

Effectiveness of Digital Marketing Strategies in Marketing Financial Products - An Analytical Study with Special Reference to Rural Customers

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ABSTRACT

Marketing has gone the digital way. In a short span of time digital marketing strategies like content marketing, online marketing, Search Engine Optimization (SEO), email marketing and Pay Per Clicks (PPC) have started to replace conventional print and TV advertising. This trend is more evident in the arena of Marketing of financial products and services like deposits, insurance, mutual funds, stocks and modern day innovative financial instruments. One key feature of these products is their unsought nature. There is always a dilemma in the minds of potential buyers of these products, thereby warranting the need for active, effective and persuading marketing strategies to kick start the buying process. In this situation the current study tries to evaluate the effectiveness of Digital Marketing strategies in the area of marketing of financial products and services, especially among the rural people. Data collected from 80 respondents in Thrissur district, Kerala using purposive sampling method. For analysing the data, statistical tools like weighted average, correlation and multiple regression are used. The study concluded that social media platforms are the most popular advertising strategy of financial products among rural customers.

Key Words: Digital Marketing, Financial Products, Social Media, Rural People

I. INTRODUCTION

Marketing a product or service is a tough task. Finding buyers for financial products like insurance, deposits, mutual funds and other innovative financial instruments is even tougher on account of their unsought nature. FMCGs, staple goods and shopping goods are often bought voluntarily by the customer to satisfy their basic needs and wants, or to satisfy their ego or esteem needs. But when it comes to unsought goods, the customer does not often take the first step to buy. Nine out of ten occasions, these goods are purchased either on compulsion or on continuous persuasion. When it comes to marketing of financial products, we can see that the Indian market still remains an underpenetrated one. A major chunk of the population is still out of the formal banking system. Insurance penetration is only 3.2% (2.6% for general and 3.4% for life) and mutual fund penetration is as low as 15.9%. The situation is even worse when it comes to non-metros, tier II cities and rural areas. Banking penetration in US is 65.3% and in China is 25.3%. Insurance penetration in UK is 41.6% and that in Japan is 8.4%. This means that despite being the fifth largest economy of the world, the BFSI (Banking, Financial Services and Insurance) sector is under tapped one and this sector offers tremendous potential for future growth. Digital marketing efforts can accelerate the pace of this penetration in the future years. Faster

expansion in internet connectivity, reduced data costs and increased competition leading to tariff cuts can go a far way in supporting digital marketing efforts. At this juncture, this paper attempts to evaluate the effectiveness of digital marketing strategies in the area of marketing of financial products and services, especially among the rural people.

II. OVERVIEW OF LITERATURE

Dogra, P &KanshalA. (2022), examined the effectiveness of digital financial advertisements in creating favourable consumer attitudes and purchase intentions towards advertised financial products and services. The study revealed five antecedents of digital financial advertisements that statistically proved. The Perceived Usefulness (PU) and the Perceived Ease of Use (PEOU), age and gender have moderate effect on purchase intentions. **Cvitanovic P.L. (2021)**, Studied the online marketing strategies of insurance companies in Croatia and analysed the Google search results of insurance companies. A comparative analysis was also made about the websites of various insurance companies and marketing tactics applied by them at social media sites and YouTube channels. It was found that through developing increased awareness of digital marketing tactics, and through learning from competitors, every insurance company can improve on business results. **Bua-inN. (2021)**, observed that advertising of life insurance business on social platforms is growing, thank to innovative technology. It embraces competitive advantage and faster customer relationships. The analysis of components of online marketing in life insurance business reveals 4 components -effective communication, content marketing, organisational efficiency and customer relationship. Study shows that content marketing and building customer relationships are the most effective ones. **Gupta S and Kumar R (2017)**, conducted a survey to study the perception towards digital marketing among Indian youth and observed that Search Engine Optimisation (SEO) and web portals are most effective tools. However, people differ widely on their perception towards digital marketing strategies. **Dhote T, Jog Y, etal (2015)** found that there is a high degree of awareness with reference to digital medium among the consumers. Availability of required data on website is a crucial factor influencing consumer buying decisions. In digital marketing channels, consumer can engage, review and ask questions for quick responses.

III. RESEARCH PROBLEM

In this age of digitalisation, every industry is changing as a result of technology breakthroughs and so is the case of financial products. In recent times financial products are of customised nature. Hence, it requires the greater attention of proposed customers and that should be served in an effective manner. Due to the fast-growing acceptance of digital media especially among the youth and 'new gen' investors there is a paradigm shift to online mode of advertisement and communication. Internet and data connectivity have changed the very modus operandi of the business. Many financial service providers and intermediaries have already shifted their focus to digital advertising and personal communication through social media apps. Still, there remain some major issues of fairness, trust and confidence creation. Because, at present, there are many reports of fake advertisements and popularization of Ponzi schemes. Even educated and professional people become victimized for the foul play of digital world. Hence, it is found relevant to study check the effectiveness of online advertising campaigns in informing, influencing and persuading customers into a final decision. The present

study addresses this problem by evaluating the effectiveness of online advertising related to various financial products.

IV. RESEARCH OBJECTIVES

1. To identify the most popular digital marketing tool used for marketing of financial products
2. To analyse customers confidence towards digital advertising strategies of financial products

V. RESEARCH METHODOLOGY

The study is analytical in nature and uses secondary sources as well as primary sources. Secondary data has been collected from various government agencies, reputed journals and credible websites. Primary data has been obtained by means of a structured questionnaire distributed online via google form. Data collected from 80 respondents in Thrissur district, Kerala using purposive sampling method. The reliability of the research is restricted to data provided by the respondents. For analysing the data, statistical tools like weighted average, Correlation and Multiple Regression are used.

VI. RESULTS AND DISCUSSION

1. To rank the popular online advertising strategies

SI.No	Digital Marketing Tool	Average	Rank
1.	Web site design/ Development of banks	39.77	5
2.	Email marketing for banks	31.20	8
3.	Display advertising for banks	40.33	4
4.	Mobile apps for banks	42.70	2
5.	Social Media	44.11	1
6.	Online advertising	42.11	3
7.	Webinars	31.44	7
8.	Blogs	28.33	9
9.	Mobile messaging	35.22	6

The above table depicts that, social media platforms are the most preferred online marketing strategy for marketing financial products followed by mobile apps for banks and online advertising. Blogs has no relevance at all during this Tec savvy era.

2. Relationship between Digital Marketing Strategies and Customers Confidence

H1: There exists a significant relationship between Digital Marketing strategies and Customer confidence.

SI.No	Variables	R value	Sig. value	N
1.	Marketing communication strategies	0.863	0.000	80
2.	Transaction Strategies	0.877	0.000	80
3.	Distribution Strategies	0.810	0.000	80
Digital Marketing Strategies		0.881	0.000	80

Source: Primary Data

The table clearly depicts the correlation coefficient (r) values of the digital marketing strategies with customers confidence. Correlation is used to measure the extent of relation between these two variables. Since, the p value is less than 0.05, it can be concluded that there exists a significant relationship between digital marketing strategies and customers confidence.

The r shows a value of 0.881 for digital marketing strategies and customers confidence which indicates a high correlation between two variables. The types of strategies such as marketing communication, transaction, and distribution also shows a high relation with 'r' values of 0.863, 0.877 and 0.810 respectively.

3. Effect of Relationship between Digital Marketing Strategies on Customers Confidence

The effect of relationship between Digital Marketing Strategies and customers confidence can be measured using regression analysis. Correlation tells us something about the predictive power of variable. In regression analysis, a predictive model is fitted to our data and use that model to predict values of dependent variable from one or more independent variable. How much one variable is explained by another variable is explained through regression. The table shows the results of regression analysis of influence of digital marketing strategies on customers confidence.

4. Influence of Digital Marketing Strategies on customers confidence

Regression between Digital Marketing Strategies on Customers confidence

Independent variable	R	R Square	Adjusted Square	R Std. Error of the estimate	Std. Coefficients	Sig.
Digital Marketing Strategies	0.881	0.777	0.774	1.72711	0.881	0.000

Source: Primary Data

Here, the Digital Marketing Strategies is taken as independent variable and the confidence of customers were taken as dependent variable. From the table, the Pearson correlation coefficient (r) is 0.881, which shows a high correlation between digital marketing strategies and confidence of customers. R square tries to explain the

proportion of variance. Here, R square is 0.777 that is, 77.7% of the customers confidence is created through digital marketing strategies and remaining by other factors.

5. Regression Equation on Digital Marketing Strategies on customers confidence

From the analysis performed, it can be inferred that the Customer confidence are highly related with marketing communication, transaction, and distribution strategies. To measure the most contributing strategy and to know its influence on customer confidence, multiple regression was performed. Customer confidence is taken as dependent variable and the types of strategies such as marketing communication, transaction, and distribution are considered as independent variables for the purpose of analysis. Table, shows the results of multiple regression analysis.

6. Relationship between marketing communication, transaction, and distribution strategies and Customers Confidence – Results of Multiple Regression analysis

Independent Variables	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error			
Marketing Communication	0.216	0.102	0.271	2.130	0.036
Transaction	0.530	0.138	0.462	3.854	0.000
Distribution	0.293	0.131	0.210	2.245	0.028
Adjusted R ² = 0.802					

The regression equation with standard regression coefficients of the significant variables is given below:

$$\text{cus} = 0.271 \text{ mkt} + 0.462 \text{ tra} + 0.210 \text{ dis}$$

Where, cus = Customer confidence,

mkt = marketing communication,

tra = Transaction,

dis = Distribution

The most contributing strategy for creating customer confidence as per the equation, by virtue of the coefficient value and also the significance which is revealed from the analysis is the transaction strategy followed by the marketing communication strategy.

It is also clearly evident from the table, correlation coefficients corresponding to transaction strategy is highly significant at 1% level and customer confidence & distribution strategy is significant at 5% significant level. Hence, it can be concluded that customer confidence is attained through these strategies.

VII. CONCLUSION

This study aims to analyse the effectiveness of digital marketing strategies used by various financial service providers and organisations in the present scenario. Financial products may be broadly classified into investment product and loan products. Financial market identifies only two categories of customers namely, savers and users. The former category requires investment products and the later one needs loan products. Digital world has become virtual world and reaches the final customer directly and enables one to one

communication in a controlled environment. The opportunity has been utilised by the financial companies to market their financial products. This study discloses the fact that social media are the best digital marketing platforms for effective transmission of financial products. While studying the influence of digital marketing and customer confidence, it is proved that the digital marketing strategies influences the customer confidence and they won in attaining customer trustworthiness. Information dissemination has a greater role to play especially in marketing of financial products and the most contributing strategy for creating customer confidence is the transaction strategy followed by the marketing communication strategy. As our world becomes increasingly digital, so does the way we market our products. Thus, even the business can stay up to date.

VIII. REFERENCES

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