

Strategies Adopted for Digital Marketing in Banking Sector

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Abstract:

Digital marketing is the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium. In today's world technology plays a major role in our country. Digital banking is a new concept in the area of electronic banking which aims to enrich standard online and mobile banking services by integrating digital technologies. For example strategic analytic tools, social media interactions, innovative payment solutions, mobile technology focus on user experience. Marketing is the essential connection between banks and customers, no banks can expect to succeed without putting substantial investment in marketing efforts. This paper is purely based on secondary data. In this background the study aims to identify the strategies adopted for digital marketing in banking sector.

Keywords:

Technology, Marketing, Banking sector, Digital banking, Products.

1.1 Introduction:

Technology has transformed the banking industry all over the world. However, the adoption rate of technology-enabled banking services varies across. In India, almost all banks offer digital banking services to their customers as a strategic tool to survive in the market. With the growth of investment in technology by financial service providers in India, it becomes highly important to understand the

perceptions of customers and designing the strategies accordingly. Post demonetisation (invalidation of large currency notes) Government of India has launched various efforts to migrate customers to digital payment channels from cash (e.g. e-Wallets, Unified Payment Interface, Aadhaar-enabled payment system, etc.). As per the report of Reserve Bank of India (RBI) on digital transactions, the total volume of non-cash transaction in India has reached 1.9 billion in 2019–2020 from 228.9 million in 2004–2005. The point of utmost importance is that in India the challenge is not just migrating customers from traditional banking channels to digital channels but also to connect the unbanked masses with the mainstream banking system using digital finance. Undoubtedly, digital mediums have increased the level of financial inclusion globally from 51% in 2011 to 89% in 2022 (**Global Findex Database 2022**). But the fact which differentiates the developing and emerging economies from developed economies is the adoption and use of digital banking channels from the consumer end. Apparently, in high-income economies, 91% of adults use digital payment method, while in developing economies just 44% of adults make digital payment through their account (Global Findex Database 2022). Therefore, the Banking industry is no exception to this, this sector has witnessed a radical transformation and introduced innovations in products, services, technology, processes, business models, systems, governance and regulation. A globalized financial system has enabled an additional impetus to this massive effort. Banking has become digital and no boundary with a 24×7 tech driven model. Banks have benefitted by adopting newer technologies in several ways. E-banking reduces costs significantly and has helped create revenue through various channels

1.2 Review of Literature:

Year & Author Name	Title of the Paper	Objective	Findings of the Study
Dr.B.Sudha (2019)	Digital Marketing For Digital Banks	[1] To study the digital banking in banking [2] To highlight the Marketing strategy of HDFC Bank	The findings of the study shows that the marketing strategies used by HDFC bank were HDFC Face book page, HDFC Twitter. The study concluded that As the digital transformation redefines banking business, we got a lot of innovative products and services, Any Time, Any

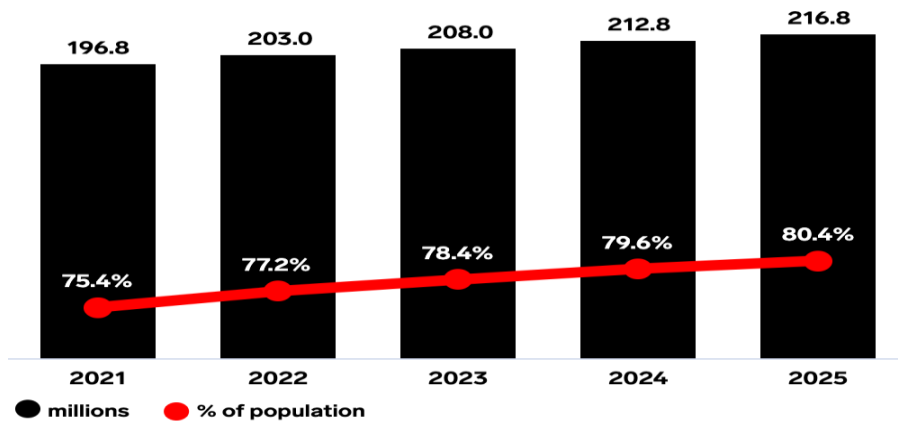
			Where", thanks to digitization. Digital marketing promotes the banking products and services at a very low cost.
Vaibhava Desai (2019)	Digital Marketing: A review	The main objective of the study is to know the digital marketing in India.	The findings of the study shows that digital marketing has a bright future for long term sustainability of the product or services in the current technological market with all its pros and cons.
Sathyapriya et.al (2022)	Impact of Digital Marketing on development of banking sector and small business	The main objective of the study is to understand the flow of digital marketing in small business providing customer satisfaction for target groups	The Findings of the study shows that digital marketing increases the demand for the e-commerce and financial products as compared to traditional marketing. <ul style="list-style-type: none"> • It is contributing to the goodwill and reputation of banks and small business. Banks and small business need to plan digital marketing strategy with proper skills and expertise. • Private sectors are ahead in digital marketing efforts as compared to public sector.

1.3 Objective of the study:

The main objective of the study is to identify the strategies adopted for digital marketing in banking sector.

1.4 Growth of digital banking:

Digital Banking Users and Penetration
US, 2021-2025



Source: eMarketer, March 2021

InsiderIntelligence.com



SOURCE: Digital Banking Report 2021 © November 2021

1.5 Digital Banking Strategies 2023:

[1] Preference for digitalization in banking:

Contactless digitalization in banking will be a point of preference for consumers. Offline banking will soon lose customer attention and digital banking trends will gain traction. Physical banks may reduce in the future but in 2023, we will continue to see operational physical banks.

[2] Banking will boil down to customer experience:

Digital banking trends already reveal how much customer experience is a determinant factor that edges financial service providers towards customer retention. Products and services that enable customer-friendly applications while fulfilling their needs independently without human intervention, and one window operation will make a difference. The constant endeavor of banks to upgrade their service quality is in the process of customer feedback. Therefore in 2023, it can be expected that banks will work with greater experience wrapping advanced analytics, customizing products, anticipating needs and reducing costs. The greater the thrust on individual customer experience the more loyalty and retention will bring profits into the business.

[3] Increasing digital channels in banking:

With neo banks gaining ground in the Indian financial landscape, open API banking gives data access to third-party fintech. Apps with faster transaction ease are providing secure service to customers. These open banking apps have reached the smallest vendor level upselling products and enabling transactions. With data integration, they are equally conscious of customer experience and fast innovation. Introducing automated variation and other facilities also opens doors for hacking. However, the API preference has made room for a customer comfort game changer. Developers will ensure data leakage to external parties is prevented and will find the best security measures to integrate these technologies.

[4] AI upped digitalization in banking

As we come close to Q4 of 2022, many banks are laying thrust on digital solutions to extend their customer base. To prevent fraud and violation banks are involving pure technology companies that can save them from future breaches through better management of specialized data analytics. Reaching out to the customer in their language of comfort and greater inclusion of FAQ replace call centers with chat bots and virtual assistants. Some banks have already started including chat bots for customer ease. The younger customer seems well adjusted to chat bots and this technology will surely emerge stronger in

digital banking trends. Chat bots, besides handling customer queries on banking services, will also have access to the customer's financial data. This would enable this AI application to play a more significant role in customer relationships by suggesting various products that the customer could benefit from. Working with customers, voice payments in banking will act like virtual assistants to simulate the physical and digital capabilities of the bank, benefiting the customer with the best service. So, it can be predicted that in 2023 digitalization in banking will find greater AI involvement.

[5] Fintech digital banking unwraps new competition

Banks will need to gear up and stay ahead of the competition posed by new financial players in the market. Fintech solutions such as peer-to-peer (P2P) platforms, those that offer Robo-advisors and digital wealth management tools provide a fillip to open API enabling account management through self-service. Fintech digital banking solutions pioneered by various digital payment solutions and have now emerged as competitors. Banks are partnering with these fintech digital banks to create better banking solutions.

[6] BNPL

The rapid progress of Book Now Pay Later (BNPL) over the last two years has been significant. Customers enjoy greater freedom in using their funds for e-commerce shopping and instant credit through the BNPL platforms. The instant payment facility allows flexibility to online shoppers who can buy now and pay later in EMIs. The BNPL apps became the preferred credit offering provider during the COVID-19 times. Small ticket-size loans supported by NBFC lenders also caught up with customers. The future holds greater regulations on short-term time lending products for BNPLs, controlling the growth in easy loan disbursement for this segment.

[7] Digital Banking Units

Banking services are set to touch the last mile with the 75 Digital Banking Units (DBU) initiative. Embracing greater banking inclusivity, India is poised towards a progressive banking system consolidating the digital ecosystem by facilitating improved and seamless banking for all. In the future, the country is ready to boost digital initiatives in banking that touch the hinterland and combine all under uniform digital financing.

[8] The larger role of Big Data and Analytics

The importance of big data has been realized by banks for understanding customer behavior and personalizing service through predictive tools. The future enhancements in digitalization in banking will depend on translating the results of analytics into practice. While intuitive data collection will make a

powerful appearance, understanding the actual intent of the customer will demand greater study leading to business conversion.

[9] Block chain in the banking sector will take on a larger role

Financial activity will be inclusive through block chain banking. KYC and due diligence that requires verification, contract execution, tracing, and data protection will be enabled through block chain which does not allow alteration or deletion of the stored data increasing task completion without intermediaries further releasing the pressure and role of traditional banks. Banks will include regulated and standardized crypto currencies that require block chain technology. Users can trade, exchange, lend and borrow from the digital currency that will emerge as an alternate digital currency option for users.

1.6 Conclusion:

The researcher concluded that, it is quite clear that banking technology has emerged as a separate discipline in its own right. As regards future directions, the proliferating research in all fields of technology and computer science can make steady inroads into banking technology because any new research idea in these disciplines can potentially have a greater impact on banking technology. There is no doubt that the Banking Sector in India has become more competitive with the advent of digitization and the Digital India Program for ensuring better customer service, thereby attaining the goal of a cash-less economy.

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