

DIGITALIZATION OF FINANCIAL SERVICES

Mrs. G. Madhavi*

ABSTRACT

Today most of the Consumer Markets are Digitalized, marketers are faced with new challenges and opportunities within this digital era. Digital marketing is the process of utilization of electronic media by the marketers to promote the products or services into the market. The main objective of digital marketing is attracting customers and allowing them to interact with them through digital media. This article focuses on the importance of digitalization of Financial Services. We examine the various Digital strategies available for effective Financial Services. This study has described various forms of digital marketing strategies, its effectiveness and its impact on Financial Service firms. Digital Marketing helps in saving fuel, energy and most importantly time of the customers in a way contributing to the society. Consumers now expect their experience with Financial Services to be just as simple and enjoyable as other high end products or services. Digitalization has raised the bar for brands, but complexity, compliance, and competition present major barriers to Financial Institutions. Evolve your marketing strategy for this digital age.

Introduction

The world of digital media is changing at a phenomenal pace. Its constantly evolving technologies, and the way people are using them, are transforming not just how we access our information, but how we interact and communicate with one another on a global scale.

Digitalization is one type of marketing strategy which is being widely used to promote products or services and to reach consumers through digital channels. Digital marketing extends beyond internet marketing including channels that do not require the use of Internet. It includes mobile phones (both SMS and MMS), social media marketing, display advertising, search engine marketing and many other forms of digital media. With the help of digital media, consumers can access information at any time and from any place where they want to.

As we are already aware of how powerful is "Word of Mouth" marketing communication

and this takes places very often in the presence of digital media, as consumers do not just rely on what the company says about their brand but also they can see the reviews of the people who have already experienced the particular service, with the help of media, friends, peers etc .This has huge impact on consumers compare to advertising. Main advantage of social media is that it can enable companies to increase reach and reduce costs (Watson et al. 2002; Sheth & Sharma 2005).

McDonald's uses online channel to reinforce brand messages and relationships. They have built online communities for children, such as the Happy Meal website with educative and entertaining games to keep customers always close to themselves (Rowley 2004). Reinartz and Kumar (2003) found that the number of mailing efforts by the company is positively linked with company profitability over time. Digital technologies are no longer the preserve of tech-savvy early adopters, and today ordinary people are integrating them seamlessly

* Assistant Professor, Methodist College of Engineering and Technology, Abids, Hyderabad-01. E-mail: mgattoju@gmail.com

into their everyday lives.

Objectives

- To differentiate between Traditional Marketing and Digital Marketing.
- To study the various modes of digitalization
- To show various advantages to the customers through Digitalization.

Research Methodology

It is a descriptive study in which only secondary data is used for the study. The secondary data

is collected from sources like Publications, Websites, Books, and Newspapers.

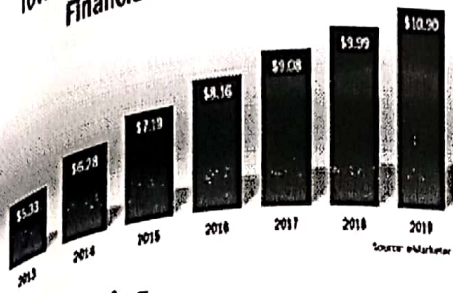
Strategies of Digitalization

Online Marketing

Internet marketing, or online marketing, refers to advertising and marketing efforts that use the Web and email to drive direct sales via electronic commerce, in addition to sales leads from Web sites or emails. Internet marketing and online advertising efforts are typically used in conjunction with traditional types of advertising such as radio, television, newspapers and magazines.

TRADITIONAL VS DIGITALIZATION	
Traditional Marketing	Digital Marketing
Traditional marketing includes print- Newspaper Magazines Journals etc Broadcast –Television Radio, Direct mail, and Telephone.	Digital marketing includes online Advertising, Email marketing, Social media, Text messaging, affiliate marketing, Facebook, Twitter, Mobile App search engine optimization, pay per click
One Way Communication – No immediate Feedback	Two Way Communication – Immediate Feedback
Demand forecast may not be accurate	Demand forecast accurate to a greater extent.
Advertising campaigns are planned for a long period of time	Advertising campaigns are planned for short period of time
Expensive and time-consuming process	Reasonably cheap and quick way to promote the products & Services
Not so Flexible - One campaign prevails for a long time	Flexible - Campaigns can be easily changed with ease and innovations can be introduced within any campaign
Limited reach to the customer due to limited number of customer technology	Wider reach to the customer because of the use of various modes of customers technology
Round the Clock availability is not possible	Available round the Clock
No ability to go viral	Ability to go viral
Responses can only occur during work hours	Response or feedback can occur anytime

Total Digital Ad Spending by U.S. Financial Institutions



Mobile Marketing

Mobile marketing consists of ads that appear on mobile smart phones, tablets, or other mobile devices. Mobile marketing ad formats, customization, and styles can vary, as many social media platforms, websites, and mobile apps offer their own unique and tailored mobile ad options. Business needs a mobile marketing strategy for the same reason as we need a computer and wi-fi access – this is the age in which we live. If we walk around any major city and we will find majority of people faces glued to their smart phone screens. According to recent reports, 40% of users' internet time is spent on mobile devices. Mobile marketing is crucial for connecting with consumers on the go, engaging them from offline to online touch points as part of an integrated marketing strategy.

Types of Mobile Marketing Strategies

Google AdMob help advertisers create mobile ads that appear within third-party mobile apps.

Facebook also allows advertisers to create ads that are integrated into Facebook's mobile app. Facebook's mobile Promoted Post ads integrate so seamlessly with Facebook's news feed that users often don't realize they're looking at ads.

In-game mobile marketing: In-game mobile marketing refers to mobile ads that appear within mobile games. In-game ads can appear as banner pop-ups, full-page image ads or even video ads that appear between loading screens. **QR codes:** QR codes are scanned by users, who are then taken to a specific

webpage **Location-based marketing:** Location-based mobile ads are ads that appear on mobile devices based upon a user's location relative to a specific area or business. **Mobile search ads:** These are basic Google search ads built for mobile, often featuring extra add-on extensions like click-to-call or maps. **Mobile image ads:** Image-based ads designed to appear on mobile devices. **SMS:** SMS marketing involves capturing a user's phone number and sending them text offers.

Email Marketing

It involves both advertising and promotional marketing efforts via e-mail messages to current and prospective customers. Financial Institutions communicate with their customers through this media. All the details and updates are communicated to the customers through Email from time to time. E-statements and E-certificates are also sent through this mode. Time and Energy saving. Environment friendly as it paper less.

Search Engine Optimisation

As a financial institution, your goal should be to be on the first page of Google search results when someone searches for banks or any type of Financial requirement. To get a website to rank highly on search engines, we need to communicate that our website provides value for customers. The language we use in our content should match the vocabulary employed by our consumer base.

Company's Website

Most millennials will begin a purchase decision with a web search. If people land on a website which is difficult to navigate, then they have a significantly harder time in becoming a customer. Website should be designed in such a way that it is an extension of sales team. It will often serve as the first point of contact between customers interested in your products and services and your brand. It is key to landing new customers.

Social Media

Social media marketing refers to the process

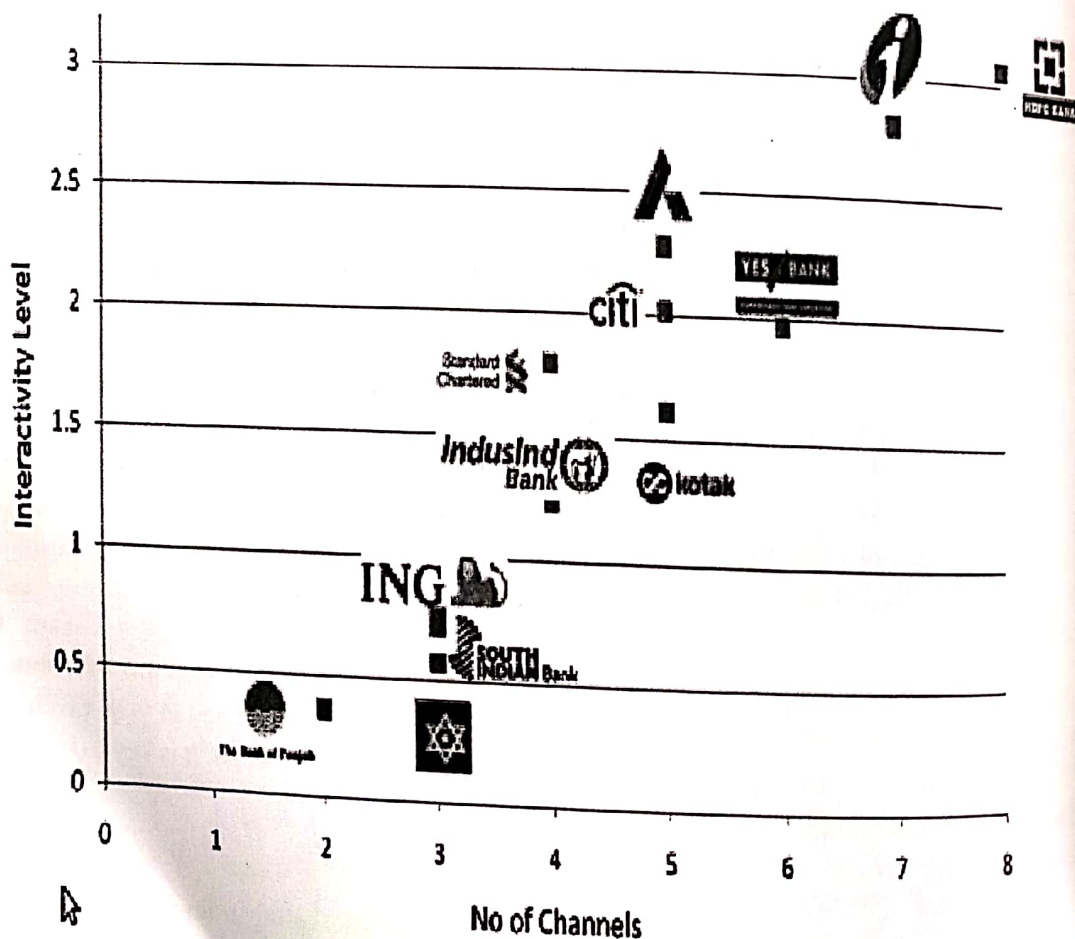
Banks	No of Channels	Social Grades
HDFC BANK	8	3.06
ICICI BANK	8	2.81
AXIS BANK	5	2.28
CITI BANK	5	2.02
YES BANK	6	1.97
KOTAK MAHINDRA	5	1.62
STANDARD CHARETERED	4	1.8
INDUS IND BANK	4	1.24
ING VYSYA BANK	3	0.79
SOUTH INDIAN BANK	3	0.72
KARNATAKA BANK	3	0.57
BANK OF PUNJAB	2	0.36

The Social Media Grades shows how active the banks are in the social media space

Calculated on a scale of 5, the Interactivity level of the banks in Facebook, Twitter, LinkedIn, YouTube and Blogs are taken into consideration

No of channels represents the bank's presence in any social networking sites

Social Media Grades for the Private Sector Banks In India



of gaining traffic or attention through social media sites. Such as Facebook, LinkedIn, Google+, YouTube, Del.icio.us, Twitter, Digg, blogs and other sites that have content based on user participation and user-generated content (UGC). It is computer based tool that allows people to create, exchange ideas, information and pictures about the company's offerings. Company can promote events concerning about products and services, explore new opportunities.

Twitter is all about discovering what's going on right now. As Bain notes, many users return to Twitter's homepage a few times per day just to see what's trending. Promoted Trends leverage that phenomenon by giving advertisers a premium position on the page.

Content Marketing

In Financial services Content Marketing plays a vital role. Content marketing is a strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly-defined audience — and, ultimately, to drive profitable customer action. Content is key to driving inbound traffic and leads.

Advantages of Digitalization

- Purchase and Selling of Shares online
- Making Fixed Deposit sitting at home
- Transferring Funds online and through mobile as well.
- All banking transactions are click away

- Increased use of Digital Wallets
- Making payments and getting updates at our comfort
- Cashless transactions
- Paperless transactions at Stock Markets
- Getting personal with more personalization
- Staying updated with any updates through emails by the company
- Scope for online query resolution
- Big data will help financial marketers turn analytics into profit, minimizing costs, mitigating risks and recognizing Opportunities.

Conclusion

Financial institutions need to grow beyond old forms of advertising, such as TV or newspaper advertisements. Customers are online, and banks need to be there to engage them and build the relationships that lead to brand loyalty and growth. Digital Marketing has no boundaries. Its very Cost effective. Companies should create innovative customer experiences and specific strategies of media to find the best path for gearing up Digitalization.

References

1. Digital Marketing - Damian Ryan and Calvin Jones
2. Digital Marketing - Godfrey Parkin
3. <http://www.digitalvidya.com/blog/digital-marketing-for-finance-industry/>
4. <http://contentmarketinginstitute.com/what-is-content-marketing/>
5. http://www.webopedia.com/TERM/D/digital_advertising.html