

Interactive Marketing in Banking Industry

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ABSTRACT

This is a conceptual research paper which is compiled by reviewing many researches done on interactive marketing and studies conducted on banking industry. This study aims to investigate the relationship between the interactive marketing factors and customer satisfaction. Apart from these, the customer's opinion about internet banking and mobile banking services provided by banks is also investigated. Lastly, the employee's opinion regarding the interactive marketing strategies adopted by banks are also reviewed.

Banking industry is becoming more competitive and mobile and internet banking is helping banks to reduce their cost as well as increase their consumer satisfaction level. So, in order to create better customer satisfaction they need to adopt interactive marketing strategies. Conclusions drawn from the study is Interactive marketing strategies are having positive impact on consumer satisfaction.

Keyword Internet Banking, Mobile Banking, consumer satisfaction, Interactive Marketing .

1. INTRODUCTION

The phenomenon of Interactive marketing was first introduced by Blattberg and Deighton(1991) defined interactivity as the facility for individuals and organizations to communicate directly with one another without regard to distance or time and in another research Deighton(1996) highlighted three important features of interactive marketing ; “the ability to address an individual and the ability to gather and remember the response of that individual” leading to “the ability to address the individual once more in a way that takes into account his or her unique response.”

Banking industry is undergoing transformation yet banks are the largest intermediary in the Indian context. The success of banking industry is largely depends on their ability to operate in unpredictable environment. Technology may help them to bring cost effective solutions enhancing the customer experience .Most of the services can be provided in real time which included fixed deposits , money transfer ,life insurance and credit assessment. Increasing users of mobile and internet is and provide cost effective solutions to customers.

Internet Banking and mobile is the most recent and most inventive administration and is the new pattern among the buyers and creating the opportunity for marketers to create convenient banking options and establish direct contact with customers The movement from the formal saving money to Internet banking in keeping money has been a "Big" change. Internet banking and mobile is considered to be the easiest and convenient option of availing various banking services like checking balances, Payments to third party, managing own account ,etc

India has become second largest telecommunication industry in the world and third largest number of internet users shows the potential in using mobile and Internet banking as a mode of interactivity and hence this research paper focuses on the studies conducted on interactive marketing, internet banking and mobile banking.

1.1 Meaning and definition of interactive marketing:

Interactive marketing extends the commitment towards the clients though verbal exchanges, like a discussion with a group of onlookers and clients by utilizing the information to find out about the preferences of the clients. **Douglas Karr** (n.d.) stated that, interactive marketing is the “development of marketing, where the buyer is enabled, depended, and selected to help in the procedure... no longer do we have the outright control over the message or the brand, imparting that control to the shopper. The buyer, though an upbeat client or an irate one will make use of devices, for example, the Internet to inform his/her companions regarding their involvement with an item or administration". Interactive marketing is productive and efficient as it boosts the value of

marketing technique which in turn contributes towards the growth of an association and also in developing more grounded client steadfastness. Interactive marketing can be classified into web-based social networking, portable marketing, show publicizing and email marketing (Deighton et al 2009). It can also branch by utilizing their site, look and different instruments. Interactive marketing enables the consumers to acquire elevated outcomes with these components and in setting an average standard for them. The clients' need the business to customize their experience, recall their history together, and find out about their inclinations and interests. Consequently, the clients will reimburse them with the input and more learning about how to keep their faithfulness (Interactive Marketing).

Interactive marketing amplifies the commitment of the businesses with the customers through its trade. It is about having a talk with a body of spectators and customers and using it to get answers on the factors concerning them. **Douglas Karr** pointed out that an expert on interactive marketing elucidates it as "...the advancement of marketing where the purchaser is empowered, depended, and chosen to help in methodology... no longer do we have through and through control in the message or the brand. The purchaser, a perky customer or an incensed one, will ultimately utilize the gadgets. For instance, the utilization of Internet to educate his/her partners in regards of their contribution with a product or an organization" (Karr, n.d.). It is a compelling thought that can expand the estimation of a marketing procedure and through it; an affiliation can widely develop their traverse and fabricate more grounded customer faithfulness (Poggi Jeanine 2012).

In the open sense, interactive marketing can be isolated into online long range interpersonal communication, compact marketing, demonstrate publicizing, and email marketing (Boland, n.d.). It similarly can utilize their site, look, and changed instruments. The consumers are benefitted with the changed instruments and looks. The business or the organizations are expected to redo their experiences, review the customer-business history by the consumers and also to gain answers on factors that concerns their slants and interests. Thus, the consumers providing the organizations with the relevant info and all the more finding out about how to keep their dedication (Interactive Marketing, n.d.).

Amazon.com is the first company to implement the process of interactive marketing and is still ahead of many companies. Consumers go to Amazon.com's site revealing their wants and needs and Amazon.com then takes the provided data and answers back with the recommendations required for variant items that the customers are interested in. Despite the fact that the administration is controlled by an equation in light of the customer's likes and dislikes, it is a route for Amazon.com to find out about the consumers and interface back, thus extending the knowledge.

Interactive marketing has a comparative impact on the consumers by the business organization in the process of meeting the demands made by the consumer. The organizations additionally provide an administration where the clients can pre-arrange the items and get updates when it is in stock. This gives the organization a smart thought of the measure of interest for the item and also connects the client to the site and construction reliability. Broadway is an effective industry to consolidate interactive marketing. The organization of the Broadway is based on enthusiasm, contribution, and profound enthusiasm for the craftsmanship. In any case, numerous creations battle with peering into the significance of venturing past traditional marketing. Broadway shows are expensive and dissimilar to some other business organizations. As there is a profound concentration and consideration on the item, which presses the marketing spending plans to their base. Nonetheless, due to the group qualities and expensive items, interactive marketing can outperform the traditional marketing endeavours in adequacy by including the group and notwithstanding the offering tickets if done the correct way. There are broad scopes of potential outcomes in marketing that are beginning to be investigated for Broadway, yet they have not been completely grasped.

1.2 Relationship between interactive marketing factors and customer satisfaction:

Gaurav (2016) analyzed the relationship marketing impacts on the consumer loyalty with the evidence from the automobile industry of India. The main aim of this research was to decide the constructs of interactive marketing in the background of automobile industry of India. The study examines the influence of relationship marketing on customer loyalty in automobile industry. By using the exploratory factor analysis, the four set of basic factors connected with the relationship marketing on customer commitment, trust, centricity and communication were removed. This multiple regression research has exposed that the entire four basic factors of relationship marketing on customer promise, trust, centricity and communication given to customer loyalty and forecast extensive percentage of customer loyalty variation.

Bricci, Fragata and Antunes (2016) analyzed the consequences of commitment, satisfaction and trust on the consumer loyalty in the distribution sector. The purpose of this research was to illustrate the most significant consequences of commitment, satisfaction and trust of consumer loyalty with customer samples from distribution sector, Portugal. The outcomes revealed that trust has the direct as well as positive influence on the satisfaction and commitment of the consumers; commitment has direct and positive impact on loyalty; and satisfaction has direct and positive effect on customer loyalty. Hence, the procured result was relevantly significant for this distribution sector in order to analyze the enhancement of responsibility, empowering workers, company to satisfy the commitments, performing the value creation and improvement of team skills.

Sarwar, Thambiah and Haque (2016) determined the in their study the relevant factors affecting the customer satisfaction in the internet shopping scene in Malaysia. The quick increase in the Malaysian e-commerce industry has made demand to highlight the factors that raise the consumer satisfaction while functioning in an e-retailing platform. The research has determined that consumer satisfaction towards e-shopping was to a vast extent affected by trust, accessibility, online security, website design, and e-service quality. As a result, the most significant recognized factors include technology stress and accessibility together with attributes and morals were evaluated to affect the satisfaction of online customers. At last, the suggestions of this research direction were provided to determine the solutions and requirements for defining web policies in order to increase the e-development and productivity for Malaysia.

Keire, Mahamud and Dahie (2016) analyzed the correlation between customer satisfaction and interactive marketing in Somalia. This research has identified that three dimensions of interactive marketing had positive and significant correlation with consumer satisfaction. Also, this has been contributed to help the Beco managers in order to perform the marketing activities as well as in providing sufficient break to the employees to obtain their decisions, whereas they were operating their marketing work to improve and maintain the customer satisfaction. The result of this research has revealed the medium towards attaining the positive attributes' high degrees towards the marketing dimensions of consumer relationship, are commitment, empathy, communication, trust, satisfying promises and social bonding on the customer satisfaction.

Aslam, Hamid and Arshad (2015) analyzed the consequences of interactive marketing, consumer satisfaction with respect to consumer loyalty. The research has determined that, the consumer satisfaction is indistinguishable. Customer satisfaction can be the future purchase assertion and it also plays an important role in verifying the consumer loyalty as well. In this research, the author has provided the care of assurances that portrays the concern provided to the security perspective of the consumer's daily transactions, providing respect to consumers, effective complaint handling, transporting quality services and struggling to boost the self-confidence of the customers.

Ranjbari et al. (2015) examined the relationship among the interactive activities of sales personnel towards the consumers and their loyalty. The research has aimed to analyze the correlation among the interactive behavior factors of sales people and their consumer loyalty. It also has provided relevant strategies to enhance the interactive behavior of sales people and the increasing customer loyalty levels. Hence, the analyses made were tested with the help of spearman correlation coefficient and correlation level among independent and dependent variables. The result concluded that the relationship among the interactive behavior elements of sales people, individualized deliberation behavior has a relevant correlation coefficient with the consumer loyalty explicitly, therefore concluding that it has the most significant impact on the consumer loyalty.

Caner and Banu (2015) examined the online consumer satisfaction and its key aspects. The consumer satisfaction was taken into consideration by an integrative analysis of these multiple perceptions. Marketing as well as technical constructs were integrated into an SEM, (Structural Equation Modeling) in order to recognize the consequence of every variable on the consumer satisfaction. This research has provided an incorporated vision of technical and marketing constructs that influencing the consumer satisfaction in B2C environment. The result of this research revealed that all these constructs have discrepancy impacts on the consumer satisfaction and not all of the variable of the constructs have the similar effects.

Browning, Fung-So and Sparks (2013) predicted the online reviews' influence on the consumer attributions of the service quality as well as provided controls for the service standards. The result has suggested that in online reviews, estimating a hotel remarks that linked to the core services were possible to encourage the attributions of positive service quality of customers. The current analyses influences the attributions of customers and controllability for the service delivery, with the negative works using a critical impact on the perceptions of customers. Therefore, the result highlighting the relevance in controlling the core service with a requirement for

the managers for the purpose of acting efficiently and rapidly to emphasize the issues that are pertaining to customer service.

Hsu (2013) analyzed the interactive marketing effects on customer satisfaction in the catering industry. The research has employed reliability and factor analysis to determine the customer satisfaction. The result of this research has revealed the following situations: interactive marketing has provided positive correlations and employee qualities in customer satisfaction; it has positive correlations and product quality in the satisfaction of customers; it has displayed positive correlations with entity presentation as well as service content in customer satisfaction; and demographic variables has provided the notable effects on the relationships between customer satisfaction and interactive marketing. In order to establish interactive marketing channels, the analysis was conducted in the activities of interactive marketing to know about the purchase behaviors of customers in different industries and stages for the purpose of purchase behavior.

Oluseye et al. (2012) analyzed the practices of internal marketing and job satisfaction. The result from this research has provided some strategy as well as research challenges. It has recommended that the continuous attempts has been created by the university management in order to make sure that culture and practices of internal marketing become an essential part of the university policies. This analysis has revealed the variations that is present between the two employee categories with regard to job satisfaction and internal marketing practices.

Dushyenthan (2012) states that customer satisfaction is directly impacted by interactive marketing. The single linear regression study has evaluated the impact of interactive marketing on the customer satisfaction with seven key factors like relationship, complaint handling, employee qualities, trust, commitment, atmosphere qualities, personalizing services as well as familiarity. In the research, correlation analysis was performed in order to look at the inter-relationship among customer satisfaction and interactive marketing. It was found that trust and commitment has major impact on customer satisfaction.

1.3 Customer's opinion about internet banking and mobile banking services

Amutha (2016) determined the awareness of customer towards internet banking. The banking sector has been considered as the backbone of the budding nation. The researcher has concluded by pointing out that several bank consumers were aware about all banking sectors in Tamilnadu. The banks have to consider required steps in order to teach the consumers about the new technology and the works provided by banks. The banks can expand the meeting time of customers with the bank employees and also by promoting a friendly environment. Absolutely, this will assist to maintain existing consumers as well as to impress new consumers; it will also enhance the banking services in India and in foreign countries. This research was helpful to recognize the customer awareness of internet banking system and has succeeded in determining the risks involved in the internet banking systems.

Offei and Gyambrah (2016) analyzed the contribution of e-banking services that contribute to consumer satisfaction by analyzing the GCB bank Limited. The main purpose of this investigation was to assess the contribution of internet banking to consumer satisfaction and to satisfy following aims: to evaluate patronage and knowledge of e-banking services by consumers; to evaluate the accessibility of e-banking services at GCB bank in Koforidua; to analyze the problems of e-banking in this bank; and to analyze the efficiency of internet banking facility practices. The current research has determined that the consumption of online banking was somewhat expensive and the bank was utilizing the ability and that the consumers weren't completely patronizing them. At last, the researcher has suggested that all the GCB bank branches must consider adopting e-banking facilities in order to assist in efficient transactional purposes and banking operations.

Arora (2015) analyzed about mobile banking and its state of mind as well as technology. This report has presented various mobile banking services which includes: funds transfer, account information, support services and investment. Also, provided the advantages of mobile banking services like operates across all GSM (Global System for Mobile Communication) mobile handsets, provides value-added service and diversity of banking, no extra charges while roaming, no GPRS and voice connectivity. To determine the best providers for mobile banking service, the critical stakeholders, banks and their consumers were identified with regulatory bodies like National Payments Corporation of India (NPCI) and Reserve Bank of India (RBI).

Elavarasi and Surulivel (2014) examined the consumer preference and awareness towards internet banking services. The internet banking technology is very useful to the consumers and banks as well as other institutions

such as government organizations, in order to raise efficiency, service quality, productivity of banks and extension of banks worldwide; internet banking is the most significant for all profitable banks to employ in their nations and their consumers. This research has suggested that that SBI must promote and perform social awareness programs in order to make internet banking services more familiar amongst the consumers by raising awareness among the public. The need for raising ATM centres very close to consumer place such as markets, cinema theatres and so on were also analysed.

Wadhe and Ghodke (2013) studied about the consumer awareness as well as the perception of the consumer towards the practice of mobile banking. The analysis was performed between customers who were living in Pune. This research has revealed that the customers were aware about the mobile banking services offered by the subsequent banks. Customers were familiar regarding the different transactions which may be performed using mobile banking. There was a notable impact of mobile banking efficiency on the attention to make use of mobile banking services. Hence, if banks take attempts in getting to customers and provide information regarding M-banking service then more customers will employ mobile banking services; and it reduces the banks' cost.

Camilleri et al. (2013) examined the perceptions of internet banking and service quality of retail bank consumers. This research has been concentrated on the perceptions of consumers about two significant factors in retail finance sectors, such as internet banking and service quality. In this research, the different service quality dimensions were used to garner the opinions of the bank customers, which appears to be more significant in identifying the overall customer satisfaction. Also, the current paper focused on the various factors that can inhibit or highlight the internet banking services adoption and the factors comprise security, convenience, cost and containing the service suggested by associates.

Rajarathinam (2013) analyzed the customer competence on internet banking and its effect on the practice satisfaction. Technology has resulted in the new aspects of Indian banks to provide banking services supported though computerized manners and electronic services that resulted in internet banking, dawn of ATM, mobile banking included as e-banking. The findings of the research has indicated that the customers were affected by several factors like accessibility, banking at anytime and anywhere, security and safety, status symbol and rapid direct access. The influence of this factors differed from the customer types. The customers have various competency levels in the practice of internet banking. Novice and moderates of internet banking customers had moderately lower levels of customer satisfaction.

2. CONCLUSIONS

The studies concluded that interactive marketing strategies are helping companies to acquire higher market share and better consumer satisfaction in almost all the sectors including banking.. Interactive marketing strategies have direct relationship with consumer satisfaction. Marketers are using mobile banking and internet to create a platform for interactive marketing. Researches also showed that interactive marketing is also effective in reducing the cost for marketers. It is believed that trust and commitment are two important factors in building a valuable relationship that create both social and economic benefits mentioned above for both bank and customers.

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