



A STUDY ON CUSTOMER PERCEPTIONS OF THE EFFECTIVENESS OF PROMOTIONAL TOOLS ADOPTED BY THE BANK

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ABSTRACT

Promotion serves a variety of purposes and roles including informing, persuading and educating individuals and groups. It works in tandem with the other elements of the marketing mix to facilitate the acquisition of new customers, retention of new customers and improvement of employee morale and the projection of a company's image. Banks can connect with their customers and prospects in a number of ways. Promotion mix is a certain blend of promotional methods. Advertising, sales promotion, personal selling, publicity and public relations, direct mail and direct responses advertising are part of the mix. In order to design marketing strategies, it is necessary to first understand client and their needs requirements. This article examines the financial products promotional techniques employed by various private sector banks in Haridwar district with the goal of determining the most effective promotional tools of the bank in consumers prospective.

In order to keep up with the changing climate, India's financial service business has become very competitive. External causes such as socio economic, regulatory and technological issues have all had an impact on the industry. The most significant impact on this industry has clearly been changes in the regulatory environment. Financial institutions, particularly private commercial banks, have placed a greater emphasis on technology.

In India there are currently 35 private sector commercial banks that offer a variety of products and services, but there are a few that stand out. As a result, competition among them is expanding everyday and promotion of financial products is now a major worry. The current research is based on survey on customers of HDFC Bank Haridwar to determine the effectiveness of the promotional tools used by the bank.

KEY-WORDS – Banking marketing, promotional strategies, Advertising, publicity, sales promotion.

INTRODUCTION

The purpose of the promotion is to educate and remind people, as well as encourage them to accept, recommend or employ a product, services or idea. It is a communication base demand stimulating tool. There are two goals to any marketing promotion strategy. They must first inform and then persuade potential clients. Because services are intangible, customers of financial services rely on their subjective impressions rather than concrete evidence. When a bank introduces a new product, it only communicates it to its target consumer segment through marketing promotions. It could take the shape of a new ad, a sales effort, word of mouth or direct mail.

If the product is idiosyncratic or in high demand, simply attractive the buyer may be sufficient. However, this may not always be the case. As a result, the second primary goal of a promotion campaign is to encourage the buyer to purchase the product over that similar products in the market. Now, persuasion can be done in a variety of ways, such as working on an emotional plan with the goal of presenting the product's benefits or matching the product to a strong client need. It also includes various subsidiary aims, like as image building for an organisation and encouraging the growth of a newly launched industry, in addition to the aforementioned goal. Personal and impersonal devices are used to promote banking services. Personal devices are completely subjective and vary from

person to person. ADVERTISING, PUBLICITY and SALES PROMOTION are example of impersonal promotion.

Promotional strategies of certain private sector commercial banks in Haridwar were studied in this study, In India, PCBs are continually focused on recognizing and anticipating consumer needs. They have already achieved great progress in the short time they have been around. Many of the banks in the country have been rated as top – tier by the internationally recognized by CAMEL grading system. They have already established an enviable position among their competitors as a result of their success in this fast-paced business. Commercial banks in the private sector offer a variety of financial products with varying features. To promote such products, they employ a variety of tactics.

The focus of the study will be on how private sector banks promotes their products.

REVIEW OF LITERATURE

A gap in the research into the most successful promotional tactics for the banking industry was revealed by our examination of the related literature. Prior researches have either concentrated on one or more promotional tools but not all of them, or have looked at promotional tools in other industries.



Michael et al; (2010) investigated clients switching behaviour in the Chinese retail banking sector. In the study the researchers looked at the elements that influence consumer switching behaviour. One example is the impact of a competing bank’s promotion efforts on a customer’s decision to switch bank.

In another research Barbara (1993) found that appealing the youth demographic is tough and that bank advertising and promotions had minimal impact on college student’s criteria for choosing services. (Blantson et al.2007)

Nancy and Robert (2000) investigated the advertisement of financial services in eight non- English-speaking nations. According to the researchers, there were some parallels and some significant disparities amongst the countries. The appeals to service excellence were the most widely employed in financial marketing in several nations.

Some scholars have suggested that financial services should be aggressively promoted in order to disseminate information forever. (Yavas et al.,1997)

Marketing, particularly promotional tools and plans are critical determinates for market success in this competitive world. Commercial banks and other financial institutions have been

driven to develop strategic marketing plans and employ research methodologies as a result of intense competition. (Kaynak and Whiteley 1999).

OBJECTIVE OF THE STUDY

The objective of the study is to study the effectiveness of the promotional tools of the banks from the customers perspective.

LIMITATIONS OF THE STUDY

The present study is limited to the customers of private banks of Haridwar district. Survey was conducted on 100 customers by random sampling. Time availability and hesitation of some consumers was the biggest limitation for the survey.

DATA ANALYSIS AND INTERPRETATION

The data for the current study were collected by administering a structured questionnaire to the bank customers which was divided into two parts. The first part contained the demographic details of the customers and the second part contained specific statements related to customers preferred medium of promotion. All the variables of the study were measured by using Likert scale, which ranges as 1= Highly disagree, 2= Disagree, 3= Neutral, 4=Agree, 5=Highly Agree.

SCORING RANGE OF THE LIKERT SCALE IN THE STUDY

RESPONSE	VALUE	RANGE
HIGHLY DISAGREE	1	1.00-1.80
DISAGREE	2	1.81-2.60
NEUTRAL	3	2.61-3.40
AGREE	4	3.41-4.20
HIGHLY AGREE	5	4.21-5.00

DEMOGRAPHIC DETAILS OF THE CUSTOMERS

TABLE 1: AGE AND GENDER

AGE GROUP	MALE	FEMALE
18-30	22	10
30-40	05	15
40-60	29	11
ABOVE 60	07	01
TOTAL=100	63	37

The above table shows the different age groups of the respondents. It can be seen that there are total 63 males and 37 females and 22 males are in 18-30 age group and 10 females are there in this group. In age group 30-40, there are 5 males

and 15 females and in age group 40-60, there are 29 males and 11 females. 07 males are above the age of 60 and 01 female is above 60 in age.

TABLE 2: EDUCATION AND MARITAL STATUS

EDUCATION	MALE		FEMALE	
	Married	Unmarried	Married	Unmarried
Highschool	04	01	01	00
Intermediate	08	04	10	00
Graduate	18	03	09	06
Postgraduate	08	00	02	05
Others	10	07	01	03
Total	48	15	23	14



Table 2 explains that out of the total 100 respondents, 48 males are married and 15 are unmarried while in females, 23 are married and 14 are unmarried. In married males, majority of

respondents are graduates. In married females, majority of the respondents are intermediate and graduate.

TABLE 3: PROFESSION

PROFESSION	MALE	FEMALE
GOVT. EMPLOYEE	05	07
PRIVATE EMPLOYEE	25	15
SELF-EMPLOYED	24	04
PROFESSIONAL	09	03
HOUSEWIFE	00	08
TOTAL	63	37

Table 3 shows the profession of the respondents. A total of 5 males and 7 females are employed in government sector. Majority of respondents in both male and female are employed

in private sector (25 males and 15 females). 24 males and 4 females are involved in their own business. 8 females are housewives while 9 males and 3 females are professionals.

SECTION 2: PREFERRED MEDIUM OF PROMOTION

A. ADVERTISEMENT ON TELEVISION

RESPONSES	WEIGHTAGE	NO. OF RESPONSES	W*R
Highly Disagree	1	03	03
Disagree	2	07	14
Neutral	3	22	66
Agree	4	64	256
Highly Agree	5	04	20
Total		100	359

The above table is illustrating the responses of the customers for Advertisement in television as preferred medium of promotion by their bank. 3 out of total 100 customers are highly disagreed with the above statement, 7 are disagree, 22 respondents are indifferent and the majority of 64 respondents are agree with the above statement.

By calculating weighted average of the total responses, we got 3.59, which lies within the range '3.41-4.20'. the result shows that most of the customers are agreed to the statement. Customers generally prefer television as a medium of getting information regarding banks policies.

B. NEWSPAPERS

RESPONSES	WEIGHTAGE	NO. OF RESPONSES	W*R
Highly Disagree	1	08	08
Disagree	2	05	10
Neutral	3	30	30
Agree	4	45	180
Highly Agree	5	12	60
Total		100	288

The above table is showing the responses of the customers for preferring newspaper as a medium of promotion. Out of total 100 responses, 8 are highly disagree and 30 are neutral towards the above statement. Majority of 45 responses are agreed with the statement.

By calculating weighted mean of the total responses, we got 2.88, which lies within the range "2.61-3.40". which states that the respondents are neutral towards the statement.

C. WEEKLY/ MONTHLY MAGAZINES

RESPONSES	WEIGHTAGE	NO. OF RESPONSES	W*R
Highly Disagree	1	13	13
Disagree	2	07	14
Neutral	3	42	126
Agree	4	23	92
Highly Agree	5	15	75
Total		100	320



The table illustrates the responses of the customers for weekly/monthly magazines preferred by them as a medium to be informed. Majority of 42 out of 100 customers are neutral towards the statement. While 13 are highly disagreed with and 15 are highly agreed with the same.

By calculating the weighted mean of the total responses, we got 3.20, which lies within the range “2.61-3.40” which states that the respondents are neutral towards this statement.

D.EXHIBITIONS

RESPONSES	WEIGHTAGE	NO. OF RESPONSES	W*R
Highly Disagree	1	18	18
Disagree	2	22	44
Neutral	3	30	90
Agree	4	18	72
Highly Agree	5	12	60
Total		100	284

The above table shows the responses for exhibitions as a preferred medium of promotion. Majority of 30 customers are neutral towards the statement. 22 customers are disagreed while 18 are agreed towards this.

By calculating weighted mean of the total responses, we got “2.84”, which lies within the range “2.61-3.40”, which shows that the respondents are neutral towards the above statement.

E. SALES PERSONS

RESPONSES	WEIGHTAGE	NO. OF RESPONSES	W*R
Highly Disagree	1	00	00
Disagree	2	02	04
Neutral	3	88	264
Agree	4	10	40
Highly Agree	5	00	00
Total			308

The table shows the responses for preferring sales persons as a medium to be informed. A majority of total 88 responses are neutral towards the same.

By calculating weighted mean of the total responses, we got 3.08, which falls within the range “2.61-3.40” and shows that the customers are neutral towards the same.

F. ADVERTISEMENT ON MOBILE

RESPONSES	WEIGHTAGE	NO. OF RESPONSES	W*R
Highly Disagree	1	00	00
Disagree	2	00	00
Neutral	3	20	60
Agree	4	08	32
Highly Agree	5	72	360
Total		100	452

The table shows the responses for advertisement on mobile as a preferred medium of promotion. Majority of 72 responses are highly agreed with the above statement. None of the respondents are disagreed or highly disagreed with this statement.

By calculating weighted mean, we got 4.52, which lies within the range “4.21-5.0” and shows that the customers are highly agreed with the above statement.

G. HOARDINGS

RESPONSES	WEIGHTAGE	NO. OF RESPONSES	W*R
Highly Disagree	1	00	00
Disagree	2	02	04
Neutral	3	72	216
Agree	4	12	48
Highly Agree	5	14	70
Total		100	338



The table shows the responses for hoardings as a preferred medium of promotion. Majority of 72 respondents are neutral towards it. None of the respondents are highly disagreed with the above statement.

By calculating weighted mean for the above, we got 3.38, which lies within the range “2.61-3.40” which shows that customers are neutral towards it.

H. FAMILY AND FRIENDS

RESPONSES	WEIGHTAGE	NO. OF RESPONSES	W*R
Highly Disagree	1	00	00
Disagree	2	08	16
Neutral	3	20	60
Agree	4	40	160
Highly Agree	5	32	160
Total		100	396

the table shows the responses for Family and Friends as a preferred medium of promotion. No one is highly disagreed with the statement. Majority of 40 customers are agreed with this and 32 customers are highly agreed with the statement while 20 customers are neutral towards it.

After calculating weighted average for the above response, we got 3.96, which lies within the range “3.41-4.20” which shows that customers are Agreed with the above statement.

I. TELEPHONY

RESPONSES	WEIGHTAGE	NO. OF RESPONSES	W*R
Highly Disagree	1	06	06
Disagree	2	12	24
Neutral	3	34	102
Agree	4	38	152
Highly Agree	5	10	50
Total		100	334

this table shows the responses for Telephony as a preferred medium of promotion by the customers. 34 out of 100 responses are neutral and 38 are agreed with this. 6 respondents are highly disagreed and 12 respondents are disagreed with it while 10 respondents are highly agreed with it.

After calculating the weighted mean of the above responses, we got 3.34, which lies within the range “2.61-3.40” and shows that the customers are neutral towards the same.

J. EMAILS

RESPONSES	WEIGHTAGE	NO. OF RESPONSES	W*R
Highly Disagree	1	03	03
Disagree	2	02	04
Neutral	3	28	84
Agree	4	05	20
Highly Agree	5	62	320
Total		100	431

the above table shows the responses of the customers for preferring Emails as a medium to be informed by. Only 2 of 100 customers are disagreed and 3 are highly disagreed with it. 28 customers are neutral and 5 are agreed with it while majority of 62 customers are highly agreed with it.

By calculating weighted average of the above we got 4.31, which lies within the range “4.21-5.00” which shows that customers are highly agreed with the same.

K. FACEBOOK /WHATSAPP

RESPONSES	WEIGHTAGE	NO. OF RESPONSES	W*R
Highly Disagree	1	00	00
Disagree	2	05	10
Neutral	3	15	45
Agree	4	08	32
Highly Agree	5	72	360
Total		100	447



Table shows the responses of the customers for Facebook /WhatsApp as a preferred medium of promotion. No customers are highly disagreed with this. 5 of 100 customers are disagreed while 15 of 100 customers are neutral for this. 15 customers are agreed to and majority of 72 customers are highly agreed with the same.

By calculating weighted mean for the above responses, we got 4.47, which lies within the range "4.21-5.00" which shows that the customers are highly agreed with the same and mostly prefer Facebook or WhatsApp as a medium to be informed.

CONCLUSION

As the study disclosed that most of the customers preferred Emails and Facebook or WhatsApp as a medium to be informed through. In this fast-paced time, people don't have enough time to read the newspaper thoroughly or to watch television for so long. This is the era of digitalisation. According to a survey, at the start of 2023, there were 692.0 million internet users in India and 467.0 million social media users were there in January 2023. There was an increase of 200 percent internet subscriptions in rural areas as well as 158 percent increase in urban areas. A large proportion of India's population is using smart phones and also prefer to get informed in a smart way i.e. "More Information in Less Time".

As the number of social media users are increasing day by day, it is expected to get more on social media platforms. It is concluded that banks must use social media like Facebook pages, Emails and WhatsApp messaging as a tool for their promotional strategies.

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