



A STUDY ON MOBILE MARKETING STRATEGIES PRACTICED BY THE COMMERCIAL BANKS IN ERODE

***Dr. K. Ramesh MCS, M. Phil, MBA, M.Com, Ph.D, SET.**

Professor and Head, Department of Commerce Professional Accounting, K.S. Rangasamy
College of Arts & Science (Autonomous), Tiruchengode, Namakkal (DT), Tamilnadu,
637215.

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***Corresponding Author**

Dr. K. Ramesh

Professor and Head,
Department of Commerce
Professional Accounting,
K.S. Rangasamy College of
Arts & Science
(Autonomous),
Tiruchengode, Namakkal
(DT), Tamilnadu, 637215.

ABSTRACT

In the digital age, mobile technology has revolutionized how businesses operate, and the banking sector is no exception. Mobile marketing has become a powerful tool for commercial banks to enhance customer engagement, improve service accessibility and transform financial services delivery. The study examined the significance of mobile marketing in commercial banks, including its benefits, challenges and potential for the future. Customer behavior is vital for commercial banks to optimize their mobile marketing strategies. Gaining insights into how mobile marketing initiatives affect customer's attitudes and perceptions, banks can tailor their campaigns more effectively to meet customer needs and enhance

overall engagement. Factors such as age, gender, cultural background and individual differences in technology adoption may play a role in shaping customer's responses to mobile marketing efforts. Therefore, this research aims to investigate how these moderating factors interact with mobile marketing to determine their influence on customer behavior. The findings of this research can guide commercial banks in designing more effective mobile marketing strategies and help in maximizing the benefits of mobile marketing campaigns to attain their goals.

KEYWORDS: Digital Marketing, Consumer Perception, Mobile Marketing, Mobile Consumer.

INTRODUCTION

Customer's interactions with financial institutions have been revolutionized by mobile marketing. Customers now have more options for banking on the move due to the prevalence of mobile applications and mobile-optimized websites that allow them to check their accounts, make transfers and pay bills. Customer's expectations for their mobile banking experiences have shifted as a result of this ease. They are more likely to engage with banks that offer user-friendly mobile apps and responsive mobile websites. Mobile marketing has enabled banks to personalize their marketing messages and offers, which can influence customer behavior. Commercial banks can use customer data, such as transaction history, location and preferences to deliver targeted marketing messages and offers via mobile apps, SMS or push notifications. For example, a Commercial bank can send personalized offers for credit cards or loans to customers who frequently use their mobile app to transfer money or pay bills. These personalized marketing messages can influence customer behavior by creating a sense of urgency or providing incentives to take specific actions. Mobile marketing has allowed commercial banks to engage customers through mobile loyalty programs and rewards, which can influence customer behavior. Commercial banks can create mobile loyalty programs that offer rewards, discounts or exclusive promotions to customers who use their mobile app or perform specific transactions, such as making a certain number of transactions in a month or maintaining a certain account balance. Customers who are enrolled in mobile loyalty programs are more likely to engage with the bank's mobile app, perform more transactions and adopt other banking services offered through the app, which can positively impact customer behavior.

Taking deposits and making loans are two of the most common activities associated with Commercial banks. Since the global economy is in a constant state of flux, financial institutions now provide a wider range of services. Different countries have different financial systems because they are molded differently by their economies. Lending money during the Vedic era is mentioned in ancient Hindu texts from India. Banking was already a fully developed industry by the time of the Ramayana and the Mahabharata. The evolution of banking in ancient times was intrinsically linked to the trade of exchanging different currencies. Modern banks do more than just exchange currency; they also provide loans, act as intermediaries and provide a range of other services.

REVIEW OF LITERATURE

Jai Prakash Pandey et al. (2023) found that the banking sector has been significantly impacted by mobile marketing tactics. Mobile advertising has become an essential part of bank's overall marketing strategies as progressively customers utilize their mobile devices for banking services. The research aimed to evaluate the impact of different mobile marketing functions and techniques on customers. Overall, a variety of factors including user experience, security, infrastructure, demographics, legal restrictions and competitiveness determine how effective mobile marketing campaigns are in the banking sector. The authors used qualitative research for the study. The analysis makes use of both primary and secondary data. The sample for the primary data collection is selected using a non-probability convenience sampling technique. As a result, 200 sample respondents were selected from the research area. According to the study's findings, banks can increase their revenue, clientele and rate of customer retention by using innovative marketing techniques including digital marketing, personalization, cross-selling, loyalty programs and community outreach.

Noor Ul Hadi and Nadia Aslam (2023) identified Pakistan consumer's attitudes toward uninvited mobile-based advertisement-related texts. Purposive sampling was used to acquire data, and statistical procedures such as the t-test and one- and two-way ANOVA were used to compare groups. The study's findings revealed significant variance in the mean scores for age, education and profession. Furthermore, the two-way ANOVA finding shows a significant effect on age and gender, but no influence impact for these factors. The study also found an unusual interacting role of the profession, which was further investigated and confirmed via post-hoc testing. In conclusion, the study suggests that mobile-based marketing is not inherently unethical, but implementing it at the cost of consumer's privacy and without their consent is unethical. The best approach for mobile-based advertising is through permission-based methods.

Mohammad Khalaf Daoud and Mohd Saiful Bin Saadon (2022) investigate the impact of mobile marketing, specifically, the 4Ss mix (scope, site, synergy and system), on electronic service quality and customer satisfaction in Jordanian commercial banks in the capital, Amman. The study sample consisted of 400 participants and data was collected through the questionnaire. The study found a positive and significant relationship between mobile marketing, electronic service quality (ES-QUAL) and customer satisfaction in the Jordanian commercial banking sector.

Haneen Awwad and Prof. Dr.Younes Megdadi (2022) attempted to determine how smartphone applications improved the marketing performance of banking services in terms of the number of customers, number of banking services and sales volume. The dimensions examined in this study were ease of use, ease of access to customers, speed of information handling and responsiveness. The study population comprised thirteen commercial banks and the descriptive analytical approach was employed, for statistical analysis and hypothesis testing, the SPSS software was utilized. The study made several recommendations, the most important one is that marketing departments in Jordanian commercial banks should adopt smartphone applications because of their technical advantages in terms of customer accessibility, speed and privacy. These advantages make it easier to meet customer needs at any time and target different customer groups, ultimately enhancing the marketing performance of banking services.

Silang Tong et al. (2020) found that with the increasing availability of mobile usage data, marketers now have numerous opportunities to create more relevant marketing strategies and timely targeted campaigns. This is because mobile usage data has never before offered such insights into customer hyper-context information. Additionally, granular unstructured mobile data opens up new study avenues. The framework of customized mobile marketing strategies is developed in this research by integrating the conventional marketing mix model. Personalization is included in the framework's core elements of mobile product, mobile place, mobile price, mobile promotion and mobile prediction. The suggested framework evaluates the current body of research on mobile marketing. Through a thorough analysis of previous research, including findings from many research fields and providing real-world case studies to support its claims and recommendations, the study takes an integrated approach. It emphasizes the significance of leveraging precise consumer data adding contextual and behavioral elements, and utilizing cutting-edge technology like machine learning and artificial intelligence for successful personalization.

RESEARCH QUESTIONS

- Do the customers identify the various mobile marketing strategies adopted by the commercial banks?
- What are the strategies influenced by the banking customers to experience the banking services ?

OBJECTIVES OF THE STUDY

- To analyze the demographic profile of the banking customers in Erode.
- To identify the mobile marketing strategies practiced by the commercial banks in the study area.

RESEARCH METHODOLOGY

The study was conducted in Erode district of Tamil Nadu. The population of customers using mobile devices and digital banking in the district is unknown. Hence, the non-probability sampling method is used. Both descriptive and analytical research has been undertaken for this study. The sample respondents are purposively selected based on their access to the digital banking service and it is believed that the customers who use internet banking or mobile banking are the best viewers in mobile marketing. Hence, purposive sampling is used for selecting the respondents. From using the purposive sampling method 500 respondents have been selected.

STATISTICAL TOOLS USED FOR ANALYSIS

Simple Percentage and Garrett Ranking have been used in this research.

ANALYSIS AND INTERPRETATION OF DATA

Variables	Particulars	Frequency	Percentage
Gender	Male	202	40.4
	Female	298	59.6
	Total	500	100.0
Age	Less than 30 years	163	32.6
	31 to 45 years	204	40.8
	More than 45 years	133	26.6
	Total	500	100.0
Marital Status	Married	264	52.8
	Unmarried	236	47.2
	Total	500	100.0
Educational Qualification	School	37	7.4
	Under Graduation	254	50.8
	Post-Graduation	101	20.2
	Professional	59	11.8
	Diploma	19	3.8
	Others	30	6.0
	Total	500	100.0
Family Type	Nuclear	390	78.0
	Joint	110	22.0
	Total	500	100.0
Occupation	Students	154	30.8

	Employees	173	34.6
	Business	67	13.4
	Professionals	55	11.0
	Housewives	33	6.6
	Others	18	3.6
	Total	500	100.0
Income Level per Year	Less than 5 Lakhs	163	32.6
	5 lakhs to 10 lakhs	194	38.8
	More than 10 lakhs	143	28.6
	Total	500	100.0
Type of Account	Savings Account	312	62.4
	Recurring deposit	22	4.4
	Fixed deposit	70	14.0
	Current Account	96	19.2
	Total	500	100.0

Garret Ranking Method (Mobile marketing strategies adopted by the Commercial banks)

Strategies	Rank	1	2	3	4	5	6	7	Score	Rank
	GV(x)	79	66	58	50	43	35	22		
Display marketing	f	39	48	43	34	57	246	33	22230	VI
	fx	3081	3168	2494	1700	2451	8610	726		
In-app Marketing	f	30	44	63	58	207	64	34	23717	V
	fx	2370	2904	3654	2900	8901	2240	748		
Location-Based Marketing (GPS)	f	34	56	230	72	66	28	14	27448	III
	fx	2686	3696	13340	3600	2838	980	308		
Proximity Marketing	f	25	31	37	238	101	59	9	24673	IV
	fx	1975	2046	2146	11900	4343	2065	198		
SMS Marketing	f	255	75	54	33	25	31	27	32631	I
	fx	20145	4950	3132	1650	1075	1085	594		
Social Media Marketing	f	93	229	63	50	27	32	6	31028	II
	fx	7347	15114	3654	2500	1161	1120	132		
Others	f	24	17	10	15	17	40	377	14773	VII
	fx	1896	1122	580	750	731	1400	8294		

The above table depicts the challenges of mobile marketing strategies followed by the Commercial banks for promoting their products and services. Out of the seven mobile marketing strategies considered in the study, the SMS marketing is mostly reached all the respondents and all the commercial banks are following the strategy of SMS marketing to inform the customers about their new products and services. The total score of the SMS marketing is (32631) highest among all the strategies analyzed. The social media marketing is ranked second (31028), third rank is given to the location based marketing (27448), fourth rank is given to the proximity marketing (24673), in-app marketing occupies fifth rank

(23717), sixth rank is given to display marketing (22230) and other type of mobile marketing ranks seventh (14773).

FINDINGS

- The majority of the respondents are female.
- Most of the respondents belong to the age group of 31 to 45 years.
- The majority of the respondents are married.
- Most of the respondents are degree holders.
- The majority of the respondents are employee.
- Most of the respondents have nuclear family.
- Majority of the respondents annual income is between 5 lakhs to 10 lakhs.
- Most of the respondents have savings account.

GARRETT RANKING METHOD

- ❖ The respondents are asked to mention the strategies followed by the commercial banks. They ranked those strategies according to the level of practice adopted. The SMS marketing ranks first (32631). This is most commonly used by the commercial banks in their promotional services, where all the information is passed through the SMS to their registered mobile number. It is one of the successful strategies to easily reach the customers.
- ❖ The social media marketing ranks second (31028). The impact of the social media on the people is incredible and influence on the behaviour towards the buying decision could be more. In this respect, the commercial banks opt the social media marketing as important source to take their product reach the public in an easy way and effective way. Hence, it is considered as one of the important strategy followed by the commercial banks.
- ❖ Location based marketing (GPS) ranks third (27448), which is another technology support used for the promotion of insurance policies, loans and other location-specific services by considering the customers current location. The proximity marketing ranks fourth (24673). It is another type of the marketing made to the customers based on the location where they enter like mall, market, railway station or big places and use proximity for the networks access like Wifi, NFC or QR code. They come under this marketing strategy and the commercial banks may use their product and services according to the places.

- ❖ In-app Marketing ranks fifth (23717), the mobile application is the key support for all the customers to access their banking transactions, like money transfer, bill payment, balance check and use all the banking services through a single mobile application. Hence, the mobile application helps to display the offers, new products and schemes of the commercial banks; it also helps customers easy to approach the banks in a single click. It is one of the effective strategies of the commercial banks by using mobile devices.
- ❖ Display marketing ranks sixth (22230), mobile devices is the most preferred devices used for entertainment and attractive media display. The commercial banks need to display their products and services with attractive pictures and videos in graphics. The mobile marketing helps them to make attractive display marketing for promoting product and services.
- ❖ Other than these mobile marketing strategies, the commercial banks are also adopting other strategies to reach their customers, like mail and calls. Other mobile marketing
- ❖ strategies ranks seventh (14773), any other method of advertising for promoting product or services using the mobile devices is called other strategies.

SUGGESTIONS

- ✓ Among various mobile marketing strategies adopted by the commercial banks, SMS marketing is found more reachable and effective. This service is already given by the bankers to inform their transaction, schemes and other services like sending OTP etc. The result shows that the commercial banks may adopt the SMS marketing for the promotion of the products and services. The SMS marketing has its own demerits and the commercial banks have to adopt the suitable method of the SMS marketing based on the product.
- ✓ It is found that the awareness of the customers is more with aged people than the young customers. It shows that the customers learn more about the digital banking services getting aged more. It also shows that the young customers are not much aware about the digital banking services and more about the mobile marketing. In this respect, it is advices to the commercial banks to create more awareness among the young customers through various programs like promotional and training camp, advertisement, brochures and others promotional measures.
- ✓ The opinion of the respondents show that they feel the mobile marketing is effective and simple to reach the customers. The customers are happy about the mobile marketing as this takes the banking services and information easily at their finger tip. Hence, the

commercial banks are asked to follow the mobile marketing to promote their services than other marketing strategies.

CONCLUSION

The evolution of technology has reshaped many industries. One of the significant shifts witnessed in recent years is the adoption of mobile marketing strategies by the commercial banks. However, the customers behaviour towards mobile marketing in commercial banks are varied, shaped by individual experiences, technological familiarity and expectations of personal security. For many, mobile marketing in banking signifies convenience and personalization. Commercial banks send tailored offers, reminders and product advertisements directly to consumers' mobile devices, where many appreciate the direct communication and the ability to access offers with a single tap. These promotions often translate into tangible benefits, such as better loan rates, cash back or faster services, making the user feel valued and understood. Many millennials and Gen Z consumers, having grown up in a digital age perceive mobile marketing as an expected norm rather than a novelty. For them, a bank that doesn't engage in mobile marketing might appear outdated or less consumer-centric. This demographic often looks for seamless integration between mobile promotions and the bank's primary app, expecting real-time updates and the ability to act on promotions instantly. In conclusion, the customers behaviour towards mobile marketing in commercial banks is multifaceted. While many appreciate the convenience and personal touch it brings, others find it overwhelming or invasive. Commercial banks must strike a balance between personalization and discretion while navigating the mobile marketing landscape. Ensuring robust data security and respecting customer preferences will shape the future success of mobile marketing strategies in the commercial banks.

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