THE EFFECT OF AGE AS A MODERATOR ON THE USAGE OF E-CRM PRACTICES IN PUBLIC AND PRIVATE SECTOR BANKS

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ABSTRACT

Banking sector is growing rapidly and playing an important role in the economic development of the nation. Banks are now utilizing the latest technologies like mobile devices and internet to carry out transactions and communicate with their customers. The CRM is one such tool which helps in meeting the customer's expectations according to their changing needs. This paper aims to investigate the effect of different age group of consumers towards the usage of E-CRM practices offered by public and private sector banks of Rajasthan. The structured questionnaires were distributed to 600 respondents, where 463 responses came out. After collection of data, ANOVA test has been used to know the difference among the different age groups in their usage of E-CRM practices and also, Tukey's Post hoc test in ANOVA has been used to determine which age groups differ from each other. The major findings suggested that consumers having age group of "18-29 yrs and 40-49 yrs" in both public and private sector banks would have differences in the usage of E-CRM practices as compared to other age group of consumers. It implies that age can be the major moderating factor in influencing consumers in using E-CRM practices.

Keywords: *Consumers, E-CRM practices, Public banks, Private banks.*

1. INTRODUCTION

The banking industry is purely a customer-oriented service industry where the main focus is on the customer and customer service. Both public and private sector banks have converted themselves into profit-oriented business organizations. Banks are now using latest technological tools like Internet and mobiles to carry out transactions and communicate with their customers. Customer relationship management is a best example of a technological tool that helps banks in meeting their customer's changing needs and today with the continuous development of communication and technology it is defined as "Electronic Customer Relationship Management". "Dyche, (2001) described that *E-CRM is combination of software, hardware, application, and management commitment to improving customer service, develop a relationship and retain valuable customers and this motivates valuable customers to remain loyal with the enhanced features of E-CRM."*

1.1 E-CRM TOOLS ADOPTED BY BANKS

Banks are using various E-CRM tools some of them are as follows:

1. **Internet Banking:** banking transactions can be carried out through the Internet. Banks are using internet banking facility to offer their customers products and services with the help of websites.
2. **Automated Teller Machines (ATMs):** An ATM is a computerized machine that offers customer facilities like cash withdrawal, cash deposit etc. after authentication process. This is the most widely used technological tool of banks.
3. **Mobile Banking**: This is the facility through which banks offer their customers various services on their mobiles. The alert facility keeps their customer informed about their banking transaction. It keeps them updated wherever customer goes.
4. **E-mail Service:** Banks are providing one of the cheapest communication medium E-mail. They are using it to inform various policies and schemes. Tax payments are also possible through this technology.
5. **Smart Cards:** These cards are issued to banks customers which contain customers account details.
6. **Electronic Fund Transfer:** This is the facility which is introduced by RBI to offer banks and customers money transfer service.

Thus with the introduction of E-CRM, banks are now changing their focus of payment from the physical presence of money to the use of electronic money. Customers of banks now prefer online banking transactions.

1.2 SERVQUAL

Parasuraman et al. (1985) developed a model of service quality which showed that "consumers used basically the similar criteria in evaluating service quality regardless of the type of the service. They defined five dimensions including tangibles, reliability, responsiveness, assurance, and empathy as 'service quality determinants'.
Five service quality dimensions of SERVQUAL model are as follows:

Tangibles
"Parasuraman et al. (1985) has defined the tangibility appearance of physical facilities, equipment, personnel, and written materials.

Reliability
"Parasuraman et al. (1988) stated reliability as the ability to perform the promised service dependably and accurately".

Responsiveness
"Parasuraman *et al.*, (1985) defined responsiveness as a promptness of services. Later in 1988, they defined it as 'the willingness to help customers and provide prompt service'.

Empathy
"Parasuraman et al. (1985) stated that empathy means caring and individual attention that an organization offers to their customers.

Assurance

"According to the Parasuraman et al. (1985), assurance has considered as the ability of employees to inspire trust and confidence in customers and also knowledge and courtesy of employees.

2. LITERATURE REVIEW

Srivastava (2007) made an attempt to find out "customer's perception towards internet banking and to determine the drivers that drive consumers. The focus area of this research was that how consumers have accepted internet banking and how to improve the usage rate of these services". He revealed in his study that "*education, gender, income plays an important role in usage of internet banking. Security* was the major inhibiting factor for not using Internet banking. *Trust* was the motivating factor for usage of internet banking.

Kavitha et al. (2011) analyzed customers' perception related to E-CRM practices in Indian banks and its impact on customer satisfaction and its relevance with demographic variables. *Their study revealed that "demographic factors like age, income, education, computer knowledge etc., had a positive relationship with customer perception and level of satisfaction.* They suggested that the banks should identify right strategies to attract customers with different demographic profile and should offer them right E-CRM practices".

Kalyanaraman et al. (2013) have studied service quality perception of customers in the private sector banks of Chennai city and they also identified the areas where banks need to improve their quality of services. They found that the customers' perception related to service quality of the HDFC Bank was satisfactory and customers' perception was highly affected by demographic factors like age, gender, occupation, monthly income etc.

Ramola et al. (2014) determined the influence of demographic variables age, gender, marital status, educational level, occupation, monthly income and type of account held by the clients in non metro cities of Tamil Nadu, India in their study". They revealed in their study that five variables like *age, gender, educational qualification, monthly income and type of account* had positive significance towards acceptance of internet banking services in Vellore city.

3. RESEARCH METHODOLOGY

To collect the data, survey method was used and the structured questionnaire was distributed online as well as offline in order to analyze the effect of age on the usage of ECRM practices of three selected private and public sector banks of the selected cities of Rajasthan. Purposive sampling was used to collect the data from consumers who have experienced E-CRM practices of these banks. To collect data, standardized questionnaires were distributed online as well as offline to 600 online users out of which 463 found completed. The sample banks included in this study were "SBI, Bank of Baroda, Punjab National Bank from public sector banks and ICICI, HDFC, Axis bank" from private sectors banks.

4. OBJECTIVES AND HYPOTHESIS

4.1 The objective of the current study is to

To examine the relationship between demographic characteristic 'Age' and the service quality perceived by consumers towards E-CRM practices of private and public sector banks.

4.2 **Null hypothesis**: There is no significant difference among demographic characteristic 'Age' and service quality perceived by consumers related to E-CRM practices provided by selected private and public sector banks.

5. STATISTICAL TECHNIQUES

In this study, ANOVA test and Independent Sample't' test has used for analyzing differences between Age and other variables, also Tukey's Post hoc test in ANOVA has been used to determine which groups differ from each other.

6. DATA ANALYSIS AND INTERPRETATION

6.1 DEMOGRAPHIC PROFILE OF RESPONDENTS

The analysis of data reveals that the important age groups among the consumers in the present study are 18-29 yrs and 40-49 yrs who are using E-CRM practices.

One way ANOVA: Difference between Age and consumer usage related to E-CRM practices provided by selected private and public sector banks

Table 1: One way ANOVA

ANOVA							
Sector			Sum of Squares	df	Mean Square	F	Sig.
Public Sector Banks	Usage of Website	Between Groups	2.312	4	.578	2.113	.081
		Within Groups	53.348	195	.274		
		Total	55.660	199			
	Usage of ATM Services	Between Groups	3.007	4	.752	3.388	.010
		Within Groups	43.264	195	.222		
		Total	46.271	199			
Private Sector Banks	Usage of Website	Between Groups	2.130	4	.533	2.419	.051
		Within Groups	42.924	195	.220		
		Total	45.054	199			
	Usage of ATM Services	Between Groups	1.692	4	.423	2.444	.048
		Within Groups	33.739	195	.173		
		Total	35.430	199			

Source: Output of IBM-SPSS 22

The above table shows the output of the ANOVA analysis and whether we have a statistically significant difference between our age group means. On the basis of public sector banks responses it can see that in case of usage of website null hypothesis is accepted as sig. value

is ***.081,*** which is more than 0.05 and it has proved that there is no statistically significant difference in usage of website services provided by public sector banks.

Whereas in case of usage of ATM services null hypothesis is rejected as sig. value is ***0.010*** which is less than 0.05 and it has proved that there is a statistically significant difference in usage of ATM services provided by public sector banks.

On the basis of private sector banks responses it can see that in case of usage of website null hypothesis is accepted as sig. value is ***.051,*** which is more than 0.05 and it has proved that there is no statistically significant difference in usage of website services provided by private sector banks.Whereas in case of usage of ATM services null hypothesis is rejected as sig. value is ***0.048*** which is less than 0.05 and it has proved that there is a statistically significant difference in usage of ATM services provided by private sector banks.

Table 2: Post HOC Test

Multiple Comparisons								
Tukey HSD								
Sector				Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Public Sector Banks	Usage of ATM Services	18-29 yrs	30-39 yrs	.19135	.07934	.116	-.0271	.4098
			40-49 yrs	.34196*	.10051	.007	.0652	.6187
			50-59 yrs	.13571	.13052	.837	-.2237	.4951
			60 & Above	.25844	.15277	.441	-.1622	.6791
		30-39 yrs	18-29 yrs	-.19135	.07934	.116	-.4098	.0271
			40-49 yrs	.15062	.10029	.563	-.1255	.4268
			50-59 yrs	-.05563	.13035	.993	-.4146	.3033
			60 & Above	.06709	.15263	.992	-.3532	.4873
		40-49 yrs	18-29 yrs	-.34196*	.10051	.007	-.6187	-.0652
			30-39 yrs	-.15062	.10029	.563	-.4268	.1255
			50-59 yrs	-.20625	.14422	.609	-.6034	.1909
			60 & Above	-.08352	.16463	.987	-.5368	.3698
		50-59 yrs	18-29 yrs	-.13571	.13052	.837	-.4951	.2237
			30-39 yrs	.05563	.13035	.993	-.3033	.4146
			40-49 yrs	.20625	.14422	.609	-.1909	.6034

			60 & Above	.12273	.18449	.964	-.3853	.6307
		60 & Above	18-29 yrs	-.25844	.15277	.441	-.6791	.1622
			30-39 yrs	-.06709	.15263	.992	-.4873	.3532
			40-49 yrs	.08352	.16463	.987	-.3698	.5368
			50-59 yrs	-.12273	.18449	.964	-.6307	.3853
Private Sector Banks	Usage ofATMServices	18-29 yrs	30-39 yrs	.12421	.06850	.369	-.0644	.3128
			40-49 yrs	.26567*	.08675	.021	.0268	.5045
			50-59 yrs	.13234	.14767	.898	-.2743	.5389
			60 & Above	.15139	.16523	.890	-.3036	.6063
		30-39 yrs	18-29 yrs	-.12421	.06850	.369	-.3128	.0644
			40-49 yrs	.14146	.08398	.446	-.0898	.3727
			50-59 yrs	.00813	.14606	1.000	-.3940	.4103
			60 & Above	.02718	.16379	1.000	-.4238	.4782
		40-49 yrs	18-29 yrs	-.26567*	.08675	.021	-.5045	-.0268
			30-39 yrs	-.14146	.08398	.446	-.3727	.0898
			50-59 yrs	-.13333	.15546	.912	-.5614	.2947
			60 & Above	-.11429	.17222	.964	-.5885	.3599
		50-59 yrs	18-29 yrs	-.13234	.14767	.898	-.5389	.2743
			30-39 yrs	-.00813	.14606	1.000	-.4103	.3940
			40-49 yrs	.13333	.15546	.912	-.2947	.5614
			60 & Above	.01905	.20962	1.000	-.5581	.5962
		60 & Above	18-29 yrs	-.15139	.16523	.890	-.6063	.3036
			30-39 yrs	-.02718	.16379	1.000	-.4782	.4238
			40-49 yrs	.11429	.17222	.964	-.3599	.5885
			50-59 yrs	-.01905	.20962	1.000	-.5962	.5581

Source: Output of IBM-SPSS 22

Above table 2 is showing the Multiple Comparisons table which contains the results of post-hoc tests. The Tukey post-hoc test has been used for conducting post-hoc tests on a one-way ANOVA. It can see from the table above that in public sector banks usage of ATM services has significant difference between the age group of **"18-29 yrs and 40-49 yrs"** as *p-value* is less than *0.05*. Similarly in private sector banks usage of ATM services has significant difference between the age group of **"18-29 yrs and 40-49 yrs"** as *p-value* is less than *0.05*.

7. DISCUSSION AND CONCLUSION

It has been analyzed from the current study that there is a significant difference between 'usage of ATM services' and the age group of "18-29 yrs and 40-49 yrs" in both public and private sector banks. This implies that in both private and public sector banks, younger and middle age groups are having different perception towards the usage of ATMs. This is in line with the study by Sharma (2011), which found that there was a greater incidence of e-banking usage among the middle age consumers of (30 to 50 years of age). "Hamid (2008) found younger internet users were more tolerant towards internet service quality than are older users".

This implies that demographic characteristic 'age' has a significant effect on consumer's perception regarding the usage of E-CRM practices in private and public sector banks of Rajasthan. Hence banks need to emphasize on spreading awareness programs among consumers of different Age groups towards the usage of E-CRM practices. "Project such as 'Digital India' is now the buzzwords to a bright and sustainable industrial and financial progress of the nation. Digital India was an initiative taken by the Indian Prime Minister Shri Narender Modi on 1st July 2015 to ensure that the government services were made available electronically to the citizens. In 'Vision 2018 document' released by RBI, which aim at the greater use of payments by all sections of society, increasing the usage of digital channels and encouraging customers to use mobile banking".(Source: www.blog.ficci.com) "According to a report drafted by Facebook and the Boston Consulting Group (2017), due to the ongoing digital drive in India, the number of users opting for online banking is expected to double to reach 150 million marks by 2020.(Source: www.financialexpress.com) This report is in line with the statements of Shri V.G. Kannan, Chief Executive (Indian Banks' Association), stated that banks are making efforts to migrate 60-80% of all banking transactions to the digital channel in the next 1-2 years. This will reduce the total cost of transactions for the banks. More user-friendly and simple digital applications can also be expected from the banks." This implies that role of E-CRM practices in banks increases day by day and becomes an integral part of the life of customers.

In private and public sector banks, there is no significant difference found between the service quality dimension related to the usage of websites and demographic characteristics of 'Age'. Consumers of public sector banks and private sector banks have difference in their service quality perception related to the usage of ATMs and demographic characteristics of 'Age'. So private and public sector need to improve their ATM services. Banks should design their strategies that can fulfill consumer's requirements according to their demographic characteristic 'Age'.

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