

ROLE OF MARKETING IN RESHAPING FINANCIAL SERVICES

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Abstract

Digital marketing is an era of technology where, we can connect in a single click. In relevance to financial services which have recently observed to have declined due to certain reasons, digital marketing will help to boost them through marketing their products as well as services using their well advanced methods and technologies. Additionally, it will optimize the cost and attract the new customers. The major issue faced while promoting the services on digital platform is trust, so, as to build the confidence in the consumers. This research focuses on identifying factors related to marketing techniques and others factors related to risk reduction, protection of information, quality of website and trust relationships. This is a contributing factor in promoting globalization and building virtual communities.

Keywords: Digital Marketing, Financial services, consumers, trust, Social Media, Mobile Marketing

Introduction

Financial services are considered as one of the major sector that contributes to the economy. Financial services concerns building and maintaining long-term healthy relations with clients/customers, so that they avail various services.

With the upsurge of technology in each and every walk of our life, there is an increase in competition, specifically in relation to financial services. It is necessary to think creatively and discover innovative ideas and implementation of digitalization in the financial sector in order to get more exposure and create awareness among people. Every financial institution is in critical need of internet marketing to survive in market and to overcome competition.

The main purpose behind digitalization for financial services is to enhance customer oriented services and gain the trust of their customers. A large number of business organizations consider digital marketing as a necessity. It helps financial institutions in a miraculous way in the form of tracking new customers; analyze the needs and demands of customers, to maintain relationship with the existing customers along with attracting new customers.

Objectives

1. To apprehend the basic concept of digital marketing and its usefulness financial services.
2. To identify need of digital marketing in financial services
3. To understand the impact of technology on financial services on customer satisfaction.
4. To explore the techniques used in digital marketing to attract potential customers.
5. To acknowledge challenges faced while marketing digitally.

Literature Review

M. Kaoud and N. A. El Dine(2022) states that technology has helped to transform organizations to its full potential for SMEs.They focus on various tools to promote customer value and improve CRM efficiency. It provides guidance in respect to various startup's and SMEs and benefits it in transformation through digital platform.

N. Bouranta, G. Mavridoglou, P. Kyriazopoulos (2005) focuses on the employees on front line who majorly interact with the customers and their satisfaction begins with it. This paper sheds light on exploring the relationshipbetween internal marketing and market orientation. For collecting the data for the research, a survey form was filled by the managers of banks. The findings clearly state the importance of both the factors i.e. internal marketing and market orientation on its performance.

Dr.Soniya.K, Mr.Santhosh Raja. R(2018):The agenda of this paper is to simplify the tasks and make on point of communication for the consumers regarding money related activities. The focus of paper is on client relationships, ways to strengthen and benefit them.

Ms. SathyaPriya. S1, Ms. Shalini SN2 , Ms. Aishwarya. K3 (2022): The paper focus on the ways and agendas to promote banking as well as small business on various platforms through digital marketing.

Vishwesh L. Akre, Vishwesh L. Akre (2019): This paper focuses on advertising through digital channels like mobile applications, emails, Websites etc. It also pays attention on the generation Can be attracted through these channels they are known as millennial people born between the age of 1982 and 2002 add considered to be millennial as they are fans of digital platform. Different techniques and tools are examined and proposed, respectively, in order to create strategies for marketing financial services.

Venkateswaran, Ramachandran (2022): Digital marketing has a broad scope which involves waited strategies that will help to promote through emerging technology, undoubtedly it will raise the cost but will promote d financial services internationally and help to overcome the challenges of competitive environment. Digital marketing will help to explore better trends and techniques for the distribution of products and services. As previous research has explained the impact of digitalization on the buying behavior of a customer.

Ivana S. Domazet (2019): The aim of the study is to investigate the effect of various digital channels and digital implementation which will help to improve the performance of financial services, their market position. The survey was conducted in order to investigate the impact which assisted to explore new opportunities to increase the profits by expanding the portfolio of financial services. It enlightened various other methods like effective communication, building trust among users, useful guidance, and increased level of satisfaction and customer loyalty for the expansion and improvement of the banking sector.

Nature of Work

The book chapter is based exploration of previous models, theories and studies related to the concept. The study will investigate “How digital marketing has helped to reshape the role of financial services.” This will create awareness about digitalization in financial sector and will persuade the public to opt for e-services.

Research Methodology

This research paper incorporates exploratory and explanatory methods. In the former, paper will explore what digital marketing is and various shortfalls due to its possible implementation. In the latter, the paper would investigate and explicate technological factors related to digital marketing that would impact the customers and potential customers. For this purpose, secondary data was assembled from books, newspapers, articles, research papers and was thoroughly reviewed.

Evolution of Banking Sectors

- **Changes in banking structure and their market capacity:** The crisis in Financial service sector brought a significant change in the structure of banking sector they revealed weakness and threads in the system these crisis affected heavily the economic growth and financial stability of the country they lead to technological change lead by globalization which till date remain a challenge for the banking system of our country.
- **Shift in the business model of banks:** These crisis have modified the models where banks used to focus more on trading, they now focus more on capital intensive Pursuits. This is very much evident from their portfolios they have become more focused on activities which are on an international level with a perspective to expand internationally.

Key Aspects Of Digital Marketing For Financial Services

The aspects of digital marketing for financial services are noted below:

- **Experience and engagement of the user:** Pleasant experience will help the user to stay connected with the banks over long period. Digital marketing assists users in timely settlement of their queries sitting under one roof. Banks can only thrive if they engage their present users and attract potential users. Losing one over other won't benefit the companies. Thus, financial service sector should actively engage with their users and should ensure their user is satisfied. Feedbacks and reviews holds to power to make or break an image of the company. New users can be attracted through positive reviews of the existing consumers. Potential users are always confused while switching to new product or service, the reviews will influence them to click on BUY button. In order to do so, customer's query should be answered timely and they should be providing with great service.
- **Leveraging cross channel marketing:** Various channels like SEO'S, content marketing, mobile marketing etc can be leveraged with an objective to promote the financial services and have wider reach on the users and potential users. The goal should be to reach wider, that is possible by bringing your presence on social media, where millennial generation is present. This cost effective method and gives cut throat competition.
- **To enter markets which are new with clear and broad reach:** Banking sector should enter new markets with efficient schemes and strategies to stay in the challenging competitive environment. Cost effective techniques should be implied for increased profits and have wider reach on the potential users. Companies should aim for international marketing and not only stick to domestic as increased reach means increased users.
- **Focus on personalization:** Personalization is an effective tool to help the user connect to producer. The customer will gladly trust and respond to personalized mode of communication. Personalized offers, recommendations and services which will satisfy their specific requirement, can be offered which will increase the level of satisfaction of the users, For example, birthday gift vouchers, discount on payments etc. The recommendations can be depicted through their past shopping behavior, engagement, etc by studying their profiles.
- **Informative content:** Videos and content can be shared time and again, as it will gain huge attention and will boost their active engagement. Informative videos are tools to provide knowledge to the users and are far more effective than text based content. This is a cost effective tool but the output generated will be immense.

Strategies of Digital Marketing

Digitalization makes it possible to make financial transactions possible even from home. It becomes essential for every financial institution to adopt such an innovative marketing strategy that creates awareness among customers regarding services. Digital marketing helps these institutions to collaborate with new people. Also in today's everyone is so busy in their daily life that they don't even have time to visit financial institutions or banks to avail their services. Financial transactions are very important part of everyone's life. Even these days' people prefer to make all the payments, to pay their bills in an online mode. It saves a lot of time of the customers and makes more convenient for customers to avail financial services. So in such a scenario where digitalization becomes necessity it becomes very difficult for business organizations to cut off the competitors and satisfy customers. It is very important that very financial institutes adopt new and innovative methods of digital marketing to reach customers and stand in such a competitive environment.



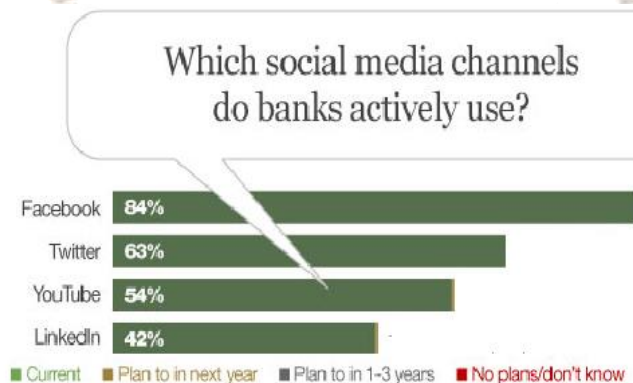
Source: Cubes project

Trends and techniques of digital marketing used by financial institutions

The techniques used by the banking institutions in order to reshape their working and boost them by adding customer base. Below are few trends and techniques mentioned:

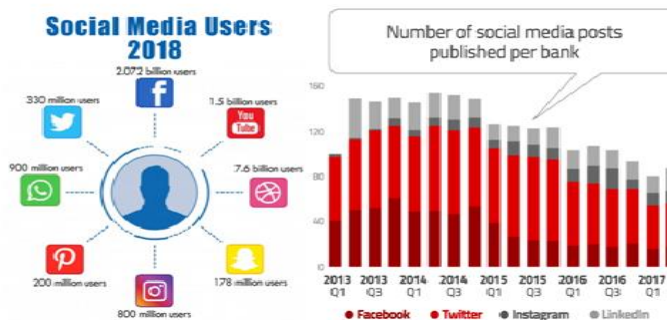
1. **Create a proper and easily navigate website:** if any financial institution adopts digital marketing strategies, it is an initial step to create a well planned website containing all the important details of the organization so, that people get aware about various financial services and if they found anything valuable, they can easily contact and avail services.
2. **Search engine optimization:** search engine optimization is a very important strategy of digital marketing, especially in finance sector that helps in increasing organic visitors to the site. Basically search engine optimization is a activity of aligning a website to higher ranks on (SERP) search engine result page in order to receive additional traffic. The main motive is to show on the initial page of the Google search. In simple words we can say that when some search anything regarding financial services on Google, on the very first page people find your page. This strategy is used to target more audience.
3. **Content marketing:** content marketing with reference to financial services refers to creating as well as distributing excellent quality, helpful data regarding financial services and products that can be offered to the customers and potential customers. It is different forms of images, words and information that is used by financial services to capture the interest of the people and to educate as well as supporting them in doing activities like how to open a bank account, how to find a low priced mortgage. This strategy is used by financial institutions to reach, persuade and engage customers by providing them quality information.
4. **Mobile marketing:** in the financial business world, mobile marketing has become a necessity. It can be used in the form of SMS, emails, various mobile apps to reach and help customers in availing financial services. Mobile marketing helps in maintain daily communications with the customers which is not possible through email and postal correspondence. Sometimes people normally ignore emails but these days everyone is addicted to mobile phones. So, people easily go through the text messages send by financial institutions regarding various services and in case they found something useful they can easily contact that particular financial institute. Moreover, mobile marketing come up as a perfect platform for more personalized communications.

5. **Educational videos:** these days internet is widely available at very cheap prices and even customers choices have been shifted to graphic based data from text based data. Financial institutions can develop some educational videos to help their clients regarding their services. these almost everyone is using social media a lot, people use face book, Instagram, YouTube and many apps very frequently in a day. Social media is a very good platform to promote products and services. Financial institutions can make videos clearly showing their services and benefits of these services to customers to influence the audience. Educational videos is a very simple method to cross over the gap as it allows financial institutions to create personalization’s, showcase stories that depicts how people use financial services in a real life and develop a two- way dialogue (includes both customers as well as service providers in a video).



Source: Finance Brand

6. **Social media marketing:** these days if we look around, we found everyone is on social media and even spend most of their time on different social media sites. Financial institutions also use that way to connect to their customers. Social media becomes a mandatory to reach young audience. Social media marketing strategy helps in reaching new customers, strengthening relations with customers, highlighting the main goal of brand and generating trust among customers and so on. Moreover, this kind of marketing requires less efforts as well as time.



Source: Finance Brand

7. **Invest in email marketing:** it is one of the very oldest methods of digital marketing used by financial institutes but still it is considered as competitive way of increasing sales and keeping in touch with customers. Instead of neglecting it as an oldest way, it can be used by planning a proper strategy. The best strategy to use email marketing is firstly determine the target audience then, set criteria's to divide target audience into groups into groups after that deciding different personalized strategies for each group. It will result in more engagement of customers in availing financial services.
8. **Get positive reviews from customers:** it is generally seen that 9 out of 10 customers believed in other customers reviews before buying something. Similarly the same happens in financial services sector. It generates a trust among customers regarding brand. As finance is considered as very critical as compared to other services, customers mainly avoid trying unknown and new brands. So it is better to encourage the customers to share their reviews online regarding the service. In case if any customer gives unfavorable reviews it would help the organization to solve that problem in order to satisfy the future customers. Both the positive as well as negative reviews are important for business organizations.
9. **Completely engaged with your customers:** these days everyone is so busy in their life. Even if they want to make any investment or savings, people don't have time to do so. In such a scenario business organizations have to completely engage with their clients. The most important factor here is to understand the language of customer; it is very important to reach potential customers and understating their demand and provide them services accordingly. The current generation is attracted by good experience, good customer dealing, rewards, comfort and satisfaction. By engaging more with your customers you can also make aware people regarding financial services and provides them proper information. In this way both the financial institutions as well as customers get benefits. It is best strategy to know your customers well and try to fulfill their demands.
10. **Work on personalization:** in the world of finance, personalization means offering financial services to the clients on the basis of their financial needs as the financial condition of every customer is not same. By bifurcate the customers on the basis of their income; it is possible to provide personalized services to various customers by considering their financial conditions. Personalization also requires business organizations to track customers on regular basis, in this way it becomes easy to know the behavior and spending habits of customers.
11. **Automation and big data:** financial organizations have a lot of data about customers, but they don't even know how to make use of such data. Automation and big data automatically refine the data as per the strategy of the business organization. For example: out the whole data big data tell the organization that which customer is saving for a large purchase and wants to apply for loan, big data also provides data regarding

which customer needs what kind of service. In this way business organizations can easily target particular customers.

12. **Chatbots:** Chatbot is a very innovative technique of promoting products and services. It is basically an application which makes conversations with the customers with the help of artificial intelligence. It is connected with different apps such as messenger, Facebook, Snapchat, Telegram, Whatsapp etc or they can also attached Chatbot with their website. Chatbot automatically answer common queries of the customers; also allow them to pay bills.
13. **Millennial generation:** Millennial generation has rapid presence on social media and has political as well as economic influence. They are generation which were born between you are 1982 and 2002, both male and female are considered millennial and they have significant opportunities as well as challenges for potential Flourishing of an financial services. This generation is attracted and prefers digital marketing over traditional methods therefore they tend to shift the focus from traditional ways of marketing to the modern methods.

Significance of Digital Marketing in Reshaping Financial Services

Digital marketing is a powerful tool which has transformed the working of traditional banking. Earlier user had to visit the banks and financial institutions to avail services but now they can avail them by one click under one roof. This has completed changed the lifestyle of individuals and the banking sector. The below are points of significance of digital marketing that will help to reshape the banking services:

- **Attracting potential customers:** Digital marketing proofs to be an important tool of attracting potential customers as well as potential investors to the market of finance. They can reach out and discover information at anytime and at any place available on platform of digitalization. It helps to connect easily with your prospective customers and have online discussions and there issues so that you can target them according to their needs.
- **Better understanding of market:** Digitalization has helped to understand the market of financial services in a better way as abundance of information is available online. Market is diverse and ever changing, so it is utmost important to stay connected with the latest fashion choice and trends in order to develop or change your insight and modify your product.
- **Feedback:** Feedback of your clients regarding your product and services is very essential for the market to survive and grow therefore company remains actively engaged with the customer's survey. Earlier the process of feedback was very lengthy and time consuming whereas, digitalization has completely reshaped the process of feedback. Not only it is time and cost effective but it helps the producer to make appropriate modifications by listening to the consumers and there valuable feedback.

- **Digital marketing is a resourceful in increasing presence on social media:** Social media is an effective platform where innumerable feedback, opinions and reviews are posted time and again. This helps the company to provide according to their needs, designing new product and improving the existing product effectively is possible through these reviews. Mobile banking application was launched in the year 2012 which enabled the customer to send money to each other using their contact number. Furthermore this app was optimized using social media analysis, modifications were based on the feedback of the users of app, and moreover better features were added on the demand of customer.
- **Management of online reputation:** As the platform allows to easily connecting with the customers the companies can easily and timely respond to all the issues and negative reviews in order to manage reputation. It will help to create base of loyal customers unbilled healthy client relationship does improving experience of customers through digital marketing.
- **Assistance in tracking competitors as well as behavior of customer:** Privatization has allowed a great deal of competition in the market, where every company is trying hard to stay connected with their customers and attract potential customers. Social media has allowed to track the online activity and helps to assist you in monitoring your competitor.

Challenges of Digital Marketing to Different Parties:

There are ample challenges faced by the users and the banks while progressing their financial services digitally. Few of them have been listed below:

From banks point of view

- **Extravagant cost:** Banks spend high branding cost but the return on investment is very low compared to the cost as they are facing huge pressure from external environment. They need to focus on the methods which involve low cost and increased Earnings. Focus should be more on retail assets.
- **Cut throat Competition:** due to LPG, the level of competition reaches new heights in every sphere. Competition somehow helps to provide qualitative products, as they cannot risk losing their customer base. Banks which provide security and better services will have increased users as safety and security of payment is the prime most objectives which should not be compromised in any given situation.
- **Dynamic market:** Markets have evolved from traditional to modern banking system globally. Customers want the access to all the services sitting at home. Banks work on making the life of the user comfortable through resolving their issues and answering their queries on a timely basis banks deal a lot with the ever changing market with their new modified rules.

- **Evolving regulatory framework:** RBI is the regulatory bank; it issues strict guidelines from time to time and least penalty for any wrongdoing to the bank. Banks are liable to pay 4 any kind of Happening or fall out on their part. They have to be highly cautious while dealing with the sensitive secured information through their technology systems.
- **Competency gap:** Hiring value educated human resource with great marketing skills is a major to challenge faced by the banks. Marketing helps to increase the sales of products and capturing the market. Two major factors: personality development and communication are essential while recruiting d human resource.
- **Data management:** collection and analysis of data is a highly crucial job. Most financial services provider are able to gather partial data from the interactions feedback behavior of the users. How can they make better decisions on the basis of analysis of partial data, bottom line is- this will only drag them into increased cost and very little profit.
- **Advanced technology:** time management is one of the significant challenges faced by the banks as they have very little time to collect and organize the required level of information.They have to be proactive if they want to remain in the competition and achieve the desired result. Marketing automation helps to get better output but one should have the complete understanding of the technology effective use of marketing automation will help the banks to get the content in order to meet their needs.

From user's point of view:

- **Banking habits:** People tend to have traditional banking habits and find it difficult to break these habits of benefiting from online banking. People need to be acquainted with the effectiveness of online banking services and how one can benefit.
- **Security and trust:** One of the foremost challenges for online banking is sense of security and trust. This might be because of the reason add people robbed or have acquainted situations like stealing bank savings of a person, breaking into the world etc. Online banking also paves way to the cyber criminals, d require very little information 2 break into a person's bank account and steal their hard earned money. Innumerable cases are reported each day where person receives a call and they just have to give 4 digit or 6 digit OTP number to the other person. Efficient security system needs to be established so that trust of the users can be build of the users.
- **Budget:** India is a developing country and people have comparatively small budgets. They prefer to save money at home than to open a bank account for the similar purpose. They are unaware of the digitalization banking services due to their illiteracy or ignorance. Social media platforms like Facebook, Twitter, and Instagram etc have been promoting digital marketing of banks but people with small budgets prefer the easiest way which is to save the little amount in their household.

- **Technical issues:** Many users have witnessed technical issues while dealing with their accounts to online banking which might be due to system crash or bugs., however not only users suffer but this cost millions to the bank in a single day. It creates havoc among the users who totally depend on the online banking.

Conclusion

Digital marketing is rapidly transforming the financial sector undoubtedly. It is important for both bank and the customers to remain transparent and authentic respectively. Digital marketing has reached to an extent where it has influenced the Lifestyle of People, but security still remains one of the core services that banks should offer if they want every customer to trust them blindfolded. Digital channels and platforms like Instagram, YouTube, and Facebook etc have leveraged financial services; however, the challenges need to be overcome for better functioning.

Disclaimer

None

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