



## DIGITAL MARKETING FOR DIGITAL BANKS

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### Abstract

“Business has only two functions – marketing and innovation”. – *Milan Kundera*

To improve the customer service in the banking industry computerization was felt essential. The Reserve Bank of India in 1988 set up a Committee headed by Dr. C. Rangarajan on computerization in banks. Banks started using standalone PCs initially and then shifted to LAN (Local Area Network) connectivity. Later on banks have introduced Core Banking Solution (CBS) using Core Banking platforms such as BaNCS by TCS, FLEXCUBE by i-flex, Finacle designed by Infosys etc.. The CBS enhanced customer convenience through **Anywhere and Anytime Banking**. The digitization personified in services improves total factor productivity, efficiency, spill-over effects, transparency and accountability. For example, digital payment systems provided flexibility and transparency. This change was boosted by rising competition among public sector, private sector and foreign banks. Commercial banks started moving towards digital marketing to retain their customers. This paper focuses on the importance of digital marketing in the banking industry.

**Key words:** Digitization, Digital Marketing, Technology.

### Introduction

“Good marketing makes the company look smart. Great marketing makes the customer feel smart”. – *Joe Chernov*

Innovation takes business to prosper, grow & transform both internal and external and with the changes in the environment. 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. The cost per transaction is expected to be in a range of Rs.70 to Rs.75 on

Branch Banking while on ATM it is around Rs.15 to Rs.16, on Online Banking Rs.2 or less and on Mobile Banking Rs.1 or less. The convenience of 'Any Time, Anywhere Banking' has also increased the number of customer base. Customer Centricity has become a new mantra, an efficient combination of various advertising and promotional strategies is needed to make the customers to aware about the products and services offered by the banking industry. In recent past banking industry is facing tough competition, to beat the competition; the various digital channels are being used to communicate the customers about the products and services offered by them. The information relating to products and Service enables the customers making his purchase decision easier. Since revolutionary transformation has taken place in the banking sector with the advancement of Information Technology. Digital Marketing supply and transmit the accurate information to the customers.

### **Objectives of the study**

Banking sector plays a significant role in the economic development of the nation. The banking industry is highly benefited by the digital transformation. The specific objectives of this study are as follows:

- To highlight the marketing plan of the banking industry
- To study the Digital Marketing in Banking
- To highlight the Marketing strategy of HDFC Bank

### **Internet Penetration in India**

There is no definite mantra for success, but in the digital era 'going digital' could be a winning formula for success. Since digital technologies bring in massive productivity gains and competitive advantage, companies across sectors are aiming to ride the digital bandwagon.

**Table: 1 - INTERNET USERS IN INDIA**

**(Million)**

Area	Internet Users		Total Internet Users
	Male	Female	
<b>Rural</b>	120 (64%)	67 (36%)	187
<b>Urban</b>	230 (73.5%)	83 (26.5%)	313
<b>Total</b>	350	150	500

Source: Internet and Mobile Association of India (IAMAI) – June 2018

Table 1 explains the digital population of India as of June 2018. According to an IAMAI, the number of internet users stood at 500 million in June 2018, the report

titled ‘Mobile Internet in India 2017’ stated that, ‘young students are the most prolific users of most services’.

**Table: 2 - INTERNET PENETRATION IN INDIA**

<b>YEAR</b>	<b>INTERNET PENETRATION</b>
<b>2006</b>	2% (40 Million Users)
<b>2009</b>	4% (80 Million Users)
<b>2010</b>	7% (100 Million Users)
<b>2015</b>	22% (277 Million Users)
<b>2016</b>	27% (405 Million Users)
<b>2017</b>	32% (475 Million Users)
<b>2018</b>	35% (500 Million Users)
<b>2019</b>	620 Million Users
<b>2020</b>	730 Million Users
<b>2021</b>	829 Million Users

Source: Internet and Mobile Association of India (IAMAI) – June 2018

The close observation of Table – 2 reveals that e-commerce growth is directly related to the number of Internet users. According to the report published by Kantar IMRB, 500 million internet users in India by June 2018, the overall Internet penetration is 35 percent of the total population. The number of Internet users is expected to reach 829 Million users by the year 2021.

### **Marketing Plan of Banking Industry**

“The Internet is becoming the town square for the global village of tomorrow”- **Bill Gates**

Extensive marketing strategy is essential to beat completion, to retain old customers and to attract new customer in the changing environment. The application of a marketing strategy in banks will therefore involve –

- i. Finding out customers’ financial needs and wants
- ii. Developing innovative products and services to satisfy the needs of the customer
- iii. Fixation of price for the products and services so developed
- iv. Establishing appropriate bank branches and outsells
- v. Research for predicting future market needs
- vi. Attractive advertisement to promote the products and services to the old as well as prospective customers

## Digital Marketing in Banking

“Twitter is not a technology. It’s a conversation and it’s happening with or without you”.- *Charlene Li*

In order to hammer the ongoing competition and to reach the potential customers with top brand visibility, digital marketing is the gate that keeps your brand minty fresh and visibility. So, by employing digital marketing, banks can –

### 1. Social Presence

Continuous communication with the customer can help to elevate the customer experience. Online presence helps to target new customer, hold old customers and easy to build a strong image full of trust and faith. Social media is the best mode to connect with customers in new, educational and personalized ways. Social media helps the banking industry to listen to their customers and engage them in meaningful two-way conversations.

### 2. Target potential Customers

Social Media avoids the impersonal feel and helps the banking industry to have a friendlier connect with their customers always. The potential customers are available in online than anywhere else. Social media forums or network attracts bunch of customers. Banks can utilize digital data to watch clients and market trends to provide value-driven, personalized and tailored customer services to each individual client.

### 3. Track Competitors

Digitization is easy to watch the competitors’ move and key strategy. Continuous touch with a customer helps to capture customer’s interest through digital marketing.

### 4. Analyze Customer Behaviour

There is a paradigm shift in the customer pattern and behaviour. The customers have huge expectations now days, behind every successful business, there are thousands of customers. Studying customer behavior and activity helps to enhance existing products and services for better customer satisfaction.

### 5. Investigate Self-Market Performance

Measuring self-performance is essential for a better tomorrow. SWOT analyses enable the business to stand strong and go long.

### 6. Mobile Apps

According to Internet and Mobile Association of India, Majority of the internet users assess internet through mobile. So, optimization of Mobile Apps will enhance customer base.

Technology enables increased penetration of the banking system, increased cost effectiveness and makes small value transactions viable. Besides making banking products and services affordable and accessible, it simultaneously ensures viability and profitability of providers.

### **Marketing strategy of HDFC No. 1 Bank in India**



### **HDFC Bank**

HDFC Bank is a private sector Indian bank, Headquarters in Mumbai, Maharashtra, It's branches are in Bahrain, Dubai, and Hong Kong. In terms of assets HDFC is one of the largest private sector banks in India. As of February 2016, it is the largest bank by market capitalization. In 2016 the bank was ranked 69th, BrandZ Top 100 most valuable global brands.

### **Business objective of HDFC Bank**

The bank use social media to engage their clients and employing number of channels to attract and retain the customers.

### **Social Media Strategies**

Following are the social media strategies adopted by HDFC Bank to beat competition and increase customer base.

#### **a) HDFC Facebook Page**

Getting feedback from the clients helps to understand their opinion on products and services. The facebook page of HDFC generates admirable feedback and the bank design the product accordingly. There is a separate money matters section to supply interesting recent financial news of interest.

#### **b) HDFC Twitter**

The HDFC Twitter is designed to share the relevant and interesting information with their followers and asking them interesting sharing new deals, puzzle, products etc. The idea behind is to attract more customers.

### **Conclusion**

'Modern era is an era of innovations; hence Banking Sector is no exception to this era'. The major driver of Banking Industry is the retention of customers. The digital transformation in the banking forces the banking sector to undertake digital marketing

strategy. 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.

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