

## **A Study of Adoption of E- Marketing in Yemeni Banks**

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### **ABSTRACT**

*This study aims at identifying the main obstacles that face the adoption of e-marketing in Yemeni banks. For this purpose, a questionnaire was designed that contains 16 key phrases that include three axes. The first axis is technological variables. The second axis is environmental variables, and the third axis is organizational variables. The sample of the study is 100 respondents (customers of the Yemeni banks within the Republic of Yemen) selected randomly. After they were given instruction on how to answer the items of the questionnaire, the researcher distribute the questionnaire papers among them. This study followed the descriptive approach in order to explore and identify those obstacles that limit the marketing of electronic banking services. The data of the study were processed using the statistical program (SPSS). The study revealed the existence of technological, environmental and organizational obstacles such as weak infrastructure, technical illiteracy, weak internet services, lack of consumer confidence and awareness in e-marketing services, poor interest from the top management of banks in e-marketing, political instability and security risks, lack of payment methods and difficulty of getting them, poor response by banks to customer complaints and needs, banks failing to provide accurate and timely banking services, and high cost of obtaining electronic banking services. Based on the findings of the study, the investigator offers important recommendations that may help in improving e-marketing in Yemen.*

**Keywords:** electronic marketing, electronic banking services, technical illiteracy.

### **INTRODUCTION:**

In the digital age, many institutions in general and banks in particular have tried to take advantage of technological development in order to develop and improve their chances of growth and survival as well as to improve their profitability. Technological development in the modern era has brought radical changes in the global economic environment since it introduced many digital applications that included all economic sectors. As a matter of fact, the financial and banking services sector is one of the most vibrant economic sectors that can be benefited of the massive and rapid changes in the field of electronic services and communications. The reason for this is that banks have enormous financial capabilities that enabled them to invest significantly in the e-commerce and e-marketing sector.

E-marketing has many advantages that contributed significantly to the quality of services provided by banks in the light of the great competition that this sector is witnessing. As a result of using e-marketing, banks have become able to reach places they were not able to reach by traditional methods. On the other hand, banks are able to serve customers 24 hours a day, seven days. It enables the banks to provide excellent services at a low cost compared to traditional marketing methods. In general, the adoption of electronic marketing by banks has a positive impact on their performance to promote their services more widely.

Due to war, The Yemeni economy is going through social, political and economic instability. There are opportunities for Yemeni banks to benefit from the advantages offered by e-marketing. The purpose of this study is to identify, analyses and investigate the issues, challenges and problems in the adoption of e-marketing in

Yemeni banks. This, in turn, will lead to customer satisfaction and efficiency and effectiveness in completing banking services. It will positively contribute to enhance the performance of Yemeni banks. From this point of view, this research paper is aimed at identifying the major obstacles and challenges facing the adoption of e-marketing in Yemeni banks.

### **LITERATURE REVIEW:**

Mahmoud and Ali (2019) aims at identifying the obstacles facing the electronic marketing of Sudanese commercial banks and the impact of them on the quality of services provided by the banks. The study followed the descriptive statistical approach for the purpose of analyzing the data collected by a questionnaires applied on selected sample of commercial banks in Khartoum. The results of the study showed the existence of many challenges and obstacles, the most important of which are the lack of the required infrastructure, the lack of data and information security, and the lack of a specialized management for electronic marketing. Al-Halili and Hongxin (2019) attempt to identify the most important opportunities and challenges to the adoption of e-commerce and Internet marketing in Yemen. The study used the descriptive approach for data collection. The study showed that Yemen needs to develop and build the appropriate infrastructure to adopt Internet marketing and electronic commerce such as electronic payments and improve the quality of the Internet, networks and other services related to information technology. The study indicated that there are a number of obstacles such as the lack of data and information security and the lack of expertise and skills in the field of information and communication technology. Kazungu et.al (2015) aims at identifying challenges facing SMEs in the adoption of e-marketing. This study used the explanatory model for identifying those obstacles. In order to collect data, a questionnaire was designed and distributed to 120 SMEs in Arusha, Tanzania. The study showed that there are a number of obstacles in the field of e-marketing, such as the difficulty of accessing Internet facilities, high cost of adopting technology related to e-marketing, lack of specialized agencies to regulate e-marketing, absence of government rule, and the weakness of education and training on the use of information and communication technology and e-marketing. Salom and Ofunre (2019) discussed the main obstacles and challenges facing the e-marketing in Nigeria. The study also tried to come up with marketing strategies that would promote and develop e-marketing in Nigeria. The descriptive approach was used in the study. The results of the study showed the existence of many challenges and obstacles, the most important of which are the weak infrastructure, high cost, weak Internet services, technical illiteracy, and lack of data and information security.

Singhal (2016) aims at identifying the growth and obstacles of e-marketing in India. To achieve the objective of the study, the researcher uses an exploratory model. This study showed a set of obstacles facing e-marketing in India such as the high rate of illiteracy, lack of education and training regarding communication and information technology, the mistrust of electronic payment methods by consumers, the issue of privacy and security, as well as the risk of fraudulent websites.

### **SIGNIFICANCE OF THE STUDY:**

E-marketing is one of the most important modern trends that have witnessed a significant expansion recently all over the world. The technological development has been reflected on the activities of organizations in general and the banking sector in particular through the marketing of services using communication and information technology. This directly and indirectly affects the extent of development and quality of banking services. The study hopes to contribute to the development of e-marketing in Yemeni banks. It is considered useful for decision makers in the Yemeni banking sector since it provides recommendations in this field.

### **OBJECTIVES OF THE STUDY:**

1. To determine the obstacles of the adoption of e-marketing in the Yemeni banking sector.
2. To present a set of recommendations that would improve e-marketing in the Yemeni banking sector.

### **RESEARCH METHODOLOGY:**

#### **Methodology of the study:**

This study aims at identifying the obstacles of electronic marketing in the Yemeni banking sector. To achieve this goal, the descriptive analytic approach was used. For the purpose of data collection, a questionnaire was designed which contains 16 key phrases that include three axes. The first axis is technological obstacles. The second axis is the environmental obstacles and the third axis is the organizational obstacles. The questionnaire was distributed

to a random sample of 100 customers of the Yemeni banks within the Republic of Yemen. The researcher used the statistical program (SPSS) to analyze all the fowling processes; percentages, frequencies, mean and standard deviation.

**Data Collection:**

The present study has followed two methods for collecting data of the study, which are;

**Primary Data:**

For the purpose of primary data collection, a questionnaire was designed that contains 16 key phrases that include three axes. The first axis is the technological obstacles. The second axis is the environmental obstacles and the third axis is the organizational obstacles. The questionnaire was distributed to a random sample of 100 customers of Yemeni banks within the Republic of Yemen.

**Secondary Data:**

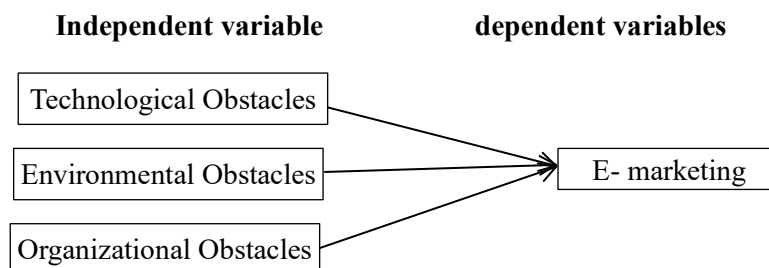
This type of data is collected from secondary data sources such as previous studies, journals, and reading on different internet sites relevant to the topic.

**Sampling of the Study:**

The study population is customers of Yemeni banks. The research sample is 100 respondents selected by following a random sample technique.

**Model of the Study:**

The study model contains three main independent variables. They are electronic obstacles, environmental obstacles, and organizational obstacles. The dependent variable is electronic marketing. The study model is as follows:



Source: by the researcher

**RESULTS AND DISCUSSION:**

**Sampling characteristics:**

The study sample is 100 respondents. Table No (1) indicates that the study sample includes 85% males and 15% females. With regard to age, the table indicates that the majority of the respondents are between 31 and 40 years old with a percentage of 72% of the study sample. This supports the accuracy and quality of the answers, as this age group has great knowledge in the marketing filed. In terms of education, respondents with a bachelor's degree represented 55% of the total sample of the study while both postgraduate and secondary school holders represented 35% and 10%, respectively, of the study sample.

**Table 1: Characteristics of the research sample**

Variable	Value	Frequency	%
Gender	Male	85	85
	Female	15	15
Age	Less Than 20 Years	0	0
	20 To 30 Years	16	16
	31 To 40 Years	72	72
	More Than 41 Years	12	12
Education Level	High School	10	10
	Bachelor	55	55
	Postgraduate	35	35

The following graphs illustrate the distribution of the study sample according to the three categories: gender, age and education level.

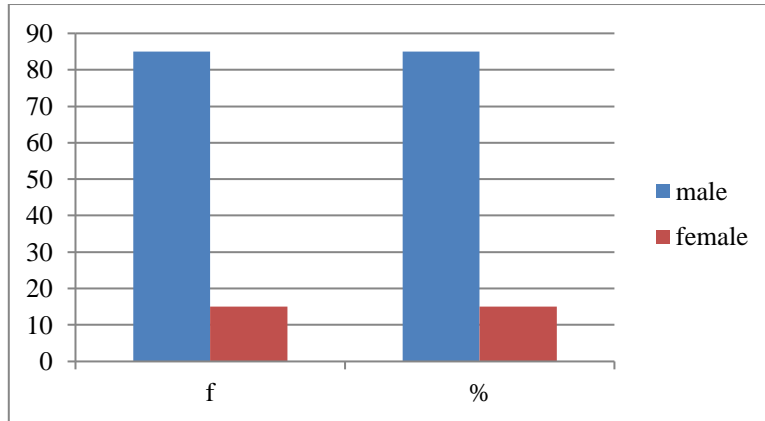


Figure 1: Distribution of the study sample according to the gender.

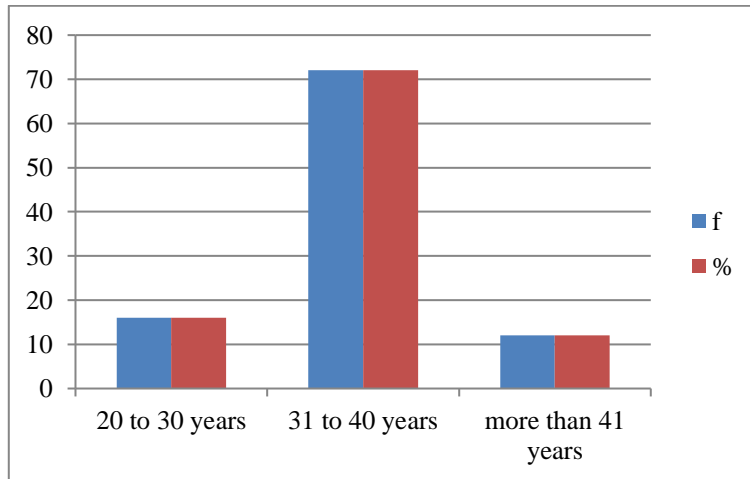


Figure 2: Distribution of the study sample according to the age

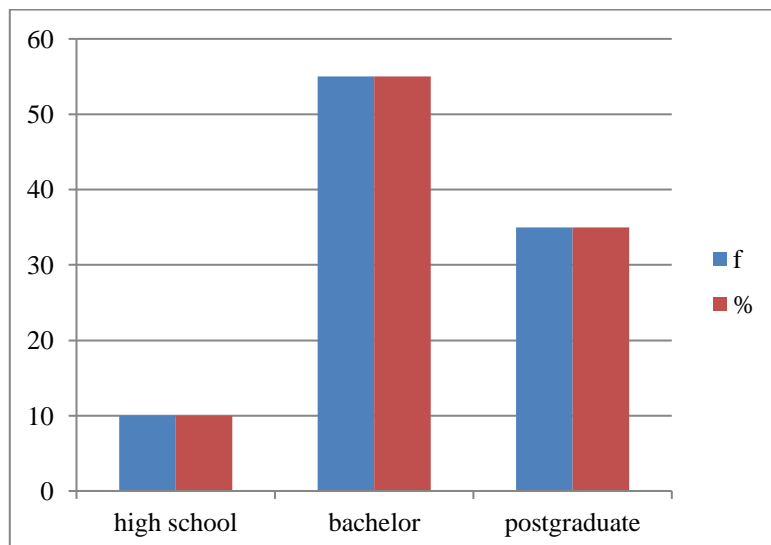


Figure 3: Distribution of the study sample according to the education level

**First axis: technological variables:**

This is the first axis of the questionnaire which seeks to identify the main technological obstacles facing the adoption of e-marketing in Yemeni banks. Six sub-items of the first axis of the questionnaire were presented to the respondents to answer.

**Table 2: Results of the first axis**

Questions	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Mean	Std. Deviation	trend
	F	%	F	%	F	%	F	%	F	%			
There is difficulty in dealing with electronic banking services	23	23	65	65	5	5	7	7	0	0	4.040	0.751	Agree
Yemени banks provide various payment methods	0	0	9	9	6	6	75	75	10	10	2.140	0.710	Disagree
It is easy to get credit cards	1	1	19	19	10	10	58	58	14	14	2.370	0.981	Disagree
Previously you were exposed to any type of electronic fraud	2	2	9	9	12	12	52	52	25	25	2.110	0.952	Disagree
The current internet service in Yemen helps to facilitate access to electronic banking services	0	0	1	1	2	2	66	66	31	31	1.730	0.547	Strongly Disagree
The cost of obtaining electronic banking services is reasonable	2	2	19	19	28	28	39	39	12	12	2.600	0.994	Disagree

The table above shows the results and answers of the sample for the first axis which includes 6 items. Regarding the first item in table (2) which is concerned about whether there is a difficulty in dealing with electronic services provided by Yemeni banks, most of the respondents agree to this statement which represents 65% of the total response and mean score of 4.040. This indicates the presence of technical illiteracy among most customers. With regard to the second item which is about whether Yemeni banks offer various electronic payment methods, most of the respondents' answer tends to disagree with a percentage of 75% and mean score of 2.140. Concerning with the third item, "It is easy to get credit cards offered by Yemeni banks", most of the respondents disagree with a percentage of 58% and mean score of 2.370. For the fourth item which states whether the respondents were exposed to any kind of electronic fraud, the answer of most respondents tends to disagree making a percentage of 52%. This indicates that there are no obstacles regarding the security of data and information. The item 5 of the above table, "The current internet service in Yemen helps to facilitate access to electronic banking services", most of the respondents' answer tends to disagree with a percentage of 66%. The mean for this statement is 1,730, and this answer of the sample tends to be strongly disagree according to Likert's scale. That means the weakness of the Internet in Yemen represents one of the main obstacles that prevent the development of e-marketing in Yemeni banks. Concerning the sixth item of the first axis of table (2), "The cost of obtaining electronic banking services is reasonable", the respondents' response tends to disagree with this phrase, with mean of 2,600, viz, the cost of obtaining electronic banking services is high. In brief, the results of the analysis of the answers of the respondents indicate that there are electronic obstacles that prevent the development of electronic marketing in Yemeni banks.

**Second axis: environmental variables:**

This axis tries to identify the main environmental obstacles facing the adoption of e-marketing in Yemeni banks. Five items are presented to the respondents to answer.

**Table 3: Results of the second axis**

Questions	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Mean	Std. Deviation	trend
	F	%	F	%	F	%	F	%	F	%			
The infrastructure in Yemen is encouraging	0	0	1	1	2	2	77	77	20	20	1.840	0.488	<b>Disagree</b>
You have confidence in the electronic banking services provided by Yemeni banks.	1	1	10	10	6	6	70	70	13	13	2.160	0.813	<b>Disagree</b>
There are security risks while using the electronic banking services	12	12	70	70	7	7	10	10	1	1	3.820	0.808	<b>Agree</b>
Political instability in Yemen has negatively affected your use of electronic banking services	57	57	34	34	3	3	4	4	2	2	4.400	0.887	<b>Strongly Agree</b>
You have sufficient knowledge of the e-marketing services provided by Yemeni banks	3	3	40	40	25	25	30	30	2	2	3.120	0.945	<b>Neutral</b>

The table above shows the results and answers of the sample for the second axis which includes 5 items. The first item is concerned about whether the infrastructure in Yemen is conducive to e-marketing in Yemeni banks. Most of the respondents' answer tends to disagree with a rate of 77% and mean score of 1.840 which indicates that the weak infrastructure in Yemen represents one of the main obstacles facing the adoption of e-marketing in Yemeni banks. For the second item, "You have confidence in the electronic banking services provided by Yemeni banks", most of the respondents' answer tends to disagree with this statement which makes 70%. This indicates that customers do not trust the electronic banking services provided by Yemeni banks. With regard to third item, "There are security risks while using the electronic banking services", most of the respondents' answer to this item tends to agree which represents 70% with mean score of 3.820. About the fourth item, "Political instability in Yemen has negatively affected your use of electronic banking services", most of the respondents' answer tends to strongly agree with a percentage of 57% and mean of 4.400. This confirms that the political instability in Yemen is one of the main obstacles that prevent development of e-marketing in Yemen in general and in Yemeni banks in particular. Concerning the last item of the second axis of table (3), "You have sufficient knowledge of the e-marketing services provided by Yemeni banks", the respondents' answer tends to be neutral. In short, the results of the analysis of the sample's answer indicate that there are environmental obstacles that prevent the development and prosperity of e-marketing in Yemeni banks.

**Third axis: organizational variables:**

This axis aims to identify the main organizational obstacles that prevent the flourishing and development of e-marketing in Yemeni banks. Five items were presented to the respondents to answer through the questionnaire.

**Table 4: Results of the third axis**

Questions	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Mean	Std. Deviation	trend
	F	%	F	%	F	%	F	%	F	%			
Yemeni banks offer guidance programs on electronic banking services.	0	0	2	2	3	3	79	79	11	11	2.010	0.522	Disagree
The Bank is implementing electronic banking services on time and in an accurate way.	0	0	1	1	10	10	77	77	12	12	2.000	0.512	Disagree
There is a quick response from Yemeni banks to customers' complaints.	1	1	2	2	8	8	76	76	13	13	2.020	0.619	Disagree
The bank responds immediately to the needs of customers with regard to electronic banking services.	0	0	5	5	11	11	70	70	14	14	2.070	0.705	Disagree
There is e-marketing department at Yemeni banks that deals directly with the customer.	0	0	5	5	21	21	64	64	10	10	2.210	0.686	Disagree

The table above shows the results and answers of the sample for the third axis which includes 5 items. Regarding the first item of the table (4), “Yemeni banks offer guidance programs on electronic banking services”, most of the respondents' answer tends to disagree with percentage 79%. For the second item which is around whether “The Bank is implementing electronic banking services on time and in an accurate way”, most of the samples' answer tends to disagree with this item which makes 77%. Concerning the third item which state, “There is a quick response from Yemeni banks to customers' complaints”, most of the respondents' answer tends to disagree which represents 76%. The fourth item of the table (4), “The bank responds immediately to the needs of customers with regard to electronic banking services”, most answers tends to disagree with a percentage of 70%. With regard to the last item of the third axis of table (4), “There is e-marketing department at Yemeni banks that deals directly with the customer”, most of the samples tend to disagree making 64% of the total answers. In sum, the results of the analysis of the answers of the respondents indicate that there are organizational obstacles that prevent the development of electronic marketing in Yemeni banks.

**CONCLUSION:**

This study, in hand, aims at identifying the main obstacles that face the adoption of e-marketing in Yemeni banks. For the purpose of eliciting data, a questionnaire was designed consisting of 16 questions arranged in three axes. For the first axis, the aim was to identify the technological obstacles facing the adoption of e-marketing in Yemeni banks. As for the second axis, it aims to determine the environmental obstacles facing the adoption of e-marketing in Yemeni banks. While the third axis was aims to determine the organizational obstacles facing the adoption of e-marketing in Yemeni banks. The results of the study showed that there are some technological obstacles which are: Technological illiteracy, weak internet service in Yemen, lack of payment methods, difficulty of getting credit cards and high cost of obtaining electronic banking services. The results also indicate that there are some environmental obstacles which are: weak infrastructure, weak customer confidence in electronic banking services, political instability and security risks. Moreover, it is clear from the result of the study that there are some organizational obstacles such as lack of a specialized department of e-marketing services, no quick response to customer needs and complaints, banks failing to provide accurate and timely electronic banking services and the

failure of enhancing banking awareness among customers of electronic banking services importance.

#### RECOMMENDATIONS:

1. The Yemeni government and banks should provide training and awareness programs regarding communication and information technology.
2. The Yemeni government should build the appropriate infrastructure including internet service that encourages e-marketing.
3. Yemeni banks ought to provide various payment methods and facilitate access to them.
4. Yemeni banks should provide customers with electronic services accurately, on time and at a reasonable cost.
5. It is recommended for Yemeni banks to enhance customer confidence and awareness of electronic banking services.
6. Banks should respond quickly to customer needs and complaints.
7. Providing a stimulating political and security environment for e-marketing development in Yemen.
8. Banks of Yemen should establish an e-marketing department that deals directly with the customer.

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