A STUDY OF IMPACT OF PERSONALIZED DIGITAL MARKETING OF BANKING PRODUCTS ON CUSTOMER SATISFACTION

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ABSTRACT

This paper offers views on personalized digital marketing of Banking Products. The content is based on recent literature and on what is happening in the business world. The various articles, pieces of research, reports, newspapers, magazines, various, websites and the information on the internet have been studied. In today's digitally operated world, the products over count the people. Technology and Digital Marketing have made the interactions between brands and customers increase rapidly. Customers are looking and searching more on the internet to find a great deal from sellers around India as compared to traditional or conventional methods. On the other hand, Digital Marketing is cutting down the gap between the brand and the customer and is offering the gross information about the product at their fingertips. So it has increased the fierce competition among the companies. Also, with the growing and ever-changing trends, the tastes and preferences of customers are also changing. One size does not fit every customer's needs. They want something unique and appealing. Thus, they want a great Customer Experience. In this study, we acknowledge that Personalized Digital Marketing of Banking products will improve the Customer experience and thereby brand loyalty. Based on this study, the impact and importance of Personalised Digital Marketing in the Marketing Mix can also be evaluated. The present paper highlights the role of Personalisation in the digital marketing of Banking Products from the point of view of individual customers. The study can further be extended to compare the Personalised Digital marketing techniques specific to various banking products.

Keywords: Personalized Marketing, Digital Marketing, Marketing, banking products, customer satisfaction.

1. Introduction and Problem Statement:

Marketing has always been about connecting with your customers in the right place and at the right time. Today, that means you need to meet the customers where they are already spending time: on the internet and the "Digital Marketing" is a great new tool of marketing that is given by modern innovation to marketers. So, Digital Marketing is the number one preference of most businesses in the world and that makes Digital or Online Marketing vital for your business and Brand awareness. So it is inevitable for every other brand to go digital. Digital content and marketing are so common that customers now expect outstanding Customer Experience from the brand and depend on it as a way to learn about the brand. And due to this, marketing has become more complicated than ever before exhibiting the intricacy of today's markets and customers.

Due to changing customer behavior, customers today demand all the benefits of modern technology, such as accessibility, pace, efficiency, accuracy and cost cutouts, yet still expect a friendly, competent human being to greet them while delivering services to them. They are on information oversupply which is again the fruit of digital technology and if they don't believe that marketers are truly trying to solve their problems, make their lives simpler, or add value, then all the marketing efforts are futile. In short, personalization enables businesses to come up with one-to-one experiences that really resound with customers, perusing them to stipulate your products or services in the future.

2. Objectives of the Study:

- To study the role and importance of personalization in the field of Digital Marketing of Banking Products
- To understand the relationship between the uses of personalized digital marketing of Banking Products and customer satisfaction
- To learn about the future of Personalised Digital Marketing of Banking Products

3. Research Methodology:

- The Descriptive Research method has been extensively used for this study.
- The Universe for the present study consists of all the individual customers of Banking Products in Pune city.
- The present paper is based on both Primary as well as Secondary data. Primary data has been collected with the help of a Google form questionnaire. For Secondary data, various websites, blogs, related online articles and research papers were referred. The data thus collected has been studied, analysed and the outcomes of the same have been presented in the given paper.

I. DIGITAL MARKETING IN THE BANKING SECTOR

It is a known fact that the internet has greatly changed the banking industry. The customers and prospects refer to YouTube videos to get the answers to their financial questions, they regularly make banking transactions using their smartphones, they search Google to find the best interest rates, and thanks to social media they know a surprisingly lot about your bank before they ever physically visit a branch. Connecting with the customers and prospects using the various online channels available is crucial for your bank to have a successful digital marketing strategy. It is critical for financial institutions to look at the customer experience in a comprehensive manner across the entire relationship. So that means Digital Marketing is turning the conventional banking model inside out.

II. PERSONALIZED DIGITAL MARKETING FOR BANKING PRODUCTS

Presently, personalization is one of the hottest jargon in the marketing world. If you want to serve your current and prospective customers as per their needs, preferences, and interests when they're looking for it, personalization is the only option. Personalization can help you to engross customers better through relevant communications, offer exceptional customer experiences, boost loyalty and retention, and increase sales if applied at the right time and in the right way. Digitally empowered customers from all over the world have increased expectations for digital personalization. While nearly all businesses serve the taste of each distinctive customer with increasingly personalized content, banking customers now expect the same level of customer experience from their Banks. To serve these progressively digital customers in the digital era, banks will need to focus on a deep understanding of customer expectations and to invent new products and services and match with growing expectations of customers. So in Personalised Digital Marketing, the different customers are treated differently to make them feel unique and special.

III. THE ROLE OF AI AND BIGDATA

Even though the fundamentals of marketing remain the same over the years the tools marketers use to accomplish marketing success differ greatly over time. Now, personalized digital marketing and artificial intelligence play vital roles in the marketing strategies of businesses. Also, Due to the pandemic of COVID-19 customers are spending more time online in the virtual world. In the past marketers trusted the target groups whereas AI enables marketers to personalize their communications on an individual level. This technological automation functions by anticipating customer behaviour based on intelligence learned from previous brand interactions. AI can prove useful to evaluate customers' needs, offer personalized suggestions and pricing, target customers, and predict market trends and competitors' behaviour. Having the right data at the right time is the secret of Personalization. So "Data is king" in this digital era. With the help of big data, banks can analyse every action of the customer and implement "Big Data Analytics" which brings out the value inceptions from those data and are used for personalized targeting.

IV. RELATIONSHIP BETWEEN PERSONALIZED DIGITAL MARKETING OF BANKING PRODUCTS AND CUSTOMER SATISFACTION

Personalized Digital Marketing which is a form of one-to-one marketing of banking products is about a deep understanding of each customer's unique needs and orchestrating a set of customized experiences across digital channels based on historical customer data to attract customers in this aggressive competition in the market. It builds trust and creates confidence in the minds of customers, and also drives results and revenue. Today's customers are offered time-saving, convenience, cost reduction and the personalization which reaps Brand Loyalty and Customer Satisfaction.

V. STATEMENT OF HYPOTHESIS

Hypothesis I: Personalization has a positive influence on the level of customer satisfaction.

H_0: Personalisation in the marketing of banking products and services does not have a positive influence on the level of customer satisfaction.

H_1: Personalisation in the marketing of banking products and services has a positive influence on the level of customer satisfaction.

VI. RESEARCH DESIGN:

- **Population for the Study:** For this study, the respondents are randomly selected from the population of Pune city
- **Research Approach:** For this study, a survey method is used for collecting data, respondents are requested to fill in the questionnaire. It contains both open and closed-ended questions in a structured format.
- **Sampling Technique and Sample Size:** The sample size of 60 was taken to conduct the study,
- **Data Usage:** For analysis and interpretation, the data collected through questionnaires are only taken into the consideration and it is analysed by using Spearman's Rank Correlation Coefficient.

VII. DATA ANALYSIS

The research was directed towards finding an answer to a question, how strong is the impact of personalized marketing efforts of banking products and services on customer satisfaction levels? The analysis was executed over the results of the primary research. A descriptive statistical analysis is used in processing primary data collected by the survey questionnaire.

Following is the analysis of the research information as provided by the respondents in the research questionnaire.

Diagram 1
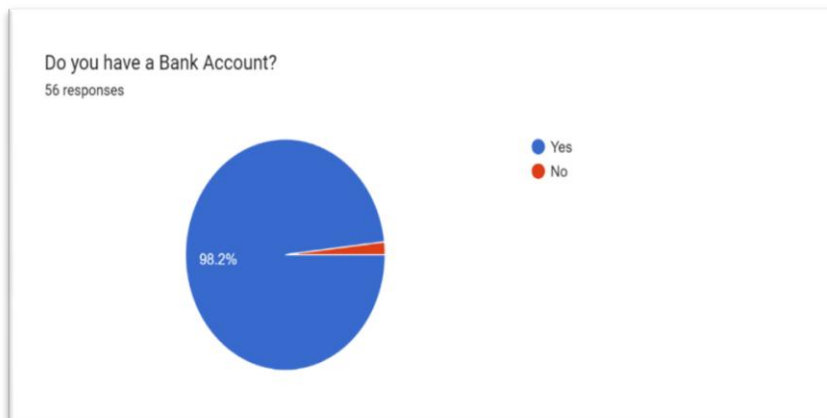
An increase in the working population and growing disposable income raises the demand for banking and related services. So, above figure shows that almost everyone has a bank account and so there is a need to digitally communicate with the banking customers.
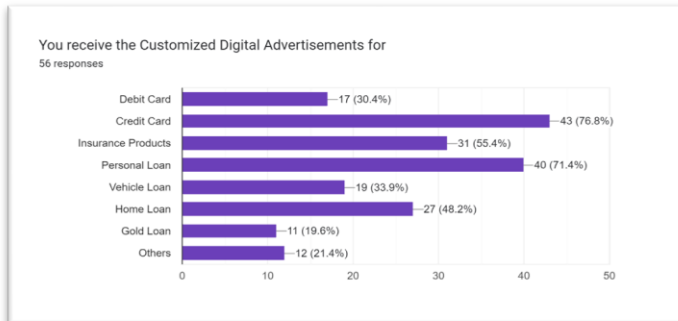
Diagram 2
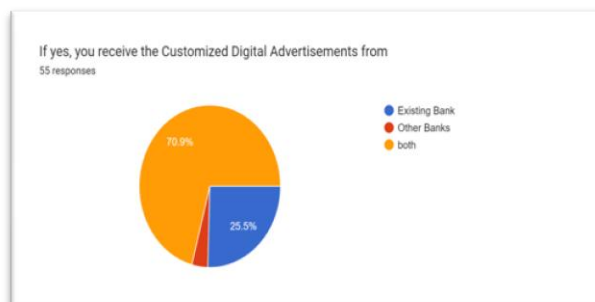
The above pie- chart shows that the banks are increasingly taking the help of digital marketing to influence the existing as well as the targeted customers. The one to one digital marketing is highly beneficial in increasing the customer base.
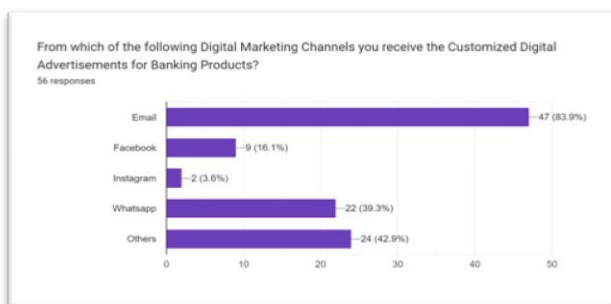
Diagram 3
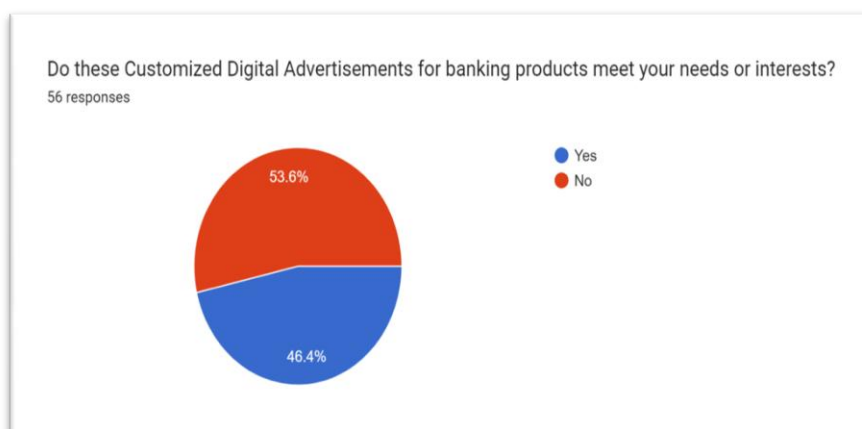
From above pie- chart, it is the evident that more than half of the population is getting the customized digital advertisements which are exactly matching their needs and interests. So, here a lot of time is saved involved in the buying decision.

Diagram 4

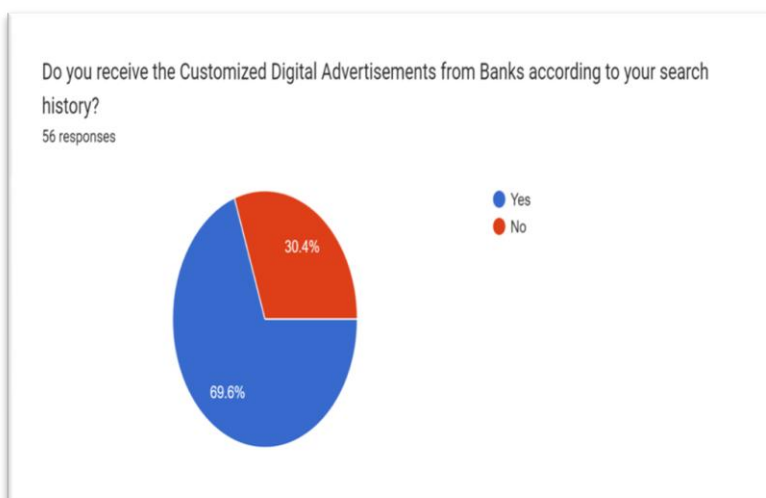You receive the Customized Digital Advertisements for
56 responses

From the above chart, we come to know that banks are using personalized digital marketing strategies for various different banking products and services. It covers nearly all the products and services available with the Banks.

Diagram 5

From which of the following Digital Marketing Channels you receive the Customized Digital Advertisements for Banking Products?
56 responses

The above diagram shows that Email marketing is the most preferred digital marketing channel for banking products and services as almost 84% of the respondents get marketing emails for banking services. But considering the widespread use of social media, it can also be used as an easily accessible digital channel to introduce banking products and services to the people.

Diagram 6

Do you receive the Customized Digital Advertisements from Banks according to your search history?
56 responses

69.6% of respondents say that they are getting the Customised Digital Advertisement according to their search history. It means AI and Big Data is playing an important role here. The customers are getting exactly the same what they are looking for.

Diagram 7
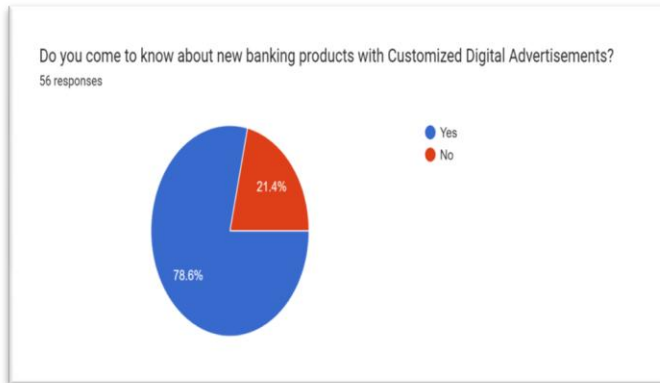
The above pie- chart shows that 78.6% of respondents is getting informed about the new banking products through personalized digital advertisements which is a whopping high rate compared to other traditional marketing techniques.

Diagram 8
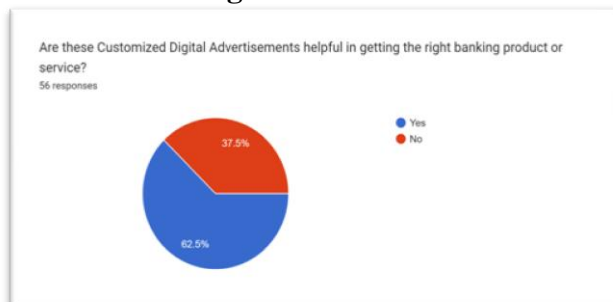
According to above figure 62.5% of respondents are getting the right banking product or service through the personalized digital advertisement which ensures the right blend of digital marketing and the personalisation employed.

Diagram 9
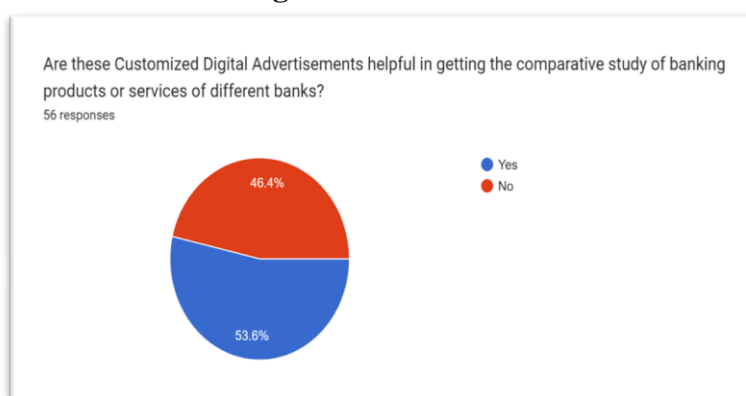
Above figure shows that 53.6% of respondents can make the comparative study of banking services with the help of personalized digital advertisements as they are getting these personalized digital advertisements for their existing as well as other banks also.
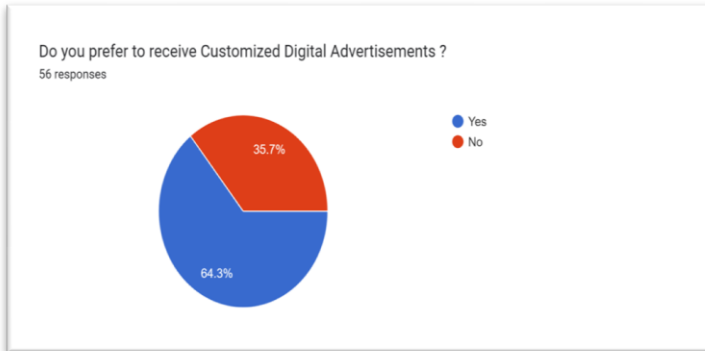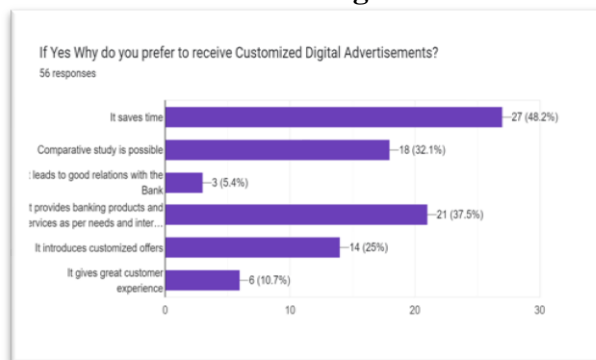
Diagram 10

The above diagram shows that a massive 64% of the respondents want to receive these personalised digital advertisements which is giving a great customer experience to them.

Diagram 11

The eleventh diagram shows the various benefits and perks offered by the customised digital advertisements to the respondents as they think. 48% of respondents say that it saves time to a great extent. 37% of respondents say that it provides banking products and services as per needs and interests. 25% of respondents find that it also introduces customized offers.

Diagram 12
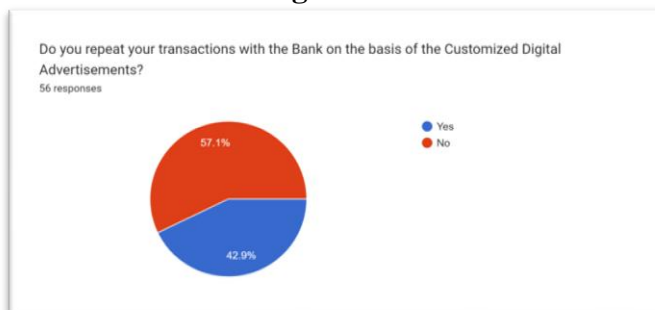
The twelfth diagram shows that 43% of respondents repeat their transactions with the bank on the basis of customized digital advertisements. Nothing breeds customer loyalty and satisfaction more than quality customer service. Although prior research has identified customer satisfaction, service

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personalization, and switching costs as key drivers of customer loyalty, marketing personalization adds to it.

VIII. TESTING OF HYPOTHESIS

With the help of the descriptive analysis which expressed the intensity of correlation between the personalized marketing communication of banking products and services and customer behaviour, the hypothesis would be accepted or rejected. For this purpose, Spearman's Rank Correlation Coefficient is used. The scores of customized digital advertisements out of every 10 banking digital advertisements and the scores given by customers for the satisfaction level on the scale of 1 to 10 are collected with the help of primary research through questionnaire. These scores are assigned with the ranking and the Spearman's Rank correlation is calculated with the help of following formula.

$$\rho = 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)}$$

ρ = Spearman's rank correlation coefficient

d_i = difference between the two ranks of each observation

n = number of observations

Spearman Correlation Formula

$$P = 1 - \frac{6 \times 1836}{60(60^2 - 1)}$$
$$= 1 - \frac{11016}{60 \times 3599}$$
$$= 1 - \frac{11016}{2,15,940}$$
$$= \frac{204924}{215940}$$
$$P = 0.949$$

According to table 1 of sample data, Spearman's Rank Correlation Coefficient is calculated as above.
As the value of Spearman's Rank Correlation Coefficient will always vary between +1 and -1, +1 indicates a perfect positive correlation and -1 indicating perfect negative correlation between two variables. According to Table 2 showing different degrees of correlation for different values of P, it is inferred that with the 0.949 Spearman's Rank Correlation Coefficient the customized digital advertisements have a strong positive correlation with the customer satisfaction level. With this, we can reject the Null Hypotheses and hence the Alternative Hypotheses is proved which concludes that there is a strong positive influence of personalized digital marketing communications on customer satisfaction level.

IX. CONCLUSION

This study contributes to customer marketing research in banking in multiple ways. Firstly, it addressed a gap by adding empirical evidence of the positive role that personalization of marketing communication of banking products and services plays on customer satisfaction level in banking sector in Pune City. The findings of the study revealed that the effect of personalized digital advertisements on customer satisfaction level is significant. As the major contributor for customer loyalty is Service Personalisation, to retain customers and to capture a greater share of the market, banking practitioners in Pune City should enhance their efforts in providing personalized services as these efforts would lead to an increase in customer loyalty.

X.   FURTHER RESEARCH

Finally, contrary to findings from mainstream research, this study revealed that personalised digital marketing communication is not the only factor responsible for customer loyalty. This indicates that the relationships among the variables of customized digital advertisement and customer brand loyalty may be more complicated. Further research to find out the true behaviour of customer brand loyalty would give more insights in both theory and practice for future application.

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XII.   ANNEXURES:

Table 1: Assignment of ranks and calculation of Spearman's Rank correlation co-efficient

Sr. No.	Score for receiving customised ads X	Score given for Satisfaction level Y	Rank X	Rank Y	Rank Difference 'd' (Rank X - Rank Y)	Differences Squared 'D^2'
1	7	6	10	10	0	0
2	4	5	44	24	20	400
3	6	5	22	24	-2	4
4	2	3	56	49	7	49
5	8	7	4	3	1	1
6	3	4	49	38	11	121
7	5	4	30	38	-8	64
8	5	5	30	23	7	49
9	7	6	9	9	0	0
10	8	7	4	3	1	1

11	7	6	8	8	0	0
12	4	3	37	42	-5	25
13	5	5	27	20	7	49
14	6	5	18	20	-2	4
15	3	4	41	32	9	81
16	8	7	4	3	1	1
17	6	5	17	19	-2	4
18	6	5	17	19	-2	4
19	7	6	7	7	0	0
20	4	4	31	28	3	9
21	5	5	22	18	4	16
22	8	7	4	3	1	1
23	9	8	1	1	0	0
24	4	4	28	25	3	9
25	6	5	14	16	-2	4
26	7	5	5	16	-11	121
27	2	3	34	28	6	36
28	3	3	30	28	2	4
29	5	6	18	5	13	169
30	5	5	18	15	3	9
31	5	7	18	2	16	256
32	6	5	13	14	-1	1
33	6	5	13	14	-1	1
34	7	6	5	4	1	1
35	6	5	12	13	-1	1
36	9	8	1	1	0	0
37	7	6	4	3	1	1
38	7	6	4	3	1	1
39	3	2	20	22	-2	4
40	5	3	11	18	-7	49
41	5	3	11	18	-7	49
42	4	5	14	10	4	16
43	4	6	14	3	11	121
44	7	6	4	3	1	1
45	7	5	4	8	-4	16
46	8	7	2	1	1	1
47	9	6	1	2	-1	1
48	4	3	10	12	-2	4
49	4	3	10	12	-2	4
50	3	6	10	2	8	64
51	7	6	2	2	0	0
52	7	6	2	2	0	0
53	5	4	5	4	1	1
54	8	7	1	1	0	0
55	5	4	4	3	1	1
56	3	4	5	3	2	4

57	5	4	4	3	1	1
58	6	6	2	1	1	1
59	7	4	1	2	-1	1
60	6	5	1	1	0	0
					Total	1836

Table 2

P VALUE	STRENGTH OF RELATIONSHIP
P < 0.30	None or very weak relationship
0.30 < P < 0.50	Weak relationship
0.50 < P < 0.70	Moderate relationship
P > 0.70	Strong relationship