

Analyze the effectiveness of internet advertising of financial products and services on Banks' website

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ABSTRACT

Internet has emerged as the most effective and efficient alternative in advertising business for marketing around the globe. Consumers can scratch any information about the product on the internet. Through internet, companies catch their potential consumers in urban, semi urban and rural market. Dissemination of information has become easier through this advertising media. It has brought revolution in the marketing of financial products. New rules have been invented for the battlefield of advertising of banking products. Banks and financial institutions try to develop new innovative ideas for implementing customer relationship marketing strategies effectively and try to strengthen their relationship with customers. This research paper makes an attempt to analyze the effectiveness of internet advertising of financial products of banking products over their websites. ANOVA has been applied as a statistical technique to measure the perception of the respondents. Suggestions have been made in the end of the research paper for enhancing the effectiveness of internet advertising.

Key Word – Internet Advertising, Informative advertising, Confusing advertising, Annoying advertising, Anova

INTRODUCTION:

Since last one decade, the e- media has transformed the battleground for advertising of services and products. With the increase in awareness of internet and social media among masses, the corporate houses deployed a number of e-media sources to catch the potential customers for their products. Internet has emerged as the most effective and efficient advertising media for publicity of products across the globe. Internet has extended the haunting range of companies to catch their customers. Internet has opened the floodgates for the global marketing of products through various internet advertisings on companies own websites, own social media sites, emails and other mobile based facilities like SMS, MMS etc. Customers can know about any product, its specification, review of its users, its price and can compare the product with its competitive products at just sitting at their home. Accessibility of internet on mobile has

increased the pace of flow of information among customers. Companies, not only cover urban and semi urban based customers but also cover rural customers through internet and mobile based advertisings. Dissemination of product based information has become cost effective as well as time effective through internet. Companies emphasize more on that source of media which takes less time and consume less finance in disseminating information effectively to capture mass market. All the economic sectors have understood the significance on internet and social media for marketing and selling of their products. Financial sector does not remain unaffected from this attractive tool of capturing mass market. All the banks try to expand their marketing horizons by capturing the attention of customers through online advertisings. All the banks have launched their websites that are fully loaded with latest information of existing and fore coming products and services.

Albers – Miller and Shtraughan (2000) analyzed that mature domestic markets, highly competitive markets and limited future growth potential has been emerged as tough challenges for the banking industry since last two decades. Globalization and technological innovations catalyzed the transformation of banking industry. Services are intangible and it is easy to imitate for competitors. Most of the financial products have also similar features. In such a competitive scenario, acquisition of customers becomes a tough nut to crack for banks. Czinkota and Ronkainen (2004) observed that personal selling, direct marketing, public relations, sales promotion and effective marketing strategies have supreme impact on profitability of banking sector. Verhellan et al (1997) analyzed that in this fast changing competitive scenario in financial sector, banks try to develop and maintain innovative customer relationship marketing strategies. Daniels and Radebaugh (2001) stated that technology has changed the face of advertising in banking sector. With adoption of latest technology and cross border entrance of banks has set a different battlefield for banks. Floher – Nielsen (2002) observed that internet based advertising and internet based financial services in banking industry can be seen as integral part of strengthening the relationship between customers and banks. Advertising of financial products of banks has direct influence about customers' perception. Siau and Shen (2003) emphasize on availability of accurate and useful information about products on company's website for the customers.. Belch and Belch (2008) found that online advertising of products also speeds up the adoption of new products by the customers. Sometime customers do not have predetermined idea to search for particular product but online advertising of products on websites stimuli their attention towards products and their features. All the private as well as public sector banks use their websites to create awareness about their various financial products and policies among customers. As a customer click to visit the home page of any bank, information related to latest products as well as existing products displays on the home screen in an attractive and innovative manner. Sometimes banks upload some videos for better understanding of their

products to the customers. Many research studies have been conducted regarding the effectiveness of using these advertising media for creating awareness about their products.

The internet advertising of financial products on banks websites does not involve face to face interaction between customers and banks' representatives. Service gap has been created in internet advertising. Service quality has been emerged a vital challenges for the banking industry through internet advertising. The effectiveness of internet advertisings of financial products has become a debatable issue for banking industry.

- a) Whether the internet advertisings provide satisfactory information to the customers?
- b) Whether the internet advertisings create confusion among customers about banking products?
- c) Whether the internet advertisings annoy the customers who visit the banks' website for searching a particular product?

In the present study, an attempt has been made to analyze the effectiveness of internet advertisings of financial products and services over websites of banks.

RESEARCH METHODOLOGY

A questionnaire has been designed to collect the data for the research. The data has been collected from those respondents, who have experience of internet banking. 750 respondents were targeted out of which responses of 630 customers have been considered who visit the banks' websites for various purposes. The respondents were of between the age group of 25 years to 40 years. Respondents were questioned on the basis of the advertisements posted on the websites of their respective banks. Respondents have been grouped on the basis of their qualification level – Below Undergraduate level, Undergraduate level and Post graduate level. One-way Anova test has been applied by using SPSS 18. Post Hoc tests have been applied by using Tuckey test to know the difference in perceptions of respondents belong to different education level.

Hypotheses

The following hypotheses have been formulated to measure the effectiveness of internet advertisements on the basis of three factors – Informative, Confusing and Annoying.

H01 – Education level does not affect the perception about informative nature of internet

advertisings posted over banks' websites.

H02 - Education level does not affect the perception about confusing nature of internet advertisings

Internet Advertisement is informative

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Below Undergraduate	15	.4	.49	.04	.3	.5	0	1
Undergraduate	28	.2	.45	.02	.2	.3	0	1
Post Graduate	19	.3	.48	.03	.3	.4	0	1
Total	63	.3	.47	.01	.3	.4	0	1

Table 2- ANOVA Statistics for informative nature of Internet Advertisements

Internet Advertisement is informative

	Sum of Squares	d	f	Mean Square	F	Sig
Between Groups	2.25	3	2	1.12	5.00	.00
Within Groups	141.22	62	7	.22		
Total	143.47	65	9			

Table 3 - Post Hoc Tuckey for Multiple Comparisons of Internet Advertisements

(I) Level of Education of respondents	(J) Level of Education of respondents	Mean Difference (I-J)	Std. Error	Sig	95% Confidence Interval	
					Lower Bound	Upper Bound
Below Undergraduate	Undergraduate	.04	.05	.62	-.0	.1
	Post Graduate	.14	.04	.00	.0	.2
Undergraduate	Below Undergraduate	-.04	.05	.62	-.1	.0
	Post Graduate	-.09	.04	.03	-.2	.0
Post Graduate	Below Undergraduate	-.14	.04	.00	-.2	-.0
	Undergraduate	.09	.04	.03	.0	.2

*. The mean difference is significant at the 0.05 level

posted over banks' websites.

H03- Education level does not affect the perception about annoying nature of internet advertisings posted over banks' websites.

Results and Discussion

Objective 1 - Internet advertisings are Informative

Table 1 – Descriptive Statistics for informative nature of Internet Advertisements

On the basis of the above statistical results, Null hypothesis has been rejected as the significant value in ANOVA table is 0.007 which is lesser than 0.05. Rejection of Null hypothesis means there is a difference in the opinion of respondents from all three segments regarding the informative nature of internet advertisements. It has been analyzed from the results of Post hoc test (Tuckey test) that the post graduate respondents have a different opinion than undergraduate and below undergraduate respondents. Post Graduate respondents are not

satisfied by the information about products and services provided by the banks in their internet advertisements. Undergraduate and below undergraduate respondents are satisfied from the information about products and services provided by the banks in their internet advertisements.

Objective 2 – Internet advertisements are Confusing

Table 4 – Descriptive Statistics for Confusing nature of Internet Advertisements

Internet Advertisement is confusing

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Below Undergraduate	15	.8	.38	.03	.7	.8	0	1
Undergraduate	28	.8	.38	.02	.7	.8	0	1
Post Graduate	19	.8	.39	.02	.7	.8	0	1
Total	63	.8	.38	.01	.7	.8	0	1

Table 5 - ANOVA Statistics for Confusing nature of Internet Advertisements

Internet Advertisement is confusing

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.017	2	.008	.058	.943
Within Groups	92.714	60	.154		
Total	92.731	62			

Table 6 - Post Hoc Tuckey for Multiple Comparisons of Internet Advertisements

Internet Advertisement is confusing

Tukey HSD

(I) Level of Education of respondents	(J) Level of Education of respondents	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Below Undergraduate	Undergraduate	-.008	.039	.976	-.100	.084
	Post Graduate	.004	.042	.996	-.080	.079
Undergraduate	Below Undergraduate	.008	.039	.976	-.084	.068
	Post Graduate	.012	.036	.942	-.077	.063
Post Graduate	Below Undergraduate	-.004	.042	.996	-.100	.092
	Undergraduate	-.012	.036	.942	-.100	.076

Null hypothesis has been accepted for the second objective on the basis of above statistical results. Significant value is 0.946 which is higher than 0.05. Higher the significant value means all the respondents have similar opinion about internet advertising of financial products and services. Respondents from all three education segments feel that they usually get confused by the information

providing in internet advertisings. Sometimes internet advertisings are very complex and they show long text, videos and fast voice in very little time that it become impossible for the users to grab all the necessary information about products and they get confused. Sometime internet advertisings are not able to deliver the target information in predetermined context for which they are designed.

Objective 3 – Internet advertising is Annoying

Table 7 – Descriptive Statistics for Annoying nature of Internet Advertisements

Internet Advertisement is annoying

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Below Undergraduate	15	4.7	5.43	6.03	5.6	8.8	2	1
Undergraduate	28	2.8	5.36	0.02	1.8	1.8	9	1
Post Graduate	19	4.7	8.41	3.03	0.7	3.8	4	1
Total	63	0.8	0.39	8.01	6.7	7.8	3	1

Table 8 - ANOVA Statistics for Annoying nature of Internet Advertisements

Internet Advertisement is annoying

	Sum of Squares	d	f	Mean Square	F	Sig.
Between Groups	1.12	0	2	.560	3.56	.029
Within Groups	98.47	4	62	.157		
Total	99.59	4	62			

Table 9 - Post Hoc Tukey for Multiple Comparisons of Internet Advertisements

Internet Advertisement is annoying

Tukey HSD

I: Level of Education of respondents	J: Level of Education of respondents	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval		
					Lower Bound	Upper Bound	
Below Undergraduate	Undergraduate	-.101	.04	.03	1	-.19	-.01
	Post Graduate	-.03	.07	.02	6	-.14	-.06
Undergraduate	Below Undergraduate	.101	.04	.03	1	.01	.19
	Post Graduate	.06	.04	.19	4	-.02	.15
Post Graduate	Below Undergraduate	.03	.07	.02	6	-.06	.14
	Undergraduate	-.06	.07	.19	4	-.15	.03

*. The mean difference is significant at the 0.05 level

Null hypothesis has been rejected in the third objective as the significant value is 0.029 which is lower than 0.05. Rejection of null hypothesis shows that respondents have different views about sense of annoying created by the internet advertisings. Post Hoc Tuckey test shows that below undergraduate respondents have different opinion than other respondents whereas undergraduate and post graduate respondents have similar views. Below undergraduate respondents feel that some time when they look for information about some particular products, then internet advertising automatically display and restrict their search. It wastage their time and they feel annoyed.

Conclusion and Implications

It has been observed from the analysis that majority of the advertisements posted on the banks' websites provide satisfactory information to the customers related to financial products and services. Some information related to products create confusion in customers mind that also causes less popularity of products. The main reason behind the confusion in advertisements is that companies try to put more and more information in single advertisement which sometime creates a misunderstanding about functions of products. The users with education level of below undergraduate level consider these advertisements as hurdles in their searching and create a sense of annoying in their mind. The advertisements that pop up immediately without clicking on it make the users annoyed.

On the basis of the results of present study it has been recommended that banks must display internet advertising that must disseminate product related information in a digestive manner for the customers. Only the relevant and crystal clear message related to products should be conveyed in short time. It will leads to consume less time and create less confusion in understanding the message to the consumers. This will increase the effectiveness of internet advertisings. Banks must develop advertising that must be understandable to all education segments as sometime the people which are not well qualified but can be transform into potential customers may not

able to understand the message in advertisement because of its lengthy context, language etc. and lose their interest in particular product. The above discussed factors definitely will help the banks in developing effective marketing strategies through internet advertisings that will help them in expanding their customer base.

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