



Exploring Digital Marketing Strategies in the Banking Industry: Effectiveness and Adaptations in a Changing Landscape

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ABSTRACT

Digital Marketing has been growing at a steady pace in the Indian economy and almost every industry has been adopting it, so is banking industry, where traditional approach of doing transactions are now being done through mobile phones and other technological devices. The growing demand of e-banking has shifted the traditional ways of marketing by banks to a digital one. This paper is exploratory in nature and makes use of secondary data. This study centers on how digital marketing has influenced banking industries to adapt to this emerging technological era. We studied that banks have adopted different techniques like machine automation, AI, and machine learning to provide more modular services and integrating cookies to know where the customers come from in order to enhance their experience. More and more banks are using social media handles to interact with the customers and website developments to provide assistance and making it easier to the customers to handle their accounts. With the covid-19 pandemic everything shifted to an online mode, therefore there was a need to engage with the customers and make them aware of the online banking facilities. Banks started using more and more digital marketing techniques to reach out to the masses. This study focuses on the digital marketing strategies used by banks and their effectiveness and the impact of covid-19. Therefore it can be very helpful as it shows the shift of banking industry from traditional to digital marketing during the pandemic.

Keywords: *Digital Marketing, Economy, E-Banking, Pandemic*

1. Introduction

Digital marketing also referred to as 'online marketing', 'internet marketing' or 'web marketing' is a type of marketing that promotes products and services through the use of internet and online-based digital technology such as desktop computers, mobile phones, and other digital media and platforms. Its invention revolutionised the way brands and enterprises sell themselves through technology. Digital marketing campaigns have become more common as digital platforms are more and more integrated into marketing plans, and people are increasingly using digital devices instead of visiting physical stores, using a combination of search engine optimisation (SEO), content marketing, influencer marketing, content automation, campaign marketing, data-driven marketing, e-commerce marketing, social media marketing, social media optimisation, e-mail direct marketing, display advertising, e-books, and optical disks and games have become commonplace. Non-Internet channels that provide digital media, such as television, mobile phones (SMS and MMS), call-back, and on-hold mobile ring tones, are included in digital marketing. Digital marketing differs from online marketing as it extends to non-Internet channels.

For popular industry-related search queries, search engine optimization techniques can be utilised to boost the visibility of business websites and brand-related content. The purchase of ad space in prominent, visible positions atop search results pages and websites is known as search engine marketing, or SEM. Brand recognition, awareness, and conversions have all been demonstrated to benefit from search ads. The top platforms now employed by social media marketing teams are Facebook, Instagram, Twitter, and YouTube. For its professional networking capabilities, corporate executives have included LinkedIn to their list of most-used social media networks. Brand awareness and loyalty can be improved with an active and consistent content strategy that includes interactive content production, social posting, and guest blogging.

Environmental and IT elements: Further research is required to determine how these elements impact banks' success with digital marketing.

Digital Tool Integration: An analysis of how banks can more effectively incorporate digital marketing techniques is required.

Organizational Changes: To further understand how banks handle internal changes for digital transformation, more research is required. Customer Education: More research is required to determine how well customers are educated about digital platforms. Optimizing Transaction Strategies: Further investigation is required to see how digital marketing might help banks optimize their transaction strategies.

2. Literature Review

Cuesta, et. al. (2015) identified three phases in a bank's digitalisation process: the first involves the creation of new channels and products, the second involves the adaptation of technology infrastructure, and the third necessitates significant organisational changes for strategic positioning in the digital environment.

Anche , et. al. (2014) Looked into the major aspects that influence e-marketing in the banking business. This paper's proposed study used principle component analysis to identify two elements: environmental factors and information technology-related difficulties

Fute, Lyimo, (2019). Social media provides clients with customized, location- and time-sensitive information while also raising brand recognition. According to the report, Barclays Bank should completely embrace digital marketing tools and services in order to get a competitive advantage and improve customer service delivery.

Emeh, et. al. According to the researchers, banks should continue to educate customers about the availability of their digital marketing platforms in order to increase patronage.

Ng'ang'a, C. M. (2015) discovered that commercial banks used mobile app strategy, social media, website design/development, online advertising, display advertising, and email marketing as digital marketing platforms. According to the study, transaction strategy allowed commercial banks to adapt promotions, offer flexible pricing, maintain lower inventory levels, minimize transaction costs, reduce procurement costs, and reduce errors.

The existing writing highlights a few angles of advanced showcasing and digitalization within the keeping money division, but there are holes that warrant advance investigate. Whereas Cuesta et al. (2015) examine the phases of digitalization, there's restricted investigation on how banks can coordinated these stages into a bound together methodology. Furthermore, Anche et al. (2014) recognize natural and IT-related components, but the transaction between these components and their affect on computerized showcasing victory within the long term remains underexplored.

Besides, whereas Fute & Lyimo (2019) emphasize social media's part in brand acknowledgment and client benefit, the effect of social media on client devotion and engagement in managing an account isn't completely caught on. Emeh et al. stretch the significance of client instruction almost computerized stages, however the viability of diverse methodologies in driving selection is vague. At last, Ng'ang'a (2015) investigates different computerized showcasing stages, but an coordinates evaluation of their combined affect on client securing and bank execution is still missing.

The research aims to explore the digital marketing strategies employed by the banking industry and evaluate their effectiveness in enhancing customer engagement, reducing costs, and improving overall performance. Additionally, the study seeks to assess the impact of the COVID-19 pandemic on the adoption and implementation of new digital marketing strategies by banks, examining how these strategies helped banks connect with customers and promote safe, convenient transactions during the crisis.

3. Methodology

The methodology used in this paper is Systematic Review and the nature of our study is explanatory and descriptive. To meet the objectives of the paper we have used secondary sources of data. We have also used data collected from various published research papers, newspaper articles, research articles, academic journals and authorized websites. We analyzed all these resources to evaluate the digital marketing strategies used by banking industry, their effectiveness and the impact of covid-19 on the digital marketing strategies used by banks. We did extensive research and thorough reading to explain the objectives and draw reasonable conclusion from it.

4. Discussion

4.1 Digital marketing strategies and their effectiveness in banking industry:

The art and science of search engine optimization (SEO) involves raising a page's position in search engines like Google. When compared to other conventional marketing strategies, SEO for banks is the best option because it can produce more leads and give banks better results. Banks may increase their visibility in those search results using an SEO strategy, making it simple for users to find and visit the bank's website. When a user types "banks near me," they always click the result that appears on the first page. If banks are not ranked for a specific keyword, they will lose out on a lot of potential customers.

A Chabot is a software application used to conduct an on-line chat conversation via text or text-to-speech, in lieu of providing direct contact with a live human agent. With banking Chabot, there is tremendous potential for customer participation. By giving consumers 24/7 access to assistance, banks may tremendously benefit from conversational AI and promote customer engagement to service providers since they enable two-way communication with machines utilising natural language commands.

Email marketing is the practise of using email communications as part of a marketing plan to accomplish particular corporate objectives. The banking sector can profit from email marketing in a number of ways, including: On boarding new customers in the most efficient and courteous way; Handling customers' data better so that their experiences can be more tailored; enhancing client engagement with pertinent and added-value content

Data-driven targeting enables the banks to carefully interact with the appropriate individuals, at the right time, in the right place via pay-per-click (PPC) advertisements. Targeted advertisements deliver highly qualified traffic to the website right away, targeting new prospects and markets as well as current customers to increase the downloads of mobile applications, the enrolment in e-Statements, and other pertinent items.

An effective online presence is built on content marketing, which powers your website's SEO, social media, online advertising, email, and even direct mail initiatives. A strong content strategy for the banks may raise confidence among both prospects and customers while also increasing brand recognition and engagement. It promotes brand awareness and customer loyalty. A bank blog can be used to inform readers about popular banking products, distribute financial news, and provide instructional materials.

Banks can communicate with their customers more directly by using both SMS and IM. The only thing a user needs to start receiving messages is a mobile number; they don't need to browse the website or install any apps. Inform about accounting activities, card shipments, or check financial activities.

Social media offers a platform for establishing connections with clients. In the past, banks traditionally reached out to their clients through calls, direct mail, and advertising. With the use of social media, banks may now communicate with their customers in both directions. They are able to inform the banks of their demands and needs in this way. Social media can be used for promotion without being intrusive.

Through targeted advertising, businesses can speak to various audience segments depending on their preferences, lifestyle characteristics, demographics, or behaviour. For instance, to increase the sale of auto loans. Banks will target adults over 25 who are employed and interested in purchasing a car.

In the current business environment that is highly competitive, digital marketing is more important today than ever. Organizations are well aware that how vital digital and mobile channels are today for acquiring and retaining customers and so they tend to develop strategies that creates customer satisfaction, value, and loyalty. Adoption of digitalization is very important for the banking sector as they can formulate all the financial services and provide according to the customer requirements.

Many of the progressive financial institutions are using digital marketing strategies to match the consumer interest with theirs and also to align with consumer lifestyles. As the competition in banking sector makes it difficult to stand out, so banks take unique approaches like using non-traditional awareness campaign rather than regular ad campaign, they highlight customer's and their own success stories and they drive value through market offerings. Keeping in concern to the consumers need to receive answers for their queries quickly, chat and chat bots are integrated into social media, websites and apps, while chat being not the only source of customer service, they offer limited services like opening accounts, checking status or providing server status to alert customers to service outages. The increase in consumer desires for personalized connection with their bank, many consumers expect bank to treat them like an individual, Therefore, banks have used machine automation and AI combined with big data that allows them to provide more modular services. With the ongoing banking marketing trend banks tend to adjust content sharing strategies to offer crisp and short answers to voice search users. In today's world, most consumers will experience a bank through multiple channels before considering walking into a branch, so to enhance the experience before hand and to meet their expectations banks integrate cookies to track where the customers are coming from. Therefore, automation, AI, and machine learning can play an important role. Though, digital marketing trends in banking sector keep changing, majority are of the view that creating a marketing funnel will help enhance customer service and others use display advertising as a digital marketing strategy. It is also understood that an efficient website designing, e-mail marketing and per pay click strategy It is indicated that mobile apps play an important role in enhancing the customers experience and lastly SEO (Search Engine Optimization) is used as a digital marketing strategy but in order to achieve the common interest between the banks and the customer and also to stand out in the highly competitive era the banks need to engage in more than one digital marketing strategy and also maybe even combine a few and also for the efficient portrayal of these strategies it is best to have a separate department to address them carefully. The banks are now focusing on offering a strong digital presence and app to meet the needs of younger consumers while offering convenience to everyone. Studies shows that these strategies improve the performance of banks as it enhanced the sale of bank product, lowered costs, increased revenue, lowered fixed capitals and reduced revenue volatility.

4.2 Covid-19 impact on digital marketing strategies of banking industry:

At a time when market has been experiencing a dry spell, banks have been upping their game in digital marketing. The lockdown led the banks to reach out to the consumer through social media, by joining them in the conversations about the current situation and promoting safe transactions. While both public and private sector bank use the digital banking facility, the citizens are majorly not aware of these facilities and have not adopted them yet and they prefer using the conventional methods instead. With arrival of the Covid period, these customers have been made aware of the service called Internet Banking or majorly known as net-banking. To reach the target audience banks have adopted segments of green banking services such as net-banking as referred earlier, telemarketing, ads, etc., and these have surely provided more room for digital banking as there is an effective increase in the number of users and also in the downloads of bank application. Banks have been nowhere in the raise to adapt as quickly as possible. They have personalized the experiences of clients by improving their own web channel through self-selection navigation and they also not only targeted online communication and modified FAQ content and features but also opened banking APIs i.e., Application Programming Interface which is powered by advanced analytics. It is noticed that digital banks follow a mobile-centric approach. It is through the apps available on these smart phones that clients are able to not only check their account but also perform daily banking operations like making a transfer or such as adding a new recipient. More modified and appreciable features have been introduced like the display of information of the latest payments, categorization of expenses or the reception of messages on account balances, etc. As banking industry seems to understand that digitalization is key, they use the funds raised to accelerate the adoption and also to have efficient use of digital technologies that may be anything among artificial intelligence robots as advisors or analytics

Till date, there has been an ongoing debate on whether cloud is the better option or AI is, as some believe that cloud offers the biggest opportunities and also offers sophisticated personalized services as expected by the customers whereas others expect AI to offer the biggest pay off.

Banks see Covid era as a fantastic opportunity to retain the trust of customers and invest the capital into the right strategy. The generational gap has proved to be a fallback in the digitalized banking process. The clients over 55 are not very likely to change their way of banking. As of now banking is the ultimate industry the digitalization is likely to peak. Banks being aware of the importance of this digital transformation have quickly adapted their business model to the internalization of markets and the change in consumer behaviour for their own survival and to remain at the top in the coming competitive era. Covid 19 bringing in this potential digital change will definitely be the fundamental step in boosting the performance, returns and profitability in this sector as customers expectation changed during the pandemic.

4.3 Digital Marketing Strategies adopted by ICICI Bank and their effectiveness:

The Industrial Credit and Investment Corporation of India popularly known as ICICI Bank Limited is an Indian multinational bank and financial services company headquartered in Mumbai. It offers a wide range in banking products and financial services for corporate and retail customers through a variety of delivery channels and specialized subsidiaries in the areas of investment banking, life, non-life insurance, venture capital and management.

It is the 3rd largest among the top banks in India. ICICI's digital marketing strategies made it a popular bank among the mobile bank users. Some of the prominent strategies adopted by this banking firm are discussed below:

I-Mobile app and Website- I-Mobile App is an online banking application of ICICI bank which provides a wide range of services like online payments, fund transfer, etc. Just like any other online banking app I-Mobile prefers safe transactions which is accessible to anyone from anywhere. Not only people can transfer funds but daily transactions such as mobile recharge, bill payments can also be done, people can invest in mutual funds, Fixed Deposit and manage multiple accounts with just a single app. The most effective and remarkable feature of this app is non ICICI bank users can also use this app and avail its services. Alongwith the app, the website of ICICI bank is also very well maintained and is a web full of information regarding anything and everything. The digital marketing team of ICICI are adding more and more to the app and website which has made a strong marketing influence among the mobile banking users.

Social Media Marketing- ICICI bank focuses a lot on its social media engagement. The bank has a strong presence in major social media handles. It not only creates content but also focuses on interacting with the customers and influencing new audiences.

Facebook- ICICI bank uses Facebook majorly for brand awareness, generating new leads and interacting with already existing customers by creating interactive content like facts about World Currency, puzzles and quiz. The bank has currently more than 5 million followers on Facebook which shows the immense popularity of the bank among the people

Twitter- Like every other bank ICICI also has a strong presence on Twitter. Their tweets have a human touch which gives them an edge over any other bank as they interact with the consumers on the spot. They usually use twitter more for interactions as they get to know about the consumers and their needs.

YouTube- ICICI bank unlike any other major bank focuses a lot more on generating daily content on YouTube. They post interviews related to economy, testimonials, current trends of financing industry, etc. They also use influencers to create content and promoting their brand. They have posted more than 1000 videos with around 2.58 lakh subscribers. This shows that the bank not only focuses on user interaction but also provide useful information to all audiences.

ICICI bank is doing more significant work in social media marketing than any other competitors which is bringing new customers as well as maintaining a strong connection with the existing ones.

Campaigns- ICICI bank is known for their appealing campaigns focusing on the emotional aspects of the consumers. Their current campaign is #SheBanksOnHerself which talks about financial independence of women. Some of their famous campaigns include #InvestInTogetherness which aims at investing at family together and #FundYourOwnWorth which again aims at women empowerment, this campaign advertises about the bank's exclusively designed savings account for women. They add an emotional touch in their campaigns which has made an impact on the customers as well as helped targeting new audiences.

Email Marketing for Subscribers- Email Marketing is an emerging form of marketing used by every brand, ICICI bank uses email marketing to appeal their existing customers. Starting from welcome email, when a customer opens an account to daily emails focusing on a more closer customer interaction.

Advertisements- Tv ads are the most popular means of advertising as it reaches a large population. ICICI bank has created a lot of noticeable tv ads which has made an appeal to new audiences. Not only tv ads, they also engage through social media ads, bumper ads, etc. The bank has also made a creative advertisement series including several ads for its digital platform.

5) Conclusion

The use of internet has dramatically changed the banking industry. Customers are looking for answers to their financial queries by watching YouTube videos; they use financial services through mobile phones. One can search through Google to find the best interest rates, people now know more about

their banks than ever, before they even visited a bank branch. With so many digital channels available to connect with customers, it's very important for the banking industry to implement an efficient digital marketing strategy. The various digital marketing channels used by banks that we found include integration of chat and chat bots to connect with the customers endlessly, use of social media marketing, websites and apps to increase the participation of individuals to use online banking. Introduction of Machine automation, AI, and machine learning to provide customized services to the customers. Other digital marketing strategies used by banks are email marketing and SEO (Search Engine Optimization). These strategies together have improved the performance of banks by lowering the costs, enhanced sale, increased revenue and huge profits. The study also found that banks shifted their focus on digital marketing more during the pandemic to connect with the customers and promoting safe transaction techniques so that people did not need to visit the bank. We found that the customers who earlier used conventional methods preferred using digital banking which was possible by enhanced use of digital marketing strategies by banks. The development of digital marketing in banking is still at a very early stage and in the view of the banks; these developments would provide maximum benefits to them in the near future. The greater use of digital channels by consumers insists that banks should consider how they expect customers to interact with the bank five years from now and how they envisage customers will buy financial products in the future (Jain D. and Kaur H. 2015). This paper only focuses on the application of digital marketing strategies used by banks and has used limited data to determine the objectives which is a limitation to this study.

The rise of digital technologies has transformed the banking industry, making it essential for banks to implement effective digital marketing strategies. With customers using platforms like YouTube, mobile apps, and search engines, banks must leverage channels such as chatbots, social media, and AI-driven tools to enhance engagement and drive growth. Digital strategies like email marketing and SEO have improved bank performance by reducing costs and increasing sales. The pandemic further accelerated the shift toward digital, enabling safer, more convenient transactions.

Although digital marketing in banking is still in its early stages, it holds significant potential for future growth. Banks must plan for how customer interactions will evolve in the next five years. However, the study's limited data and focus on strategy application suggest the need for further research into the broader impact of digital marketing on customer behavior and bank performance.

This research has been conducted on the basis of secondary sources. Working on primary sources would have been more accurate. A lack of reliable source can limit the scope of analysis. Further this study could have included comparison of digital marketing strategies of various banks. Analysis of one bank's strategy might not give the exact result of a particular strategy. This research also lacks statistical analysis.

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