

Marketing Communication as a Pivotal Strategy for Banking Sector- A Study of Literature

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ABSTRACT— selling communication may be dynamic method and continuous in nature. A bank victimisation numerous channels of communication ought to keep under consideration its business goals, customers expectation concerning product and services in addition because the selling environment (both social and business) prevailing at the time of such promotional campaign. Customers don't seem to be fascinated by simply the product however within the manner they're offered, this facet strengthens and justifies the importance of selling communications. this analysis paper is an effort to check the researches done on banks and usage of selling communication methods for his or her promotion. the target of the current study is to explore the gaps in literature through careful review of previous researches.

Index Terms— Marketing communication strategies, Banking sector, Promotion, Bank marketing

I- INTRODUCTION

Marketing communication could be a continuous method and correct communication with the interior in addition because the external customers is crucial to make sure effectiveness of promotional measures in achieving the company business goals. this day banking is completely totally different than it had been in sixties and seventies. The economy is moving from noncompetitive and guarded state to a free and liberalized market setting wherever solely the effect ive and economical can survive. it's so, fully essential to adopt acceptable promoting communication methods and use them through an integrated approach, within the absence of that it'll be troublesome for the banks not solely to progress however even to keep up their business positions. A well thought and innovative promoting communication strategy backed by a sensible action arrange will

definitely modify the banks to satisfy their clients and build profits while not losing sight of the social obligations and dynamical customer expectations.

Marketing communication area unit messages and connected media wont to communicate with a market. during this competitive era once market is filled with similar service providers' effective Marketing

communication methods will encourage be a mantra for the success of banking. With the assistance of promoting communication a bank will inform the shoppers relating to totally different merchandise and services of the bank, will build a positive image of the bank and might additionally build the complete image within the eyes of the shoppers. In the tune of the money reforms, the banking sector in Asian country should change its promoting communication strategy to mobilize a lot of deposits from the general public and to supply a lot of loans and advances so as to satisfy the money wants of the business homes and industries. Gone area unit the times once banking industry was carried in historically while not considering the impact of promoting communication strategy to mobilize deposits and growth of business. currently the majority the Banks in Asian country device totally different and innovative promoting communication methods to draw in a lot of customers, that itself implies a lot of accounts, a lot of business and a lot of profits.

II. OBJECTIVE OF THE RESEARCH

The present analysis aims at reviewing the literature on importance of varied promoting communication tools in promotional methods of the banks. This study additionally aims at looking for the varied gaps within the researches worn out the past by taking one or the opposite aspects of promoting communication.

In order to realize the required objectives, secondary information is collected through numerous sources as well as on-line journals, analysis papers and analysis articles. The study is descriptive in nature.

III. REVIEW OF LITERATURE

Review of literature involves a radical study of overviews of the researches that have already been worn out the sector over a amount of your time. It helps in framing the methodology of the study, looking for the cause and impact relationship and seeks to explore the scope for the analysis to be preoccupied. Goldsmith

(1969) expressed that money development is that the outcome of continuous proliferation and diversification {of money|of monetary|of economic} establishments in addition as financial instruments. He argued that so as to sell the big selection of merchandise and services, a bank must use totally different promoting communication methods to draw in the shoppers to avail the most effective services from the Bank.

Singh (1983) examined the trends in bank advertising within the seventies in Asian country. The study unconcealed that the bank advertisements were created ostensibly for the sake of advertising instead of for making the market or serving the client satisfactorily. there's lack of expertise in bank advertising and promoting. Suggestions were created to allow stress on 'positioning the bank' instead of on commercialism the merchandise when identification and prediction of client needs.

Kusumakara 'ebbar (1988) studied that the selling ways of banks square measure geared toward inculcating the habit of thrift among the folks. The suggestion is that keeping the agricultural branches open on Sundays will augment savings. marketing is additionally advised to cut back waiting time exponentially and enhance client satisfaction. Erratic behavior of the workers, suspicious appearance of the employees, obscure data of the merchandise, static promotional strategies etc., might hamper the banking business in rural areas. Bhattacharyay (1989) conferred a selling approach to promoting banking services and mobilizing deposits. He known completely different segments of the shoppers that may be broached by distinguishing their current associate degree future wants and promoting an acceptable vary of services.

He additional declared that the selling approach involves anticipating, distinguishing, mutual (through planning and delivering client familiarised services), and satisfying the customer's wants and needs effectively, with efficiency and fruitfully. He detected that the banking sector looks to own displayed a tough hearted approach towards promotional ways and their looks to be a scarcity of commitment to advertising, communication and private commercialism as customers don't seem to be alert to deposit connected schemes except bank account.

Crane (1990) {in a|during a|in associate degree exceedingly|in a very} case study analysis found that company advertising ought to be an integral element of the selling communications program of a monetary services establishment and recommends that managers ought to pay a lot of attention to with success integrate company advertising with product advertising.

Laskey et. al. (1992) evaluated the effectiveness of alternate types of bank advertising, the choice types of that take issue in terms of main message strategy and overall technique of presentation (structure). The study examined relative effects of verbal advertisements solely compared to those who mix each footage and words. The variations between informational and transformational ways were additionally studied, by as well as each male and feminine models whereas learning transformational ways. Results counsel that advertisements that embody each verbal associate degree pictorial elements were superior and an informational strategy is more practical for bank advertising than a transformational strategy. Dan and Ho (1993) declared that advertising is forward a crucial role within the bank's promotional program. in line with them banks have done an honest job in tangibilising their services. Peattie and Peattie (1994) known 5 contributors to the increasing use of commercials in monetary services.

First, economic process and advertising muddle erode mass media advertising cost-effectiveness whereas customers become a lot of desensitized to that. Second, because of the exaggerated use of commercials by market leaders it's become a lot of respectable a part of the promotional combine. Third, shortening the look horizons will create short-run promotions a lot of engaging. Fourth, fragmentation of the markets necessitate a lot of tailored and targeted communication. Finally, in several markets,

promotions became thus common that companies square measure virtually obligated to follow or bear the chance of losing market shares. Chidambaram (1994) studied the promotional combine on the market to bankers for the selling of services like marketing, publicity, social banking and client meets. The study concludes that an honest promotional combine is one that (a) takes under consideration the objectives of the bank and lays stress on those services that square measure of current significance, (b) reaches numerous client segments terribly effectively, (c) creates a need to hunt out the services offered, (d) builds a positive image for the bank, and (e) strike a balance between value and effectiveness. Dunn (1995) declared that a bank might have the best services and also the most tasty costs, however if potential customers don't seem to be alert to its business, the possibilities of success square measure restricted, so advertising ought to be used primarily to tell the potential customers of the supply of the merchandise and services, wherever the companies square measure placed and something special concerning the services and products. He argued that advertising activities square measure necessary for maintaining client traffic throughout the market season to draw clients to the business throughout the season to keep up customer traffic levels during slow periods. Tantisawaphap (2001) studied the effectiveness of Integrated selling Communication (IMC) programs in commission businesses, and discovered that business banking is that the representative of service directed to people's mind, and intangible assets. The results additionally showed that customer's awareness of IMC was considerably and absolutely associated to their angle toward IMC. It thought-about that the positive angle toward a whole may be able to together predict buying behavior of the shoppers. Mortimer (2001) states that a crucial a part of advertising is to create the services tangible within the mind of the shoppers so as to cut back perceived risk and supply a transparent plan of what the services contains. moreover, she considers it necessary to advertise systematically with a transparent whole image, so as to attain differentiation and encourage word of mouth. Mehta (2001) examined the dearth of

promoting communication in banks. He advised adopting completely different selling communication ways for the promotion of banking services and additionally for the higher business of the banks. He emphasised on the adoption of private commercialism as a method of promoting communication and promotion of the banking services. Weilbacher (2001) explored that integrated selling communications ought to have one single strategy for all the communications directed towards the client by the trafficker and not completely different ways for every individual communication tool. moreover, he declared that the importance lies in a way to mix the selling communication tools to deliver one message most effectively. Evren Ors (2003) determined that advertising plays a pro-competitive role in banking. a rise in advertising seems to guide to a rise in profit. in line with him, minority-owned banks advertise less, presumably as a result of they need a captive people whereas economical banks advertise less. Greenyer (2004) investigated the impact of various media channels on the buyer as well as tv advertising, direct e-mail, junk mail and SMS advertising. The analysis findings indicated that tons of potential advertising opportunities don't seem to be controlled by the money services sector every year, that is that the largest wastage of the industries surveyed. in line with him, the prevailing client communications stay associate un derutilized channel for money services corporations. Grankvist, et-al. (2004) studied the promotional methods of international banks in Baltic States. during a case study of a Nordic retail bank's promotion strategy in Baltic State, they recommended that the foremost vital promotional tools for money services square measure personal marketing and advertising so as to make awareness of the complete and establish personal relationships. They more declared that the external and environmental factors influencing the selection of promotional strategy square measure technology orientation of the trade, cultural aspects, fight of the market, and economic factors. Adaptation of the promoting communication methods is performed to a good extent thanks to customers' totally different preferences and expectations, still as native economic conditions of the host country. However, banks conceive

to standardize their promotion the maximum amount as doable so as to scale back the price and effective economies of scale. Dolphin (2004) declared the importance of promotional material in building company name of a bank. in line with him, company name is particularly vital once functioning on a market wherever the merchandise and evaluation is extremely similar and exhausting to differentiate. He more declared that a sound name should be the muse on that to position associate undifferentiated product and it's doable by utilizing public relation activities with intensive support programs. Kundu (2005) measured the impact of advertising payment by corporations on firm's gain and valuation. As per her analysis solely 2 sectors (Banking and money Services and client Durables) have shown a positive and vital relationship. Further, each the sectors tend to indicate a really high correlation let alone a high constant of determination. She ended that advertising doesn't influence firm worth alone; there square measure several alternative factors too. Kristina (2006) determined that promoting communication methods ought to be designed as per the character of services to be promoted. The advertisers ought to ask for a narrative approach to speak the service expertise, instead of the logical, eristic approach. Saengruang (2007) studied the applying of IMC strategy on client demand by mistreatment the services of Kingdom of Thailand depository financial institution Public Company restricted. The man of science determined that promoting tools and knowledge technology will have influence on customer's angle toward relationships and selections concerning the acquisition of bank merchandise. Hasan and Bunyamin (2007) examined the connection between image, advertising potency, client satisfaction, client expectation, perceived quality, perceived worth, client criticism and client loyalty. He argued that advertising potency influences bank image absolutely and directly with sturdy relationships. Advertising potency has additionally intermediate positive direct result on client expectations. He recommended that advertising is a vital instrument to engineered and develop bank image.

Banks ought to manage their advertising throughout thus on confirm their image. Markkinointi (2008) examined the influence of commercial on client behavior in promoting of economic services. The influence of commercial was studied by perceptive the mastercard purchases before, throughout and when the promotional periods. in line with him at the side of alternative communication methods, commercial explains the advantages of the loyalty program generally and would possibly influence absolutely the patron perceptions. He assumed that commercial works as associate intrusive input that motivates people's attitudes, intentions and behavior. Mylonakis (2008) declared that money advertising includes advertising performed by banks, money establishments, insurance corporations, and investment corporations. He examined the role of economic advertising and its impact on bank's customers concerning specific bank's merchandise. He determined that bank customers show {different|totally totally different|completely different} responses to banks communication methods and expressed different angle for every banking merchandise and services. Therefore, banks use kind of promoting communication tools to draw in the purchasers. He more declared that the weather which will attract customer's attention during a bank publicity were found to be the clever, humorous, differentiating, and artistic. The association of a well known/ famed people/ celebrities with the organization attracts the eye of shoppers simply. Gupta and Mittal (2008) emphasised that a well-designed promoting communication strategy is incredibly vital to market banking services effectively. in line with them promotional packages square measure vital for money industry and thus promoting communication methods ought to be designed as per the character of the services to be promoted. The advertisers ought to ask for a narrative approach to speak the service expertise instead of a logical, eristic approach. Narrative approach involves storytelling methodology mistreatment sequence of events. They studied that the promoting communication methods of public sector banks and personal sector banks square measure nearly similar in nature. each forms

of banks take the assistance of just about all variety of media to market their services. the foremost distinction within the promoting communication methods adopted by banks is within the "Personal Selling" and "Direct Marketing". The distinction is that public sector banks don't adopt the methods of promotion as personal marketing and direct marketing; on the opposite hand identical square measure adopted by personal sector banks. the explanations for this square measure high responsiveness and fewer profit orientation of public sector banks. Public sector banks don't select innovative methods of promotion, however, they're going for interactive promoting through net however that's not promoted most like personal sector banks. Mittal and Mittal (2009) determined that customers have their own distinctive wants, demands and preferences during a specific section. Marketers got to study customers above all section. The study of client behavior will create it doable that when perceptive and examining the behavior of client, a seller will gift his product in such some way that the merchandise will enter and capture the market.

According to them, the study of customer behavior is compulsory to know about likes and dislikes of customers from time to time, so that the products and services can be offered accordingly. They concluded that customer behavior is the base of all marketing activities. They further added that marketing communication strategies are also the part of marketing, so they are also designed by considering all the necessary issues related with customer's behavior.

Hattaya Thong (2010) explored that in this competitive era the most influencing marketing communication strategies for banking services are quality of customer service, followed by advertising and sales promotion. According to him the factors which most influenced the customers in using the banking service were its reputation followed by its convenient location and good service experience.

Sharma (2010) examined that the shift from traditional marketing to services and industrial marketing has given rise to a new marketing paradigm in which the purpose of marketing is not only to attract customers but to retain them as well. According to her, the banks should organize customer awareness and counseling programs on a regular basis. It would be beneficial for both the banker as well as customer to develop relationship banking.

Rullis and Sloka (2010) identified the

possibilities and challenges for marketing within internet banking in commercial banks in Latvia. According to them, internet banking is a bank's product that provides the customer access to their accounts and also the possibility to acquire other bank's product. In order to challenge the competitions, banks have to customize products and the most important part is that these custom products and price that are prepared for exact customers should be communicated in the right way. Within internet banking marketing communications can manifest as text, video, or image (pictures, banners, interactive material etc). Despite of content and type (advertising, public relations, direct marketing etc.), marketing communication messages will always be communicated by means of text, images and video. Internet bank provides closed environment, it means that there is possibility to control the recipient of a particular messages, time, and frequency how many times and have target audience received the message etc. Therefore, it becomes very important to provide possibility to manage marketing communication within internet banking in the efficient way. Possibility to deliver message to the precisely selected audience in the fast pace allows cutting cost of marketing communications and thus increase its efficiency.

Munson (2010) explained that sales promotion helps the banking sector in generating revenue, creating new customers and in creating customer data base. The sales promotions help financial institutions achieve their overall mission to retain customers. In some cases, offering new or better services, free merchandise, and attractive interest rates might even work to drive a customer from a bank on one side of the street to a competing bank right across the street. Banks, credit unions and mortgage companies continually develop and use results of sales promotions to increase their share of market, build their cash reserves, and achieve their marketplace goals. Sales promotions help banks, credit unions and other financial institutions to retain and gain new customers. Some banks even use sales promotion strategies that include paying customers to open a checking or savings account. He further stated that sales promotion is beneficial to banking services in (a) Customer acquisition and retention, (b) Cross selling, (c) New product test marketing and (d) CRM data mining. Samina and Alam (2010) examined that adoption of new products is not sufficient to meet the dimensional demands of customers; they should also get the proper information about the products. For this, banks are now emphasizing on proper marketing

communication strategies. According to them, by using different marketing communication strategies, banks try to fetch more and more deposit and loan products to potential customer who affects the total deposit collection and loan disbursement of the banks. In the given study, the different marketing communication strategies have been analyzed and it has been observed that the application of promotion tools varies and there is a significant difference in the involvement of promotion tools among the three generation banks in Bangladesh. It was also revealed that the amount of deposit collection and loan disbursed by the banks are not affected by the promotion activities rather there are some other factors (like size of banks, number of branches, number of years in operation etc.) which influences deposit mobilization and providing loan amount.

Shonde and Gadhawe (2011) identified that an appropriate marketing strategy or promotion mix can be used not only for marketing and to attract customers, but also to hold them by creating brand loyalty and trust. It may be in different or various ways like a advertisement, a sales campaign, melas and fairs, word of mouth, personal interaction, direct mailing to customers etc. The main aim or goal of marketing is to persuade the customer to buy its products in preference to other similar products available in the market. According to them, earlier banking was concerned only with traditional services and activities, but at present banking is catering entire requirement of individual customer and is emerging as a potential sector for the consistent growth of business and commercial industries. Customer relation and retention is priority of the banks. In the present study, an attempt has been made to study the quality of service provided by the SBI and HDFC bank. It was concluded that SBI provides better services to their customers than HDFC Bank. The customers of SBI are more satisfied with traditional banking services and bank accounts as compared to HDFC Bank whereas customers of HDFC Bank are more satisfied with innovative technology based counter services, ancillary services, and single window services provided by the bank.

Trivedi (2012) explored that since the inception of globalization in India, banking sector has undergone various changes. According to him, encouragement to foreign banks and private banks has increased the competition for all operators in banking sector and in order to survive in this cut throat competitive era Indian banks need to reinvent their marketing communication strategies for growth.

Aliata and Odondo (2012) examined the

nature and influence of the promotional strategies on the bank's performance and seek to determine the importance of marketing communication strategies in explaining the bank's performance. They argued that there is a positive relationship between promotional mixes individually and had little effect on banks performance.

Sriniwas (2012) argued that private sector do excessive communication with the customer which may sometimes causes irritation. Their communication is also "communication for convincing", that means they will communicate only if it is convenient for them. To the contrary public sector banks have almost 'Zero Communication' with the customers and media. He further stated that public sector banks need to develop a professional approach towards integrated external communication; they need to train their communication departments and even senior officials to the newer integrated marketing communication strategies.

Ramya and Lakshmi(2014) stated the importance of marketing communication tools on integrated basis to acknowledge about company's products and services. They further stated that since financial sector is a booming sector which always focuses on promotion of its products and services in an effective way therefore it has to concentrate on more integrated concept of marketing communication for achieving customer value of its services.

IV- GAPS IN LITERATURE

Marketing communication in banking sector has been an understudied area. Much of the bank marketing literature has concentrated on marketing theory than on communication strategies. Effective marketing communication of banking services is crucial since services are intangible products and it is hard to stand out, considering the fact that all banks offer similar products. Literature review depicted several gaps which makes the way for different researches. Firstly most of the studies in banking sector are on marketing of banking services (Bhattacharyay, 1989; Rullis and Sloka, 2010; Shonde and Gandhave, 2011). Secondly the study of marketing communication strategies is done taking either one or other communication tools like personal selling, sales promotion, publicity and public relations individually (Singh, 1983; Laskey et al., 1992; Dan and Ho,1993). Thirdly no study is conducted from banker's point of view, only customer's response is considered (Greenyer, 2004; Mittal and Mittal,2009).

V- CONCLUSION

The banking industry is facing a rapidly changing market, new technologies, economic uncertainties, fierce competition and more demanding customers and the changing climate which lead to an unprecedented set of challenges (Lovelock, 2001). The banking is a customer oriented service industry and it is the customer who defines the business and therefore, the main objective of a banker is to create, cultivate and retain a customer. Therefore the keen interest of bank marketers is in finding more effective means of communicating with their customers. Marketing communication strategies in banking sector assumes all the most important position as what they really sell is an abstract thing i.e. service with the interest rates, range of products etc. being more or less the same, the service given through proper promotional channels makes all the difference between two banks.

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