
Promotional Strategies Direct Marketing and Technological Innovations in Banking

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Modern advertising strategies involve the use of a bank's media and consumer incentives, so that banking institution, and thus offer products/services to cause favorable changes in mentality and their consumption habits, also important is the establishment an effective communication with employees, shareholders, competitors.

Promotion strategies are essential to business success. Success is guaranteed if the message is sent to the right people at the right time. Promotion has a special place in the marketing mix because it is created by, developed and made known image of the institution, services and products.

Technological innovations, but fierce competition and changing purchasing behavior of the beneficiaries of banking services and products banks have challenged management, directing their work towards introduction of modern technologies to promote banking products and services.

Adapting to new technologies and innovations in the field needs is strategic for any financial institution aimed at both retail and corporate activity which leads to improved operative staff, by targeting the growing activities of guidance, coordination and advice to clients.

Keywords: direct marketing, promotion strategies, banks, technological innovation

Introduction

Advertising today undergone little change since the experts are trying to focus increasingly on direct forms of communication with consumers. Marketing communications in the past was a monologue - were used to address ways consumers through mass media today, communication has become in dialogue. Phone, mail, Internet, institutions communicate directly with consumers, being able to answer their messages immediately. A short definition of direct marketing is all about: it is close to current and potential consumers by influencing their attitudes and behavior, leading to an answer quickly and accurately assessed.

Direct marketing is to *"connect directly with consumers carefully selected and targeted to achieve an immediate response and to cultivate long term relationships with them"*, (Armstrong G., Kotler Ph., 2003).

According to Ph. Kotler (Ph. Kotler, K.L. Keller, 2008), *"direct marketing channels is the use of direct connection with consumers to address their customers and deliver goods and services without using the mediator of marketing. These channels are: direct mail offer, selling on the catalogs, telemarketing, interactive television, computer sales presentations calling for public websites and mobile sites"*.

Using databases of current customers, banks adjust their offer to specific needs of each client and communicate with him personally. Market research contributes greatly to the establishment of direct marketing strategies by gathering market information, competition, consumer needs, distribution channels.

Laurent and Jean Paul Quioc Hermel (Hermel, L., Quioc, J.P., 1994) define direct marketing as *"an element of the communication policy of the enterprise ... which is characterized by a relationship that facilitates the creation of individualized, personalized and interactive customer potential"*.

Richard Weiner (Richard Weiner, 1990) defines direct marketing as *"distribution, promotion and sales through one or more media that connects seller and buyer and are designed to generate a direct response, differentiated by advertising, created by a producer specialized that motivate consumers to purchase through an intermediary such as a retailer"*.

As a conclusion, based on definitions provided we can say that direct marketing is presented as all communication techniques used by institutions in order to establish direct contacts and interactive individual other than those that put the consumer face to face with a service/product contacts aimed at triggering a rapid response from the target consumers.

In services, direct marketing, relationship has grown as an institution - the client is a direct and beneficial for both parties. Banks using direct marketing strategies because it is direct and effective method of communication with clients of the bank offering the possibility of achieving relationships individualized, personalized and interactive with them.

Thanks to technology development in informatics and telecommunications, direct marketing strategies have a strong impact on the communication process all messages to customers. This requires direct communication to take certain methods of communication, efficiency and seriousness from those who sent messages. Due to the emergence of the new distribution channel - the Internet have created great opportunities for direct marketing.

Specialists in marketing strategies stated (G. Hamel, J. Sampler, 1998): "*The Internet is not just another distribution channel for marketing or other communications medium, or a way to trade in speed, the Internet is the foundation for a new industrial order. Will change the relationship between consumers and producers (providers) in ways more profound than we can imagine*". The new direct marketing concept change institutions on building relationships with consumers. Figure 1 are direct marketing components and connections between them. The components of direct marketing presented in Figure 1.

Messages are designed to clearly defined and focus on achieving benefits. How to maximize profit is the focus of any institution, is the leading direct marketing to achieve immediate performance or develop long term relationships with clients.

Still present **advantages** and **disadvantages** of **direct marketing** used in banking:

Direct marketing strategies

Their development aims, as well as general marketing strategy of the institution to seize all opportunities offered by the external environment of marketing skills using its own resources in relation to or attracted, technical, financial, human and information.

Banks believe in direct marketing strategies a number of reference elements among which are: the objectives of campaigns, updating databases with information about current and potential customers, target segments, positioning relative to competition, continuing the campaign and specific activities.

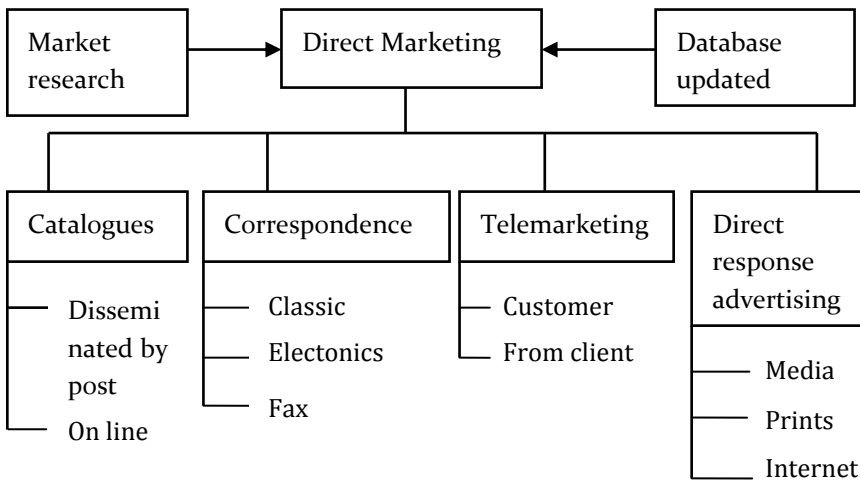


Figure 1: Components of Direct Marketing (W. Wells, J. Burnett, S. Moriarty, 2003)

Databases are key to direct marketing. According to the Direct Marketing Association, a database has four main objectives:

- maintain current and potential customers list;
- to provide a means of storing and measuring results with direct response advertising;

- to provide a means of providing storage and performance measurement;
- provide a direct means of communication continues, by mail or telephone.

Table 1: Advantages and disadvantages of direct marketing used in banking

ADVANTAGES	DISAVANTAGES
<ul style="list-style-type: none"> - easy to use, comfortable and personalized (customers can get information about the institution, existing product range, ongoing promotions at any time using the Internet); - value added service/product because buying interests, they are not limited to a certain space or a banking premises of the institution; - tool that creates and strengthens customer relationships through database created and updated; - offers flexibility in space and time of all consumers, this is due to access and use the Internet; - obtain immediate performance and long-term development of relationships with customers; - direct marketing today holds an important position in relation to traditional marketing activities; - offers banks can control and adapt them according to specific requirements of each client. 	<ul style="list-style-type: none"> - database of customer information must be accurate; - there is still a slight reluctance from consumers to conduct online transactions, or to provide personal information, otherwise than by direct contact with bank employees, the lack of banking and financial education; - some consumers believe, sometimes, direct marketing as an invasion of privacy (consumers who use the services/products the bank, or used in databases are added, such institutions with access to their personal data to send messages about the offer existence); - Consumers sometimes feel irritated by the increasing number of direct marketing insistent requests in order of sale.

Marketing database is composed of (W. Wells, J. Burnett, S. Moriarty, 2003):

- Collection

- Data entry
- Evaluation of data
- Group data
- Application data
- Data sharing
- Maintaining data.

The link that exists between direct marketing strategies and marketing the traditional direct marketing as it shaped the outlook of the institutions. Establishing direct marketing strategies involves the following steps:

- setting goals and determining strategic decisions - it starts from the results of a previous market study done by the market segmentation and choosing target segment of consumers; direct marketing objectives are: providing information to current and potential customers, motivating customers to visit bank to participate in certain events, receipt of payment after delivery and receipt of orders.
- offer services/products - choosing the best channel for communicating the message description of the service/product by communicating customer benefits; the message must be simple, to avoid confusion;
- immediate response - while train tracks consumer interest in advertising a particular service/product, direct marketing is to target immediate response;
- the actual performance - takes place simply and promptly;
- maintain and update the database with current and potential customers essential aspect in the success of direct marketing.

By developing direct marketing strategies, institutions shall consider, among other issues, customer segments, which are divided into: individual consumers, consumers organizational both.

For each segment in part are created different direct marketing strategies, as these major groups significantly different needs and

requirements so as well as purchasing behavior and expectations in relation to the banking institution. Thus, we talk about:

- Strategy oriented segment consumers (consumer retail banking) - is used when the target market consists only of the institution of individual consumers, whom it is addressed through direct marketing campaigns in order to generate sales. (e.g. job and banking products offered to individuals);
- Consumer-oriented strategy organizational segment (corporate banking customers) - used to address different dimensions of institutions, public institutions, non-profit organizations through the implementation of direct marketing campaigns which aim in particular to prepare the sale or creation of traffic operational points of the institution;
- Oriented strategy both consumer segments - requires consideration in launching direct marketing campaigns, some elements of differentiation to determine the objectives pursued, the target definition, choosing media and creating messages to be transmitted.

In launching direct marketing campaigns are used a lot of channels to address current and potential individual clients, through: mail (direct mail address), catalogs, telemarketing, television, internet and other direct-response media.

Regardless of the means chosen to communicate with customers, manage customer information is essential for many companies. Always direct marketing will play an important role in the marketing mix.

Having to do with consumers becoming better informed, a market becoming more dynamic, marketing and sales decisions go primarily to consumers, so customers need direct communication with those who make profit company, is imperative.

Direct marketing involves dialogue, and it cannot be achieved only by one or one's postal mail. Is a sequence of interactions, beneficial for both parties.

Direct marketing campaigns have been, are and will be used by all institutions who understand the benefits of direct communication with the consumer.

We believe that direct marketing strategies should not miss the mix of communication strategies, especially for institutions that want to personalize promotional message or channel their communication efforts to a sharp target market.

Technological innovations in banking sphere

The evolution of technology, increased competition and changing consumer buying behavior challenged the leadership of banks, leading to the introduction of modern technologies in their work to promote banking products and services. OSLO Manual (for collecting and interpreting Manual. Guidelines OSLO data,3rd ed. OECD innovation/European Communities, 2005), recommends the following definition of conceptual innovation (technical): "An innovation is the implementation of new or significantly improved product (good or service), or a process, a new marketing method, or methods of organization in our business practice in workplace organization or external relations".

Minimum requirement for innovation is that product, process, marketing method or methods of organization must be new (or significantly improved) for the company. Access to information contributes to the development of modern society, by training volume and diversity of information processing and information and communications technology, leading to an information society.

It is a new stage of human civilization, which involves intensive use of information with a strong impact on the economy and society, in order to achieve and fulfill certain purposes.

Banking area known today significant changes influenced by the needs and wants. As a result, the operations of banking institutions should become more "*intelligent*" and conventional functions of agencies should change at the same rate. Example: Citibank Romania opened in early 2011 the first agency in Romania digitized after the release of the latest smart banking agencies in New York, Tokyo, Singapore and Hong Kong. The new agency is built around the customer carefully using high technology to put his experience on the most important plan, bank customers may have a unique banking experience, customized products and services through the

most innovative technologies. Smart banking - is for customers who understand the value of modern time and choosing comfortable banking experience. Customers benefit from innovations in design and high technology:

- ❖ Online banking terminal that allows a workstation to access your site account Citibank and Citibank Online;
- ❖ Dual currency ATM first ATM in Romania enabling cash withdrawals in both currencies: USD and Euro;
- ❖ A media wall read LCD 2X2 system, which displays the latest news, financial and weather data, information on Citibank products and services;
- ❖ Product Information Wall An interactive touch screen interactive with information about Citibank products and services;
- ❖ Videophone - A video conference service, through which visitors can interact with representatives of Citibank;
- ❖ Citi Touch - An interactive brochure installed on iPhone sites with information about Citibank products and services.



Figure 2: Citibank branch **Source:** www.citibank.ro

The emergence of the new Internet channel led to revolutionize all areas of activity. The major advantage of this is to obtain information quickly, real, both for individual users and companies. Banks in Romania

have come to meet customer needs and desires with me, releasing electronic banking services, a viable alternative to traditional banking services.

These types of services are divided into three categories: Internet Banking, Home Banking and Mobile Banking which allows carrying out banking transactions via computer connected to the Internet (Internet Banking and Home Banking) or mobile phone (Mobile Banking). (Example: BCR - first bank in Romania that offers its clients to pay taxes or other obligations to the state budget via Internet banking and phone banking Click 24 Banking Alo 24 Banking).

The extensive process of adaptation to technological innovations of the banking system, BRD Groupe Societe Generale was always an active, emitting a wide range of cards and offers the Electronic Banking Services. The group is always busy and diversify supply Monet, Instant Pay launching a unique payment instrument in the form of stickers that incorporate contactless technology "MasterCard PayPass". (Instant Pay contactless card is attached to a current account opened at BRD national currency, issuance fee is 0. Shelf life is like for a classic card for 3 years with automatic renewal option. Contactless card is issued in various forms sticker attachable wallet or mobile phone or keychain and can be used exclusively for payments to merchants).

For payments less than or equal to the sum of 100 lei made with contactless card PIN code is required. But it becomes mandatory when the payments exceed 100 lei. Contactless cards can be used both in the supermarket or hypermarket stores, as well as fast food restaurants, pharmacies, distribution network media, fashion retailers, bookstores, gas stations or transport).





Chip cards (smart cards) from BRD Groupe Société Générale are cards incorporating a microprocessor (chip) that stores and processes more information about the cardholder, and the issuing bank's account, new technology added to standard functionality of cards BRD highest level of internationally recognized security. BRD cards are so dual cards, is provided not only with magnetic stripe, and chip.

Use cards with chip has several advantages, including: increased security level transactions, eliminating the risk of copying or counterfeiting of cards, fraud will decrease, rapid deployment of merchant transactions. Counterfeiting credit cards and for enhancing data security, the EU intends to replace the entire portfolio of magnetic stripe cards with chip some teams only.

Research shows that the field of electronic transactions involve lower costs than their equivalents in cash or in traditional payment instruments, stimulating consumer spending to reduce its volume and increase in savings deposits, thereby supporting economic development. The products in the field of electronic payments can act as true "gates" to the banking system, for people who do not currently work with banks. Factors (Capraru B., 2010) that determined implementation of technological innovations in banking institutions work are presented below:

- new discoveries in the field of technological innovation;
- development of economic relations and the number of transactions;
- restructuring of banking and metamorphosis;
- growth and diversification of customer demand, especially amid increasing degree of education in banking;
- increasing customer demands for products and banking services;
- maintenance and development costs increase traditional banking networks;
- extension Personnel Expenses;
- focus increasingly on resource "time".

And add the above factors: increased competition, the emergence and development of chain stores that have signed partnerships with banking institutions, globalization of markets and acceptance of new rules of marketing (targeting consumers through social networks, blogs, web sites, viral marketing etc.). The need to strengthen relations with clients should always be to the attention of banks, regardless of the means of communication with them.

Thus, the introduction and use of new technologies and innovations is the strategic needs for any financial institution that targets both retail and corporate segment, which leads to an improvement in operational staff work, by targeting the growing activities of guidance, coordination and counseling clients.

Conclusions

In the new economy, built and developed based on information and communications technologies, marketing strategies in establishing the starting point should be to represent the consumer and his needs.

The bank marketing strategies, marketers pursue so choosing the best combinations of various distribution channels, and weighting in the entire distribution system. This choice depends on many factors, including: market, customer financial literacy, financial possibilities of customers, the bank's financial possibilities, benefits can be obtained using a particular distribution channel.

Direct marketing strategies - their development aims to seize all opportunities offered by the external environment of marketing skills using its own resources in relation to or attracted, technical, financial, human and information. Banks believe in direct marketing strategies a number of reference elements among which are: the objectives of campaigns, updating databases with information about current and potential customers, target segments, positioning relative to competition, continuing the campaign and specific activities.

In carrying out direct marketing campaigns to appeal to a lot of individual channels to address current and potential customers, such as mail (direct mail address), catalogs, telemarketing, television, internet and

other direct-response media. Regardless of the means chosen to communicate with customers, manage customer information is essential for many companies. Always direct marketing will play an important role in the marketing mix.

Banking area faced with significant changes lately due to their development needs and desires of customers, increased competition, technological innovations. Following these changes, the operations of banking institutions should become more intelligent and conventional functions of the agencies should change at the same rate.

Access to information contributes to the continued development of modern society, which trains the volume and diversity of information processing and information and communications technology, leading to an information society.

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