

## Banks Analysis for Marketing Its Products and Services through Promotional Mobile Messages

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### Abstract

SMS banking is a part of mobile banking where some banks or other financial institutions used messages to communicate with their customers. In this bank sends mobile messages to provide them banking services. As we know that now we can see mobile phones in the hands of everyone and if we compare mobile messages and emails it is observed that email takes few minutes to receive on other end but mobile messages are received instantly. Messages which banks sends their customers without customer's request that is customers are intimated by banks on the basis of various banking transactions held in their accounts but in this case customers did not request for such messages are Push Messages. For e.g.: -Withdrawal of funds, alert on payment due, e-mail statement ready to be downloaded etc. On the other side there is a Pull message that is those messages which are requested by customers using mobile phones for obtaining information on a transaction through bank. The result reveals various points that have a great impact on the customers when they are giving permission to banks to send such promotional mobile messages. This paper is important because in this analysis is made which depicts various factors which affects the permission given to send promotional mobile messages. This paper has a great importance to both academicians and to various practitioners such as marketers specially practicing mobile marketing in various capacities either in banks or other areas.

**Keywords:** Mobile, Permission based Marketing, Mobile Marketing, Banking Industry, Bank Marketing, Permission Based Mobile Marketing through SMS, India

### Introduction

In banking industry with the help of mobile message banks cut out the frequent cold calls by sending their customers a simple message. by sending messages they keep their customers updated on every move of the market that is they act like a real time broker for their customers that is from market moves and interest rate changes to fund NAV. Banks not only sends message on financial transactions but also promote their new

products and helps clients for new services so that they can sign up for SMS marketing campaigns. SMS marketing helps in customer satisfaction as they feel well served as they get information instantly when requested through SMS either for account balances to nearest branch locations. Thus, mobile marketing is a tool for customer service which helps in a two-way communication channel. The SMS banking also helps to alert its customers at the time of emergencies. Just take a small example where a fraud occurs in the ATM of any region then there can be automatic alert to customers of that bank by sending a normal message so that if any abnormal transactions happened with customer by using his ATM card the customer can be alert with the help of message. With the help of this customer confidence Increase for bank and customer gets satisfaction that they are secure while doing banking transactions.

Mobile messages are equally important that is for customers as well as for marketers can it be banks or any other who all are using mobile messages to market their products and services. If we see mobile messages it gives a personal touch as compare to email marketing or any other channel of communication because we are sending mobile messages to mostly our near and dears. Again it has other advantages as sending mobile messages takes a few seconds and receiver can directly contact to other person in few minutes so the transaction is speedy and saves a lot time. Marketer can market their products by sending a single message or customer can ask any question from bank marketer to resolve its query in very less time this is called SMS banking. Mobile messages are ruling now days as these are instant form of communication as compare to any channel of communication. Banks feels gained in understanding their customers more and on the same side customers are also enlighten when they receives answers of their questions instantly and this makes the bond more stronger between customers and the bank personnel and also the trust among each other rises. Other things are also beneficial in the case of mobile marketing that is say if the customers are in hurry and customer wants a quick response or the schedule of the customer is so busy that customer cannot transact with other channels such as visit branch, using net banking, phone banking or any other mode of

transaction so in that case the best mode is to transact by mobile messages because either customer uses any other mode then in that case it requires time such as to visit branch customer has to go a long way and stand in a queue to wait for his turn, or using net banking also requires to login the account, phone banking again requires time to call to respective marketer and wait until someone can assist. Thus all other modes take time but its only SMS banking where customers receives answers of various questions instantly and helps in resolving each queries. Therefore any sought of assistance needed can simply resolved with the help of one single message.

### Literature Review

MattiLeppaniemi;et al (2006), studies a marketing on mobiles as a literature review. In this study the author states that marketing with the help of mobile messages can be defined as use of mobile for marketing communication. The author found that various studies have focus on behavior of users and their attitude for marketing on mobile phones and also stated that now a days marketing through mobile phones are gaining interest because of change in technology. Elena Delgado- Ballester;et al (2012), studies brands which use communication messages: the brand familiarity. In this study the author aims to determine the level of brand messages consistency in case of customer based brand equity. Also the author discussed about the structure of brand knowledge and aims in knowing that how brand familiarity moderates this influence. Purnima S. Sangle; et al (2011), Customer expectations from mobile services. This paper focuses on the customer's issues in which only those customers are considered who uses services related to banking sector and also those variables are identified that uses services related to mobile customer relationship management in banks. The most important factor which is very important for customer relationship management service is the perceived utility value. Also, the study states that the negative attitude towards technology needs further investigation. Vishal Goyal; et al (2012), study focuses on mobile banking in Indian perspective that is issues related to Practices, challenges and Security concerns. Now- a- days because of number of mobile phones with everyone there is a rapid growth in mobile banking sector. This paper basically is classified into five

categories to study banking through mobile phones in India, in which concerns are related to overview of mobile banking which includes issues, benefits and features associated with it. Thus, this paper mainly focuses on the mobile banking of India. Peter Kang is, Vassilis Voukelatos; et al (1997), Studies about different banks: the paper study about comparing customer expectations and perceptions. The focus in this study was on private sector banks customers and on service quality expectations. Thus the author finds that services and quality expectations were slightly higher in the private sector banks if we compare with those of. Also, it was seen that if we see the quality of service offered between two different sectors then it is seen they deliver different quality of service. Janna Tahtinen; et al (2005), helps in studying advertising by use of mobiles or marketing with the help of mobile phones. The study focuses on the different elements on mobile communication. Also in this paper meaning of two concepts has been clarified that is mobile advertising and other is mobile marketing. For this different elements of traditional marketing have been analyzed and then it is compared with current use of focal terms. Ahsan Jamal Baig; et al (2014); this paper study the mobile message marketing as an empirical study with mainly focus on Pakistan. The main aim of this study was to emphasize on customers in recognizing, recalling mobile message to market products and services which helps in saving time and effectively minimizing cost. In addition to this the study mainly focused on the problems faced by the consumers, receiving the number of messages, sharing data that is undesirable. Antoine lamarre; et al studies Behavior of consumers and marketing through mobile phones. This study reveals that the research on mobile marketing is stable. It can be concluded that it gains interest at wider spread, which helps in a lot of research opportunities. The data analysis reveals that the newer technologies are not covered.

## Research Gap

The discussion states the permission concerns relating to banking mobile messages by banks and throws light on the theoretical models of permission marketing. In the view of the literature review carried out, it can be seen that literature has mainly emphasized on emergence of Permission

Marketing through mobile messages as a concept, Mobile Marketing as a Permission Marketing tool, advantages of Permission, response rate of customers by sending them mobile messages, privacy of customers etc. The literature also states that mobile banking has created a best situation for both banks and customers as from customer point of view customers get information along with knowledge of products and services with the help of mobile messages and banks achieve cost efficiency in their marketing activities by sending one message capturing large audience. It was also stated that due to rapid advancement of technology there is great change undergone in banking sector. Although various dimensions of permission based mobile messages have often been discussed in various research works, yet no research had focused on various factors stating interdependencies of various factors on each other. Thus relationship exists in marketing of goods and services and methods used by banks, marketing of products and services and mobile messages used by banks.

## Research Objectives

An attempt was made to discover various factors affecting permission for mobile messages sent by banks with the following set of objectives:

1. To understand respondent's general attitude towards mobile messages.
2. To explore the underlying factors relating to permission based mobile messages by banks.
3. To help managers of banking sector and the marketer who uses mobile marketing to market their products and services so that they can aware about all factors to transact with the help of mobile messages.

## Methodology

For collection of primary data, questionnaire was developed for reliable and first hand data collection. From the population total 15 banks were selected as a sample for the study with the help of simple random sampling that is 5 banks each of 5 private sector banks and 5 foreign banks. This study is exploratory in the nature, thus collection of data can be done from officials of different banks. The respondents which were selected for collecting data from the banks were Marketing Manager, Cluster Head, Senior

Manager, and Assistant General Manager from Marketing department, Regional Head of Marketing department and Retail banking Head. Also, that need to be taken into consideration for collection of data from the different banks is the mutual convenience of bank officials as well of researches, thus both should be interviewed. However, this is not possible sometimes due to their official commitments and hence their meet is not possible due to these uncertain problems. Thus, to meet these officials researcher has to visit these banks on repeated basis, and then only it became possible to interview them and collect the data. Since the study is based on permission for sending mobile messages, therefore it is necessary to take pre-permission from the

officials of the bank. The questionnaire was tested for content validity and reliability. In this study the questionnaire reliability was tested using IBM-SPSS software. It was found to be above 0.60, which is acceptable.

### Data Analysis And Results

The research had 15 banks that are private banks followed by public and further in foreign banks.

An attempt was made to identify the factors affecting permission based mobile messages by banks. Using various test statistics test for all types of variables, and hence hypotheses were made to test the difference between two sample means.

**Marketing Products and Services and Methods used by Banks**  
**Table 1: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.167 <sup>a</sup>	6	.118
Likelihood Ratio	13.827	6	.032
Linear-by-Linear Association	4.862	1	.027
N of Valid Cases	15		

*a. 12 cells (100.0%) have expected count less than 5. The minimum expected count is .27*

The Value was found to be 0.118 > 0.05 (5% level of significance), therefore null hypothesis is accepted. In this it is revealed that there exists a relation between marketing of products and services and different methods by which bank markets its product and services and use different methods to market its products and services. Thus, it states that there are different departments by which banks markets its products and services like some banks use in-house marketing department whereas some use outsourced marketing activity and some use both in sourced and out sourced. And also to market its products and services

various methods are used by banks like E-Mail marketing, Tele Marketing, Outdoor Marketing, SMS Marketing, Advertisements in Newspapers etc. Thus in this relation exists between them that is marketing of products and services and different methods used by banks to market its products and services. So there is a link between both marketing and methods used by banks to market its products and services to the customers. Hence, customers can make use of these different methods to market its products and services from bank.

**Marketing of products and services and mobile messages used by banks**  
**Table 2: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.833 <sup>a</sup>	4	.212
Likelihood Ratio	6.981	4	.137
Linear-by-Linear Association	.882	1	.348
N of Valid Cases	15		

*a. 9 cells (100.0%) have expected count less than 5. The minimum expected count is .13*

The Value was found to be  $0.212 > 0.5$  (5% level of significance), therefore null hypothesis is accepted. In this it is revealed that there exists a relation between marketing of products and services and mobile messages used in marketing of products and services. Thus it states that there is a combination in marketing of products and services and mobile messages that are mobile messages are mostly used in marketing of products and services. Hence banks make most use of mobile messages to market its products and services whether marketing of products and services is

done by in-house marketing department, outsourced marketing activity or by both in house and outsourced. Hence now-a-days most of the banks are using mobile messages to market its products and services so that banks can acquire large market at fewer rates. Hence making use of mobile messages to market its products and services is ruling now-a-days. Thus, all banks whether it is private, public or foreign banks every banks makes use of mobile messages to market its products and services. So, there is a relation between both marketing of products and services and marketing through mobile messages.

**Marketing of products and services and permission taken by banks before sending promotional mobile messages to customers**

**Table 3: Chi Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi Square	5.737 <sup>a</sup>	2	.057
Likelihood Ratio	6.694	2	.035
Linear by Linear Association	3.676	1	.055
N of Valid Cases	15		

*a. 6 cells (100.0%) have expected count less than 5. The least expected count is .93.*

The value was found to be  $0.57 > 0.05$  (5% level of significance) therefore null hypothesis are accepted. In this hypothesis it is revealed that there exists relation between marketing of products and services and permission taken by banks before sending promotional mobile messages to consumers. Thus, it is stated that banks send promotional mobile messages to consumers before taking prior permission to market their products and services from anywhere that is from in house or outsourced marketing department banks takes permission from consumers before sending any sought of promotional mobile messages, thus

there exists a relation between both and null hypothesis is accepted. Also, it's been seen that some consumers are against of such promotional mobile messages hence for such things banks take prior permission before sending any promotional mobile messages to their consumers so that customers don't take action against the banks for sending promotional mobile messages. Thus, it is necessary for banks to take permission from consumers for sending such promotional mobile messages and every bank is adopting such thing before sending promotional mobile messages to their consumers to market its products and services.

**Marketing of products and services and number of permission based mobile messages sends in a month by bank**

**Table 4: Chi Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi Square	.938 <sup>a</sup>	2	.626
Likelihood Ratio	1.442	2	.486
Linear-by-Linear Association	.187	1	.665
N of Valid Cases	15		

*a. 5 cells (83.3%) have expected count less than 5. The least expected count is .53.*

The value was found to be  $0.626 > 0.05$  (5% level of significance) therefore null hypothesis is accepted. In this hypothesis it is stated that there is a relation exist between marketing of products and services and number of permission based mobile messages sends in a month by bank. Thus, it is seen that to market the products and services banks sends limited number of permission based mobile messages to their customer. Hence, different banks like private sector banks, and foreign banks sends number of mobile messages like upto 5 messages, 6-8 messages, more than 8 messages in a month to market its products and services. So, null hypothesis is accepted which states that there is a relation exists between marketing of products and services and number of promotional mobile messages

banks sends to their customers. Thus it is said that when banks are sending mobile messages to their customers they does not randomly sends mobile messages to their customers one after the other because if they does so it will irritate the customer and customer might complaint as now there is lot of work pressure for everyone in this earth, as everyone is competing in his area of work. Thus banks by looking at this limits the mobile messages to the number so that to what extent banks should send mobile messages to their customers that how many messages should be send in a number of days so that customer also don't get angry and also it helps bank to send information about the banking products as well as services.

### Marketing of products and services and banks personalization while sending pre-permission based mobile messages

Table 5: Chi Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi Square	2.431 <sup>a</sup>	4	.657
Likelihood Ratio	2.428	4	.658
Linear-by-Linear Association	.028	1	.868
N of Valid Cases	15		

*a.8 cells (88.9%) have expected count less than 5. The least expected count is .27.*

The Value was found to be  $0.657 > 0.05$  (5% level of significance) therefore null hypothesis is accepted. In this hypothesis it is stated that there is a relation exist between marketing of products and services and bank provides personalization while sending pre-permission based mobile messages. Thus, it is assumed that in this hypothesis banks before sending any sought of promotional mobile messages provides personalization while sending pre-permission based messages and customers also agree that banks provides personalization while they send pre-permission based mobile messages. Also it is stated that it becomes easy for the customers if banks provide personalization while sending pre-permission based mobile messages because customers can easily identify

which bank is sending promotional mobile messages as there are various banks who sends pre-permission based mobile messages that is private bank, public bank and foreign banks. Thus, it is necessary for bank to provide personalization while they send such pre-permission based mobile messages. Banks if not send personalization messages then it is difficult for the customer to compare between the banks. For Example there is a person who needs an insurance policy for himself in whom the customer can also gets tax benefit at the same time he got message from the bank about where to invest and which policy will give higher returns and other banks also does the same thing they also sends the message to him about their own tax saver policies, if the banks doesn't send the personalized messages then customer will be confused

among the messages that which bank has sent what type of message therefore banks should always send personalized messages to avoid any sought of confusion and discrepancies and there should be fair communication between the banker as well as the customer.

### **Discussions And Implications**

Analyzing with 15 banks the other statement was that is there any relation between marketing of products and services and mobile messages used by banks. So, it was analysed that there is a relation exist between them that is marketing of products and services and mobile messages used by banks. Now, from banking point of view for analysing banks data the other statement was marketing of products and services and permission taken by banks before sending promotional mobile messages to customers. So, it was seen that banks takes permission from customers before sending promotional mobile messages to them. Also the analysis was made between marketing of products and services and banks personalization while sending pre-permission based mobile messages. Therefore the conclusion drawn from this analysis was that to market banks products and services banks always use personalization while sending pre-permission based mobile messages. Next analysis was between marketing of products and services and content sent by bank in the message.

### **Conclusion**

Conclusion was that for marketing of products and services banks always sends appropriate content in the message to deliver the information to the customers. Also from this research it's been seen that banks for marketing its products and services sends mobile messages and those mobile messages are for great use for consumers which are sent by banks. Also, it can be concluded that for banks to market its products and services banks always sends permission based mobile messages of various types. Another conclusion drawn from the study is that banks sometimes do not maintain the privacy of the details of the customer and pass to the third party, details like E-Mails addresses etc. Also its been analysed from the study that there are various methods

by which banks markets its products and services such as E-Mail marketing, Telemarketing, Outdoor marketing, SMS marketing but from the above research it's been seen that the most common method used by banks to market its products and services it marketing through mobile messages. As mobile messages are the most convenient method of delivering information for banks and also it captures large audience by single message from the above research it has been also observed that there is no relation exists between method used by banks to market its products and services and banks takes permission from the customer before sending any promotional mobile messages.

### **Limitations of The Study And Suggestions For Future Research**

The study only focuses on marketing area and other aspects were not taken into considerations that is behavioral, psychological or any other area. The study is only done in Delhi-NCR region and also the research is confined to 15 banks each that are 5 banks from each authorization. The study has not been analyzed by using any of the tests that is psychometric test or econometric test. Mobile marketing takes many forms of new technologies which are not part of the current research. This research takes into consideration only those practices which are analyzed by bank personnel's and has been viewed the statements from marketer view point only rest other practices were ignored. The other number of different banks was not taken into consideration that is different financial agencies and institutions for the research were ignored that can add on more advantage to the study. Some academicians from different fields can come in contact with the researcher where the complete model can be prepared for further study on permission marketing with the help of messages.

### **Managerial Implications**

In today's business world this study plays a greatest implication. Banks in collaboration with customers should make more use of mobile messages for marketing their products and services and also makes use of other sources of communication that is marketing with emails in case of feedbacks or queries and should also focus on sustainable management. It will also be taken as of going green as a

need of the day. Various different steps should be taken by banks to upgrade and educate their customers on timely basis to make best use of mobile messages to do banking of different products and services by giving them proper guidelines for the success of SMS banking. Banks should always maintain the confidentiality of customers by not disclosing the necessary information and also sharing this with their prestige customers that their privacy is maintained by the customers. This way the trusts of the customers are always maintained and banks can market their products more effectively and efficiently by maintaining transparency in operations. Also banks should time to time collect the feedback from the customers in different intervals either weekly, monthly, quarterly on mobile marketing through mobile messages by any techniques so that steps can be taken actively.

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