A Comparative Analysis of Promotional Tools & Techniques Adopted For Retail Banking In Public Sector and Private Sector Banks

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ABSTRACT
There has been a lot of restructuring and reshaping of the role of the banks in the past decade as India too has groomed itself for a more visible presence on the global platform. Stiff competition between the public sector banks and foreign players has led to public sector banks gaining a dominant while the foreign banks have had to adjust to the domestic banking scene to a great extent. In today’s competitive and volatile environment all marketers including banks communicate with their target markets. There is direct relationship between promotion and sales but even then we can say that if promotional programs are towards the target customers pays to the marketer. The study uses a multi-method approach, survey based on the opinion of the customers for banking industry in India. In the study 150 customers of State Bank of India (SBI) a public sector bank and 150 customers of Industrial Credit and Investment Corporation of India (ICICI) bank a private sector bank in India were studied. The independent samples were formed which could be analyzed using null hypothesis test to investigate whether the difference between the promotional tools and techniques adopted by ICICI Bank and SBI was significant statistically using the weighted average method. The difference between the type of promotional tools and techniques adopted by ICICI Bank and SBI are highly significant and this is because of the significant difference between the customers’ evaluations and perception for the public sector banks and private sector banks.

Keywords: Bank, Customers, Perception, Promotion, Survey

INTRODUCTION
In today’s competitive and volatile environment all marketers including banks communicate with their target markets. The issue retail banking is extremely important and contemporary. Across the globe, retail banking has been an impressive innovation in the commercial banking in recent years. There has been a lot of restructuring and reshaping of the role of the banks in the past decade as India too has groomed itself for a more visible presence on the global platform. The growth of retail lending is attributable to the rapid advances in information technology, the evolving macroeconomic environment, financial market reforms, and several micro level demand and supply side factors. The Indian retail banking sector can be broadly categorized as nationalized (government owned), private banks and specialized banks. The Reserve Bank of India acts as a centralized body monitoring any discrepancies and shortcomings in the system. Currently India has 88 scheduled commercial banks 27 public sector banks (that is with government of India holding a stake) 31 private banks (where government of India do not have any stake they may be publicly listed and traded on stock exchanges) and 38 foreign banks. They have a combined network of over 53000 branches and 17000 ATMs. Moreover, retail banking sector can be characterized by the following three basic characteristics: Multiple products, Multiple channels of distribution like call centre, branch, internet; and Multiple customer groups such as consumer, small business, and corporate. The type of products offered in Indian market by retail banks are housing loan, education loan, auto loan, credit cards etc. different banks have given the different attractive brand names to these loans to segregate their products from the products of other banks. With many financial services products becoming relatively commoditized and new ones easily replicated excellence service and promotion as key differentiators. Any quality program needs total commitment: a top down approach with clear effective communications, training and continuous measurement. It’s imperative that employee’s incentives are linked directly to quality measurements such as customers’ satisfaction. Ongoing measurement of customer satisfaction is time consuming and expensive, but is absolutely necessary even on a branch by branch basis-to help ensure continuous improvement. Share of wallet is one of the holy grails of banking leading to a greater profitability and customer loyalty. State Bank of India, ICICI Bank and Kotak Mahindra Bank are performing extremely well in the investment banking segment. These banks are forerunners of dynamism in the banking sector of
India as they have turned themselves around and offer multiple services ranging from personal loans, car loans, and mortgage loans, demat services, insurances, capital loans, educational loans, house loans etc all at a much cheaper rate but with personal attention and care.

Stiff competition between the public sector banks and foreign players has led to public sector banks gaining a dominant while the foreign banks have had to adjust to the domestic banking scene to a great extent. Nonetheless some reputed foreign banks are seeking entry into Indian banking scene promising better and more financial services. Setting eyes on foreign shores and serving the Indian settled abroad in a better way is another well planned initiative undertaken by the Indian banks as well. State Bank of India has already got a presence in Singapore and is still set to expand further by opening 25 branches there. In today’s competitive and volatile environment all marketers including banks communicate with their target markets. There is direct relationship between promotion and sales but even then we can say that if promotional programs are towards the target customers pays to the marketer.

LITERATURE REVIEW
Customer satisfaction is an important theoretical as well as practical issue for most marketers and consumer researchers. Customer satisfaction can be considered the essence of success in today’s highly competitive world of business. Thus, the significance of customer satisfaction and customer retention in strategy development for a market oriented and customer focused firm cannot be underestimated. Previously promotion was not been explicitly linked to profit but now evidence has found about the influences of promotion strategies on profits. This is because the customers’ expectations have grown to enormous extents over a period of time and now-a-day they also expect timely efficient and quality service and communication from the banks. If banks can understand which attributes are used to evaluate a service they will be better able to manage and influence the customer’s evaluations and perception of the offering. The banks understand that customers will be loyal if they receive greater value than from competitors and on the other hand banks can earn high profit if they are able to position themselves better than their competitors within a specific market. Promotion is only a means of communication about the product without the motive of persuading the people against their wishes.

While formulating a marketing plan for banking services, the bank professionals are also supposed to design a promotion mix which is a perfect blend of different elements like Advertising, Personal, Selling, Sales Promotion, Publicity and Public Relations of non-personal communication with an identified sponsor. Like other organizations banks also use these elements of the promotion mix with the motto of informing, reminding and persuading the customers. The bank executives and policy makers are involved in allocating sound budget for promotion mix. They are also required to take sound decision with regard to the type of media to be used, as there are numerous channels of advertising media such as broadcast media telecast media and print media. Banking organization too provides material for publicity electronic and print media in the form of news releases photographs and press conferences.

It is natural that like other organization the banking organizations also think in favour of promotional incentives both to the bankers as well as the customers. The banking organizations make provisions for incentives to the bankers and we call it bankers’ promotion. Similarly, the incentives offered to the customers are known as customers’ promotion. The gifts contests fairs road shows discounts and commission entertainment and traveling plans for bankers’ additional allowances and low interest financing are to mention a few found instrumental in promoting the banking business. Marketing organizations including banks engage in public relations to develop a favorable image of their organization in the eyes of the public i.e. public at large, customers, suppliers, employees, government, media, competitors, share holders and the community around them.

During the present study we found almost all of the above promotional tools are used by most of the leading Indian banks including ICICI Bank and SBI.

RESEARCH METHODOLOGY
The study uses a multi-method approach, survey based on the opinion of the customers for banking industry in India. In order to conduct this study I have surveyed 150 customers of SBI a public sector bank and 150 customers of ICICI a private sector bank. The surveys have been conducted at the various branches of these two banks and various other localities of Agra region.

It is pointed out that multi-methods allow different approach for different research purposes, since each method has its strengths and weaknesses. Research is based on descriptive analysis. The secondary data was collected from the various websites and magazines. Primary data was collected from the customers of SBI bank and ICICI bank through direct interview and questionnaire. The independent samples were formed which could be analyzed using null
hypothesis test to investigate whether the difference between the promotional tools and techniques adopted by ICICI Bank and SBI was significant statistically using the weighted average method. 

Questionnaire used is a structural questionnaire with multiple choice options given to the customers of the above given banks. 

Thus, the banking industry survey provides overview of the promotional tools and techniques adopted by ICICI Bank in private sector and SBI bank in public sector. 

Surveys provide an economical way to obtain large quantity of standardised data which allows comparison through quantitative analysis. On the other hand, surveys have the limitation that data are less in-depth due to the standardised format. 

This analysis was done to compare and analyze the promotional tools and techniques adopted by ICICI Bank and SBI. 

RESULTS AND DISCUSSION 

The study is based on structured questionnaire with the aims of identification of issues related to the promotional tools and techniques adopted by private and public sector banks ICICI Bank and SBI. In this study a minimum of 150 customers of SBI a public sector bank and 150 customers of ICICI a private sector bank were interviewed. The analysis was done with the help of tables and pie charts. During the ICICI customers’ survey, when the customers were asked to rank the different components of the promotion mix as per their contribution to the success of ICICI Bank, following data was obtained—

Table 1: Contribution of Different Components of Promotion Mix (ICICI) 

<table>
<thead>
<tr>
<th>Rank Factors</th>
<th>Rank I</th>
<th>Rank II</th>
<th>Rank III</th>
<th>Rank IV</th>
<th>Rank V</th>
<th>Weighted Score</th>
<th>%</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>66</td>
<td>61</td>
<td>11</td>
<td>10</td>
<td>02</td>
<td>629</td>
<td>27.9%</td>
<td>I</td>
</tr>
<tr>
<td>Publicity</td>
<td>12</td>
<td>18</td>
<td>60</td>
<td>23</td>
<td>37</td>
<td>395</td>
<td>17.6%</td>
<td>IV</td>
</tr>
<tr>
<td>Public Relations</td>
<td>11</td>
<td>17</td>
<td>15</td>
<td>21</td>
<td>86</td>
<td>296</td>
<td>13.2%</td>
<td>V</td>
</tr>
<tr>
<td>Personal Selling</td>
<td>33</td>
<td>30</td>
<td>34</td>
<td>49</td>
<td>04</td>
<td>489</td>
<td>21.7%</td>
<td>II</td>
</tr>
<tr>
<td>Sales Promotion</td>
<td>28</td>
<td>24</td>
<td>30</td>
<td>47</td>
<td>21</td>
<td>441</td>
<td>19.6%</td>
<td>III</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150</strong></td>
<td><strong>150</strong></td>
<td><strong>150</strong></td>
<td><strong>150</strong></td>
<td><strong>150</strong></td>
<td><strong>2250</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

In the above table for analyzing the contribution of different components of the promotion mix ranking has been done on the basis of weighted scores and scoring has been done as per the following scale— 

I Rank = 5 weights, II Rank = 4 weights, III Rank = 3 weights, IV Rank = 2 weights and V Rank = 1 weigh. 

Similarly, during the SBI customer survey when the customers were asked to rank the different components of the promotion mix as per their contribution to the success of SBI, following data was obtained—

Table 2: Contribution of Different Components of Promotion Mix (SBI) 

<table>
<thead>
<tr>
<th>Rank Factors</th>
<th>Rank I</th>
<th>Rank II</th>
<th>Rank III</th>
<th>Rank IV</th>
<th>Rank V</th>
<th>Weighted Score</th>
<th>%</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>21</td>
<td>30</td>
<td>29</td>
<td>42</td>
<td>28</td>
<td>424</td>
<td>18.9%</td>
<td>III</td>
</tr>
<tr>
<td>Publicity</td>
<td>59</td>
<td>55</td>
<td>23</td>
<td>09</td>
<td>04</td>
<td>606</td>
<td>26.9%</td>
<td>I</td>
</tr>
<tr>
<td>Public Relations</td>
<td>41</td>
<td>25</td>
<td>30</td>
<td>46</td>
<td>08</td>
<td>495</td>
<td>22%</td>
<td>II</td>
</tr>
<tr>
<td>Personal Selling</td>
<td>16</td>
<td>19</td>
<td>49</td>
<td>25</td>
<td>41</td>
<td>394</td>
<td>17.5%</td>
<td>IV</td>
</tr>
<tr>
<td>Sales Promotion</td>
<td>13</td>
<td>21</td>
<td>19</td>
<td>28</td>
<td>69</td>
<td>331</td>
<td>14.7%</td>
<td>V</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150</strong></td>
<td><strong>150</strong></td>
<td><strong>150</strong></td>
<td><strong>150</strong></td>
<td><strong>150</strong></td>
<td><strong>2250</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

In the above table also for analyzing the contribution of different components of the promotion mix ranking has been done on the basis of weighted scores and scoring has been done as per the following scale—


Again, when we surveyed ICICI customers and SBI customers for knowing that which advertising media has been most striking for ICICI or SBI
respectively so far we got different response which are tabulated below –

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Advertising Media</th>
<th>No. of ICICI Customers</th>
<th>Percentage</th>
<th>No. of SBI Customers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.</td>
<td>News Paper</td>
<td>24</td>
<td>16%</td>
<td>58</td>
<td>38.7%</td>
</tr>
<tr>
<td>02.</td>
<td>Magazines</td>
<td>17</td>
<td>11.3%</td>
<td>35</td>
<td>23.3%</td>
</tr>
<tr>
<td>03.</td>
<td>T.V.</td>
<td>69</td>
<td>46%</td>
<td>31</td>
<td>20.7%</td>
</tr>
<tr>
<td>04.</td>
<td>Internet</td>
<td>27</td>
<td>18%</td>
<td>08</td>
<td>5.3%</td>
</tr>
<tr>
<td>05.</td>
<td>Radio</td>
<td>13</td>
<td>8.7%</td>
<td>18</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>150</td>
<td>100%</td>
<td>150</td>
<td>100%</td>
</tr>
</tbody>
</table>

Further, when ICICI customers were asked to express their views about the overall performance of ICICI advertisements out of 150, 69 considered these advertisements to be impressive; 53 considered them to be satisfactory and rest 28 considered them to be dissatisfactory. Similarly when SBI customers were surveyed for their opinion regarding the overall performance of SBI advertisements out of 150 only 35 were of the opinion that these advertisements are impressive 72 opined that these are satisfactory and rest 43 considered these advertisements to be dissatisfactory. These responses are represented in a tabular form as below –

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Opinion</th>
<th>No. of ICICI Customers</th>
<th>Percentage</th>
<th>No. of SBI Customers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.</td>
<td>Impressive</td>
<td>69</td>
<td>46%</td>
<td>35</td>
<td>23.3%</td>
</tr>
<tr>
<td>02.</td>
<td>Satisfactory</td>
<td>53</td>
<td>35.3%</td>
<td>72</td>
<td>48%</td>
</tr>
<tr>
<td>03.</td>
<td>Dissatisfactory</td>
<td>28</td>
<td>18.7%</td>
<td>43</td>
<td>28.7%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>150</strong></td>
<td><strong>100%</strong></td>
<td><strong>150</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**CONCLUSION**

Various promotional tools used by ICICI bank and SBI bank are Advertising, Publicity, Public Relations, Personal Selling, and Sales Promotion. For ICICI bank as per the customer responses for the contribution of different promotional tools in the success of ICICI bank, ranks has been assigned to the promotional tools after calculating the weighted scores, I rank is assigned to Advertising, Personal Selling is ranked II, III rank is assigned to Sales Promotion, Publicity is on IV rank and lastly Public Relations has been ranked V.

On following the same procedure of analysis for SBI the findings were – Publicity got the first rank, II rank is assigned to Public Relations, Advertising is on III place, IV rank is assigned to Personal Selling and Sales Promotion is on V place.

Also it has been found that T.V. has been found to be the most striking advertising media for ICICI Bank; 18% ICICI customers consider internet is the most striking advertising media; 16% customers response was in favour of News Paper; 13% found Magazines to be the most striking advertising media and lastly 8.7% customers considered Radio as the most striking advertising media for ICICI Bank where as the SBI customers responses 38.7% SBI customers found News Paper as most striking advertising media; secondly 23.3% SBI customer found Magazines to be the most striking media; 20.7% were in favour of T.V.; 12% customers found Radio as the most striking advertising media only 5.3% SBI customers considered Internet to be most striking advertising media for SBI. Further when advertisement analysis for both ICICI Bank and SBI has also been done. It is found that in case of ICICI Bank, 46% customers considered the advertisements of ICICI Bank as Impressive, 35.3% ICICI customers found them as Satisfactory and remaining 18.7% ICICI customers found them to be Dissatisfactory. On the other hand in case of SBI, 23.3% found the SBI advertisements as Impressive, 48% SBI customers considered them to be Satisfactory and remaining 28.7% SBI customers were of the view that SBI advertisements are Dissatisfactory.

**BIBLIOGRAPHY**


ANNEXURES

ANNEXURE-1

Questionnaire for ICICI Bank Customer Survey

1. Rank the following promotional tools as per their contribution to the success of ICICI Bank—
   (a) Advertising
   (b) Publicity
   (c) Public Relations
   (d) Personal Selling
   (e) Sales Promotion

2. In your opinion, which of the following has been the most striking advertising media for ICICI Bank so far—
   (a) Newspapers
   (b) Magazines
   (c) T.V.
   (d) Internet
   (e) Radio

3. What is your opinion about the advertisements of ICICI Bank—
   (a) Impressive
   (b) Satisfactory
   (c) Dissatisfactory

ANNEXURE-2

Questionnaire for SBI Bank Customer Survey
1. Rank the following promotional tools as per their contribution to the success of SBI—
   (a) Advertising
   (b) Publicity
   (c) Public Relations
   (d) Personal Selling
   (e) Sales Promotion

2. In your opinion, which of the following has been the most striking advertising media for SBI so far—
   (a) Newspapers
   (b) Magazines
   (c) T.V.
   (d) Internet
   (e) Radio

3. What is your opinion about the advertisements of SBI—
   (a) Impressive
   (b) Satisfactory
   (c) Dissatisfactory