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ADVERTISEMENT IN THE BANKING SECTOR: ANALYSIS AND COMPARISON BETWEEN PRIVATE AND PUBLIC LIMITED BANKS

* Anita Ramrakhyani, *Resaerch Scholar , RKDF University , Bhopal, MP*
** N .K. Srivastava, *Dean & Head , Department of Commerce, RKDF University , Bhopal, MP*
*** Surya Prakash, *Assistant Professor, Department of Commerce, SRCC, Delhi University*

Abstract:

As the whole world is in competition so is the banking industry. To beat the competition in quantity and price and to win the prospects there is a need to advertise the products and services to the right audience at the right time. The scope of the paper is to examine the relationship between advertising by public and private sector banks and its possible influence on potential customers to select their bank. The survey collected 300 questionnaire to provide the Imperial database for enquiry and reached to the conclusion of existence and implication of advertisement in banking sector. The paper concludes that in comparison to exhibition, trade shows, cinema, sports events ,weekly and monthly magazines, hoardings, etc are very less influential as compared to TV advertisements, newspapers, poster display, pamphlets, mobile and Internet media in the present scenario. The paper compares and evaluates the advertising campaigns and strategies adopted by public and private limited banks and winds up with the findings that the primary objective of advertising is to create knowledge of the organization and the products and services it offers. It also facilitates to set up a link between consumers and the organization, in order to attain some sort of emotional bond.

Key Words: Banking advertisement, bank competition, banking industry, SBI, ICICI.

INTRODUCTION:

Promotion is the direct way an organization attempts to reach its public and is performed through the five elements of promotion mix including advertising, sales promotion, personal selling, public relations, and direct marketing (Czinkota & Ronkainen, 2004).The paper focuses on the challenges of marketing being faced by

public and private sector banks in India. A special focus is made on advertisement and its modes used by banks to attract more customers. Advertisement has become the necessity of today's life due to the role it plays in everyone's life, be it the customer, the government or the entrepreneur. Advertisement is important for customer as it makes them aware of the new products and services in the market. People act rational and can be made happy after the purchase. It is important for banks as it increases their sale, helps them in understanding the competition and make new launching. It also helps in creating goodwill and loyal customers. It is helpful for society in educating the people on social issues like child labour, smoking, family planning ,etc. In Bank advertisement there are two problems, firstly it is not a routine purchase, so care has to be taken while selling the products and needs hitting again and again . Secondly, contradictory to its purchase, the services are required 24/7 in the form of e-banking, m-banking, iMobile, etc. benefiting customers in terms of choice and convenience at lower overall prices.

The Indian banking sector is regulated by the **Reserve Bank of India Act** 1934 (**RBI Act**) and the **Banking Regulation Act** 1949 (**BR Act**). The central bank, issues various guidelines, notifications and policies from time to time to regulate the banking sector. At present ,till April 2020, there are 12 public sector banks and 22 private sector banks in India. The data available on RBI website shows that on advertising and publicity 19 public sector banks in the financial year 2018 spent Rs. 48.8 lakh as compared to private sector banks spending 200 times more, Rs. 95 Cr. on advertising. The table below also figures out the facts from the website on expenditure being done by public sector banks compared to private sectors banks on advertisement.

In Rs Lakhs

Name of Bank	FY14	FY15	FY16	FY17	FY18
Bank of Baroda	6.3	7.1	7.5	9.9	11
State Bank of India	.60	28	30	2.8	3.5
HDFC Bank Limited	14.3	18.7	24.8	20.4	17.1

Source: Company website, RBI, BSE

The difference is not only in terms of the amount of expenditure made by the private and public sector banks but also on the focus area of advertising. The private sector is inclined more towards advertisement on niche marketing of Credit Cards, mutual funds and insurance rather than on promoting core banking facilities such as deposit and loans. The upcoming competition is going to be more fierce with Paytm and Airtel picking up the banking operations to the next level of services.

OBJECTIVE OF THE STUDY

1. **To study the various tools of advisement used in marking of banking services.**
2. **The new roles and effectiveness of advertising**
3. **To compare the effectiveness of advertisement strategies in private and public sector banks in India.**

TESTING OF HYPOTHESIS

The following hypothesis was drawn and tested to fulfill the objectives of study.

H0: All types of advertisement tools are equally utilized to give information to the customers about banking products and services

LIMITATIONS OF THE STUDY

The study is confined to the states of Delhi and UP. 600 respondents were only taken into consideration to reach to the conclusion. The study did not take into consideration the background of the customers such as their education, income, marital status, etc. Due to the privacy clause of banks, they were reluctant to release the confidential information of their customers.

RESAERCH METHODOLOGY

The study is applied in nature and the researcher has used survey method to achieve the objectives of study. The study compares the two giant banks in India, SBI and ICICI Bank from the public and private sector respectively. The primary data are collected from the cities of Delhi and UP state. The secondary data was collected from the published material and websites of RBI , SBI and ICICI Bank. The annual report of the concerned Banks were also collected and studied for the purpose. The questionnaire of 600 customers of SBI and ICICI from the states of Delhi and UP is studied to draw the interpretations and reach to the conclusion.

STATISTICAL TOOLS

In order to analyze and interpret data, the researcher has used statistical tools like f test and ANOVA to make the data to be understood easily by the reader.

Sample Size: 600

City	Customers of	
	Public Bank	Private Bank
Varanasi	75	75
Delhi	75	75
Ghaziabad	75	75
Allahabad	75	75

ANALYSIS AND INTERPRETATION

Advertisement tools as a source of customers' knowledge about bank

Table-01 Exhibition/Trade Shows as a source of customers' knowledge about bank

		Exhibition/Trade Shows			Total
		Highly Agree	Agree	Not Agree	
Bank Category	Public Sector Bank	1	88	190	279
	Private Sector Bank	2	57	222	281
Total		3	145	412	560

Comparatively few Customers from public sector banks got knowledge about their banks through exhibition/ trade shows.

Table-02 Sport Games/Awards as a source of customers' knowledge about bank

Bank Category		Sport Games/Awards			Total
		Highly Agree	Agree	Not Agree	
Bank Category	Public Sector Bank	16	71	192	279
	Private Sector Bank	67	84	130	281
Total		83	155	322	560

Comparatively few Customers of public from public sector banks got knowledge about their banks through sports & awards.

Table-03 Friends as a source of customers' knowledge about bank

Bank Category		Friends			Total
		Highly Agree	Agree	Not Agree	
Bank Category	Public Sector Bank	70	178	31	279
	Private Sector Bank	94	110	77	281
Total		164	288	108	560

Comparatively more Customers from public sector banks got knowledge about their banks through friends.

Table-04 News Papers as a customers' source of information about banking Products & Services

		News papers			Total
		Highly Agree	Agree	Not Agree	
Bank Category	Public Sector Bank	84	103	92	279
	Private Sector Bank	58	120	103	281
Total		142	223	195	560

Comparatively less number of Customers from public sector banks got knowledge about their product and services through news papers.

Table-05 T.V. Advertisement as a customers' source of information about banking Products & Services

		T.V. advertisement			Total
		Highly Agree	Agree	Not Agree	
Bank Category	Public Sector Bank	46	145	88	279
	Private Sector Bank	109	74	98	281
Total		155	219	186	560

Comparatively more Customers from public sector banks got knowledge about their product and services through T.V. advertisement.

Table-06 Weekly/ Monthly magazines as a customers' source of information about banking Products & Services

		Weekly/monthly magazines			Total
		Highly Agree	Agree	Not Agree	
Bank Category	Public Sector Bank	2	78	199	279

	Private Sector Bank	1	54	226	281
Total		3	132	425	560

Comparatively more Customers from public sector banks got knowledge about their banks through weekly/monthly magazines.

Table-07 Internet Advertisement as a customers' source of information about banking Products & Services

		Internet advertises			Total
		Highly Agree	Agree	Not Agree	
Bank Category	Public Sector Bank	64	122	93	279
	Private Sector Bank	67	149	65	281
Total		131	271	158	560

Comparatively less number of Customers from public sector banks got knowledge about their product and services through Internet advertisements.

Table-08 Cinema as a customers' source of information about banking Products & Services

		Cinema			Total
		Highly Agree	Agree	Not Agree	
Bank Category	Public Sector Bank	2	52	225	279
	Private Sector Bank	7	40	234	281
Total		9	92	459	560

Most of the customers of all selected category banks do not get the product & service knowledge through cinema

Table-09 Mobile as a customers' source of information about banking Products & Services

		Mobile			Total
		Highly Agree	Agree	Not Agree	
Bank Category	Public Sector Bank	79	116	84	279
	Private Sector Bank	158	42	81	281
Total		237	158	165	560

Comparatively few Customers from public sector banks got knowledge about their banks through mobile

Table-10 Hoardings as a customers' source of information about banking Products & Services

		Hoardings			Total
		Highly Agree	Agree	Not Agree	
Bank Category	Public Sector Bank	0	106	173	279
	Private Sector Bank	5	62	214	281
Total		5	168	387	560

Most of the customers of all selected category banks do not get the product & service knowledge through hordings.

Table-11 Pamphlets as a customers' source of information about banking Products & Services

		Pamphlets			Total
		Highly Agree	Agree	Not Agree	
Bank Category	Public Sector Bank	52	165	62	279
	Private Sector Bank	82	167	32	281
Total		134	332	94	560

Comparatively less number of customers from public sector banks are aware about their bank's pamphlets.

Table-12 Poster Display as a customers' source of information about banking Products & Services

		Poster display			Total
		Highly Agree	Agree	Not Agree	
Bank Category	Public Sector Bank	126	150	3	279
	Private Sector Bank	117	164	0	281
Total		243	314	3	560

Comparatively customers of all selected category banks are not aware about their bank's poster display.

H0: All types of advertisement tools are equally utilized **to give information to the customers about banking products and services**

H0a: There is no difference in the customers who get the information about product & services through Advertisement of their banks under study.

		Sum of Squares	df	Mean Square	F	Sig.	Hypothesis
Advertisement	Between Groups	14.05	2	7.025	22.168	0	**Rejected**

	Within Groups	176.506	557	0.317			
	Total	190.555	559				

Advertisement as a source of customers' knowledge about bank

Interpretation: It is clear from the ANOVA table that F test is significance at 0.000 level of significance. So, null hypothesis is rejected and it can be concluded that there is a significant difference in the customers who get the information about product & services through Advertisement of their banks under study.

H0b: There is no difference in the customers who get the information about product & services through Sales Person of their banks under study.

		Sum of Squares	df	Mean Square	F	Sig.	Hypothesis
Sales Person	Between Groups	61.669	2	30.835	169.84	0	**Rejected**
	Within Groups	101.123	557	0.182			
	Total	162.793	559				

Sales Person as a source of customers' knowledge about bank

Interpretation: It is clear from the ANOVA table that F test is significance at 0.000 level of significance. So, null hypothesis is rejected and it can be concluded that There is a significant difference in the customers who get the information about product & services through Sales Person of their banks under study.

H0c: There is no difference in the customers who get the information about product & services through Exhibition/Trade Shows of their banks under study.

		Sum of Squares	df	Mean Square	F	Sig.	Hypothesis
Exhibition/ Trade Shows	Between Groups	2.088	2	1.044	5.092	0.006	**Rejected**
	Within Groups	114.196	557	0.205			
	Total	116.284	559				

Exhibition/Trade Shows as a source of customers' knowledge about bank

Interpretation: It is clear from the ANOVA table that F test is significance at 0.006 level of significance. So, null hypothesis is rejected and it can be concluded that there is a significant difference in the customers who get the information about product & services through Exhibition/Trade Shows of their banks under study.

H0d: There is no difference in the customers who get the information about product & services through Sport Games/Awards of their banks under study.

		Sum of Squares	df	Mean Square	F	Sig.	Hypothesis
Sport Games/ Awards	Between Groups	97.107	2	48.554	131.35	0	**Rejected**
	Within Groups	205.891	557	0.37			
	Total	302.998	559				

Sport Games/Awards as a source of customers' knowledge about bank

Interpretation: It is clear from the ANOVA table that F test is significance at 0.000 level

of significance. So, null hypothesis is rejected and it can be concluded that there is a significant difference in the customers who get the information about product & services through Sport Games/Awards of their banks under study.

H0e: There is no difference in the customers who get the information about product & services through Friends of their banks under study.

		Sum of Squares	df	Mean Square	F	Sig.	Hypothesis
Friends	Between Groups	69.522	2	34.761	98.345	0	Rejected
	Within Groups	196.878	557	0.353			
	Total	266.4	559				

Friends as a source of customers' knowledge about bank

Interpretation: It is clear from the ANOVA table that F test is significance at 0.000 level of significance. So, null hypothesis is rejected and it can be concluded that There is a significant difference in the customers who get the information about product & services through Friends of their banks under study.

H0f: There is no difference in the customers who get the information about product & services through news papers of their banks under study.

		Sum of Squares	df	Mean Square	F	Sig.	Hypothesis
News papers	Between Groups	138.086	2	69.043	198.34	0	Rejected
	Within Groups	193.898	557	0.348			
	Total	331.984	559				

News Papers as a customers' source of information about banking Products & Services

Interpretation: It is clear from the ANOVA table that F test is significance at 0.000 level of significance. So, null hypothesis is rejected and it can be concluded that there is a significant difference in the customers who get the information about product & services through news papers of their banks under study.

H0g: There is no difference in the customers who get the information about product & services through T.V. advertisement of their banks under study.

		Sum of Squares	df	Mean Square	F	Sig.	Hypothesis
T.V. advertisemen	Between Groups	220.026	2	110.013	513.82	0	**Rejected**
	Within Groups	119.258	557	0.214			
	Total	339.284	559				

T.V. Advertisement as a customers' source of information about banking   Products & Services

Interpretation: It is clear from the ANOVA table that F test is significance at 0.000 level of significance. So, null hypothesis is rejected and it can be concluded that There is a significant difference in the customers who get the information about product & services through T.V. advertisement of their banks under study.

H0h: There is no difference in the customers who get the information about product & services through Weekly/monthly magazines of their banks under study.

		Sum of Squares	df	Mean Square	F	Sig.	Hypothesis
Weekly/ monthly magazine	Between Groups	1.772	2	0.886	4.56	0.011	Rejected
	Within Groups	108.221	557	0.194			
	Total	109.993	559				

Weekly/ Monthly magazines as a customers' source of information about banking Products & Services

Interpretation: It is clear from the ANOVA table that F test is significance at 0.011 level

of significance. So, null hypothesis is rejected and it can be concluded that There is a significant difference in the customers who get the information about product & services through Weekly/monthly magazines of their banks under study.

H0i: There is no difference in the customers who get the information about product & services through Internet advertise of their banks under study.

		Sum of Squares	df	Mean Square	F	Sig.	Hypothesis
Internet advertises	Between Groups	13.285	2	6.643	13.483	0	**Rejected**
	Within Groups	274.413	557	0.493			
	Total	287.698	559				

Internet Advertises as a customers' source of information about banking Products & Services

Interpretation: It is clear from the ANOVA table that F test is significance at 0.000 level of significance. So, null hypothesis is rejected and it can be concluded that there is a significant difference in the customers who get the information about product & services through Internet advertises of their banks under study.

H0j: There is no difference in the customers who get the information about product & services through Cinema of their banks under study.

		Sum of Squares	Df	Mean Square	F	Sig.	Hypothesis
Cinema	Between Groups	1.841	2	0.921	4.904	0.008	**Rejected**
	Within Groups	104.552	557	0.188			
	Total	106.393	559				

Cinema as a customers' source of information about banking Products & Services

Interpretation: It is clear from the ANOVA table that F test is significance at 0.008 level of significance. So, null hypothesis is rejected and it can be concluded that There is a significant difference in the customers who get the information about product & services through Cinema of their banks under study.

H0k: There is no difference in the customers who get the information about product & services through Mobile of their banks under study.

		Sum of Squares	df	Mean Square	F	Sig.	Hypothesis
Mobile	Between Groups	245.398	2	122.699	463.83	0	**Rejected**
	Within Groups	147.345	557	0.265			
	Total	392.743	559				

Mobile as a customers' source of information about banking Products & Services

Interpretation: It is clear from the ANOVA table that F test is significance at 0.000 level of significance. So, null hypothesis is rejected and it can be concluded that there is a significant difference in the customers who get the information about product & services through Mobile of their banks under study.

H0l: There is no difference in the customers who get the information about product & services through Hoardings of their banks under study.

		Sum of Squares	Df	Mean Square	F	Sig.	Hypothesis
Hoardings	Between Groups	21.391	2	10.695	54.143	0	**Rejected**
	Within Groups	110.031	557	0.198			
	Total	131.421	559				

Hoardings as a customers' source of information about banking Products & Services

Interpretation: It is clear from the ANOVA table that F test is significance at 0.000 level of significance. So, null hypothesis is rejected and it can be concluded that there is a significant difference in the customers who get the

information about product & services through Hoardings of their banks under study.

H0m: There is no difference in the customers who get the information about product & services through Pamphlets of their banks under study.

		Sum of Squares	df	Mean Square	F	Sig.	Hypothesis
Pamphlets	Between Groups	11.313	2	5.657	14.734	0	**Rejected**
	Within Groups	213.83	557	0.384			
	Total	225.143	559				

Pamphlets as a customers' source of information about banking Products & Services

Interpretation: It is clear from the ANOVA table that F test is significance at 0.000 level of significance. So, null hypothesis is rejected and it can be concluded that there is a significant difference in the customers who get the information about product & services through Pamphlets of their banks under study.

H0n: There is no difference in the customers who get the information about product & services through Poster display of their banks under study.

		Sum of Squares	df	Mean Square	F	Sig.	Hypothesis
Poster display	Between Groups	6.77	2	3.385	13.825	0	**Rejected**
	Within Groups	136.373	557	0.245			
	Total	143.143	559				

**Poster Display as a customers' source of information about banking
Products & Services**

Interpretation: It is clear from the ANOVA table that F test is significance at 0.000 level of significance. So, null hypothesis is rejected and it can be concluded that There is a significant difference in the customers who get the information about product & services through Poster display of their banks under study.

FINDINGS & SUGGESTIONS

- All the bank categories use exhibition/trade shows, cinemas, sports games, award ceremonies, weekly/monthly magazines, hoardings in very less proportion compared to other ways of advertising its products and services.

- Most of the customers get more informed about their banks & its products through friends. So, putting efforts behind framing positive word of mouth would be better option for this type of banks. T.V. Advertisement, news papers, poster display, pamphlets, mobile and internet are the most commonly used ways to get connected closely with the customers and inform them about their services.

- The duration of COVID-19 has given space to technology , to work 24*7 and the availability of the bank at any given space.

- The new ventures like Paytm and Airtel are giving tough competition to the traditional old Bank like SBI and ICICI Bank in terms of serving the future demands of the people.

- In order to attract the customers, sometimes the banks do exploit each other. So instead, they should differentiate among themselves in terms of products and services and leave the rest to be decided by the public.

- The banks do advertise through various means and ways to reach to its public. To reach to its target market, it is advisable to use TV Advertisement, Newspapers and Internet, the best platforms where people spend time.

CONCLUSION

The paper has taken into consideration the view points of customers and marketers to compare the advertisement campaigns of SBI and ICICI, the two leading banks in India from public and private sector respectively. The data collected from the respondents of India aimed at confining the advertisement tools used by banking organizations to increase the size of their market. The data analysis found that TV Advertisement, newspapers and internet play lead role in attracting new customers as compared to other means of advertising. During the duration of lockdown, the people have become more tech savvy . they are spending more time on internet and this has increased the demand for M banking and I banking. The new players like Paytm and Airtel are giving a tough time to traditional old Bank like SBI and ICICI. The research can be extended to entire financial services in marketing their products and compare the effectiveness of advertisement in financial service organization.

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