	Govt. Employee	27	2.56	0.506	0.097
	Pvt. Employee	45	2.44	0.725	0.108
	Others	101	2.20	0.919	0.291

Source – Own analysis, 2022

ANOVA

Table: 7:- Post Service Facilities

		Sum of Squares	Df	Mean Square	f	Sig.
Gender	Between groups	1.019	1	1.019	2.092	0.151
	Within Groups	47.731	98	0.487		
	Total	48.750	99			
Age	Between groups	1.725	3	0.575	3.174	0.032
	Within Groups	47.025	96	0.490		
	Total	48.750	99			
Occupation	Between groups	0.928	3	0.309	0.621	0.603
	Within Groups	47.822	96	0.498		
	Total	48.750	99			

Source- Own analysis, 2022

Interpretation

From this table, the result showed that gender had no impact on the post-service facilities of the digital marketing of the banking sector. There is a significant relationship between the age group and the post-service facilities of the banks which help them with digital marketing. There is no significant difference between the occupations and the post-service facilities of the banking sector. And mainly the private employees were more attracted to the post-service facilities of the banking sector.

Findings

From the above interpretations, the study showed that gender and age had a significant difference concerning the mode of banking. When it came to preferred banking operations, the occupation had only a significant difference in that. Age and gender had no significant difference in preferred banking operations. Post-service facilities are the most important factor in affecting the consumer's perception. Gender and occupations had no significant difference in the post-service facilities whereas age had a very significant effect on the post-service facilities.

Conclusion

The merits of using digital media are totally dependent on how customers perceive the usage of information technology. The use of information technology in the purchase of banking services will lead to a bright future for India in terms of business in the coming years. Indian Government must

raise the speed of technology adoption in order to support the growth of the business. The sustainable approach of digital marketing should be presented to ensure the future of Indian banking in rural areas. This study can be further expanded to investigate the characteristics of digital marketing that limit rural customers from adopting technology.

Limitations of the study

The purpose of the study was to know the demographic factors like gender, age, and occupations impact the digital way of banking due to covid. We took only three demographic factors which are relevant to our main study. There might be other related factors that are there to be discovered. The data collection was conducted at a time when COVID-19 cases were on a rise due to the Omicron variant in India. The scope of the study was limited to one city of Odisha, further, exploration can be persuaded across different states over the country.

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