



## EFFECT OF MOBILE MARKETING ON THE CUSTOMERS BEHAVIOUR IN BANKING SECTOR

**Evangelin Irish.T**

Ph.D Research Scholar, Department of Commerce,  
Dr. N.G.P Arts and Science College, Coimbatore

**Dr. T.Snekalatha**

Professor and Head, Department of Commerce Accounting and Taxation,  
Dr. N.G.P Arts and Science College, Coimbatore

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### Abstract

The banking sector has been profoundly affected by mobile marketing methods. Mobile advertising has become an integral part of banks' overall marketing strategies as more and more customers use their mobile devices to access banking services.

**Purpose:** The researchers wanted to see what effect mobile marketing methods and features had on customers. The success of mobile marketing campaigns in the banking sector is affected by a number of factors, including security, infrastructure, user experience, demographics, regulatory restraints, and competition.

**Design/methodology/approach:** The authors use the method of critical incidents to reveal the most salient features of m-banking service quality from the perspective of m-banking consumers and to isolate the most important sources of customer satisfaction and dissatisfaction within these features.

**Practical implications:** Personalization of content for clients who have given their express consent should also be a priority. Bank managers can better develop suitable approaches in addressing their customers if they first identify the aspects of digital banking that they perceive to be more beneficial or challenging in cultivating the bank's relationship with its customers.

**Keywords:** *Mobile Marketing, Customer's Behaviour, Banking Sector and Perceived Quality.*

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### Introduction

Since most businesses and people today want to get their work done as quickly and easily as feasible, they have turned to technological advancements in communication. Professionals in the marketing industry are always on the lookout for new ways to use cutting-edge technologies into their communication, purchasing, selling, and promotional efforts. The practice of using mobile phones to promote and carry out marketing operations is known as "mobile marketing"

and is one example of such technology. Customers who have time to perform banking transactions and customers who don't have time to do banking transactions may now both do their banking online thanks to the convenience of internet banking. Using a computer to handle financial transactions ushers in a new age. There should be two-way communication and no gap while communicating to one another; otherwise, misunderstandings and distractions could cause people to divert attention from the original message.

## Previous Researches

When researching the likelihood of multinational corporations adopting mobile phone-based SMS advertising, Okazaki et al. Positive results in the use of mobile phone advertising were found to contribute to brand-building, according to a survey of C-suite executives from MNCs conducted for this study. Pousttchi and Wiedemann used data from mobile marketing campaigns carried out in Europe to draw conclusions about the efficacy of mobile marketing in establishing brands, raising brand awareness, altering consumers' perceptions of brands, and bolstering brand loyalty via short message service (SMS) text messages. The research demonstrated that SMS messages actively contribute to the formation of brand associations and the dissemination of brand knowledge. Cengiz and Tetik's research intended to identify what influences consumers' willingness to engage with permission-based mobile marketing. Many factors thought to influence consumers' willingness to permit permission-based mobile marketing were the focus of the field study. Perception levels were measured, and the data were analyzed to see if there was a correlation between those measures and customers' openness to receiving permission-based mobile marketing.

## Theoretical framework

Providing information to one or more individuals through the mediums of speech, music, or signs is what we call communication. When the intended message is received by the intended recipient, communication is complete. There is no communication breakdown unless and until the recipient doesn't grasp the message. The communication process begins with a message source, continues with encoding the message and selecting a communication channel to convey the message, and concludes with the message recipient decoding the message they have received. The barrier of communication is the possibility of noise in the middle of the

channel, which distorts the message being sent; once the message has been received by the recipient, the person provides feedback to the original source, making it easy to determine whether the message was successful or not. As a result, there are a number of considerations that must be made between the sender and the recipient. To ensure the success of a campaign, a number of factors must be taken into account prior to sending any message. When a company spreads its message to the public through various marketing channels, it is engaging in marketing communication. Advertising, direct marketing, personal selling, public relations, and promotions are just few of the many channels via which a marketer might spread its message. The 4Ps, or price, promotion, place, and product, are the cornerstones of any successful marketing strategy. Communication is a crucial part of the marketing mix. With the proliferation of internet, mobile phones, and various social media sites, businesses are increasingly operating on a worldwide scale, making it more difficult to effectively communicate with customers and employees. Both internal and external marketing communication are essential aspects of any successful marketing strategy. Employees are informed of marketing materials, management communications, and product catalogues as part of internal communication. In contrast, external communication entails spreading the word about things like the company's website, annual report, and investor presentations. Most modern consumers are so preoccupied with making money that they don't even have time to keep in touch with their own families, let alone go out of their way to conduct banking transactions in person. Digitalization plays a major role in overcoming such challenges, as one can do various types of banking transaction sitting at one place, the place of their comfort. Customers need access to the internet and a computer in order to conduct banking transactions electronically. Therefore,

customers no longer need to physically visit bank branches in order to interact with bank personnel; instead, they need only log in to their preferred banking institution's website using their user ID and password to conduct a wide range of banking transactions from the comfort of their own homes.

### An Overview of Mobile Banking

One of the many convenient service offerings given by banks is the ability to conduct banking transactions using a mobile device. E-banking includes mobile banking, in which customers may access their accounts and transact with the bank using their mobile phones and the Internet. Mobile banking eliminates the need for customers to physically visit a bank or an ATM to do common banking tasks such as transferring funds, checking account balances, and making bill payments (with the exception of cash withdrawals). Customers, especially those with active lifestyles, value the convenience of being able to access financial information and make purchases online whenever and wherever they choose. Another outstanding feature of mobile banking is the unique user ID, which can only be accessed by the account holder. The party banks reason that if they offer services similar to mobile banking, they will attract clients. There are three main types of services that mobile banking apps offer: informative, communicative, and transactional. Despite the numerous advantages, not a large percentage of potential clients use mobile banking. However, only about half as many customers are using mobile banking services as there are mobile subscribers (katadata-2018). Among the many contributing reasons to this phenomena is the familiarity and convenience of the services currently in place.

Today's marketer, in order to achieve a competitive edge, must inform customers about the company's products and services. Integrated marketing communication, therefore, plays a crucial part in the evolution of a company's

offerings. Banks today utilize a wide range of communication channels to keep their clients up-to-date and informed about the latest developments in the industry and the products and services they offer. Banks employ numerous modes of customer service communication including advertisements, the internet, trade shows, and direct marketing. Therefore, these channels are also called marketing tools because they assist customers in spreading the word about the product's advantages. Customers in the banking industry can be more easily satisfied with the product because all of its features, benefits, limits, etc., can be explained to them. Since customer satisfaction is so crucial in the banking industry, it follows that effective communication plays a vital role in this sector in order to paint a clear mental picture of the product for potential buyers. To succeed in today's cutthroat business climate, effective marketing communication is essential. Banks must therefore understand how they can best compete with other financial institutions. When looking to gain an edge over the competition, marketing communication strategies are crucial. Therefore, it is crucial to assess the full scope of marketing communication for the banking services industry. Marketing, as it relates to the banking industry, is the dissemination of information to consumers, the raising of public awareness, the modification of consumer behaviour, the establishment of a favourable mental image of the banking brand, and the development of customer loyalty to that brand. How well banks utilize effective marketing communication, and consequently how satisfied their customers are, is largely dependent on the two-way nature of that communication.

Marketing on dimensions of brand equity:

SMS-based push advertising, for instance, guarantees extensive consumer exposure to a brand because messages are virtually always delivered to their intended recipient. When clients receive the

messages, they are saved to their phones where they can be read later. SMS also lacks a subject line, which is a common feature of e-mail. As a result, the recipient is certain to view the message before erasing it. The viral nature of mobile advertising is yet another benefit. Because sending and receiving SMS messages is so simple and inexpensive (Doyle, 2001), it is common practice for friends to forward each other's messages. Advantages include greater brand recognition and acceptance among peers. SMS marketing can have various effects on different dimensions of brand equity, which are the set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers.

1. **Brand Awareness:** SMS marketing can improve brand awareness by creating more exposure for the brand among potential customers. When consumers receive messages about a brand's products or services, it helps to create a top-of-mind recall, which can lead to improved brand recognition and recall.
2. **Brand Associations:** SMS marketing can also influence the associations that consumers have with a brand. By using targeted messaging and promotions, companies can reinforce positive associations with their brand, such as quality, reliability, or innovation. It can also introduce new brand associations through exclusive offers or partnerships, for example.
3. **Perceived Quality:** SMS marketing can affect perceived quality by creating an impression of high-quality products or services that consumers would want to use. By communicating value propositions through messages and promotions, companies can reinforce the idea of high-quality products or services to customers.
4. **Brand Loyalty:** SMS marketing can also improve brand loyalty by creating a deeper connection with customers. By providing personalized messages and exclusive offers, companies can create a sense of exclusivity and incentivize customers to stick with the brand. This could be seen as improving customer lifetime value, where they continue to purchase from the same brand.
5. **Brand Equity:** SMS marketing can also contribute to overall brand equity by helping to build a positive image and reputation for the brand. By using messaging to highlight the brand's strengths and competitive advantages, companies can create a strong and valuable brand that customers are willing to pay a premium for. Overall, SMS marketing can be an effective tool for improving various dimensions of brand equity, but it requires careful planning and execution to achieve optimal results. Companies should be mindful of customer preferences and privacy concerns when using SMS marketing and should always seek to provide value to customers with every message.

#### Mobile Marketing on Need Recognition Stage:

A consumer experiences dissonance between their current and ideal circumstances, need awareness occurs. This is a crucial juncture for marketers, as they may shape certain campaigns around the goal of inducing this discrepancy by making consumers actively seek out and purchase a product. To generate customer interest, marketers often attempt to manufacture a gap between supply and demand. What causes a desire? It's the result of marketing campaigns that successfully make people aware that they have a want that isn't being met. The advancements in mobile technology,

mobile marketing has emerged as a pivotal tactic within these broader efforts. Marketers can now reach their customers whether they are at their desks, in stores, or online because to the convenience of mobile devices. In addition, mobile technology facilitates the distribution of products and services by allowing businesses to personalize their offerings in accordance with the preferences of their target audiences.

1. Addressing pain points: Mobile marketing can help banks address pain points that customers may be experiencing. For example, a bank could send a message to customers highlighting the benefits of their mobile banking app, which could help customers who are frustrated with long wait times or inconvenient banking hours.
2. Creating demand: Mobile marketing can also create demand for new products or services. For example, a bank could send a message to customers about a new credit card product with exclusive benefits, which could create demand among customers who are looking for a better credit card option.
3. Personalization: Mobile marketing allows banks to personalize their messages to customers based on their individual needs and preferences. This personalization can help customers recognize their needs and find solutions that are tailored to their specific situation.
4. Speed and convenience: Mobile marketing can also emphasize the speed and convenience of banking services, which can be a strong motivator for customers who are looking for quick and easy solutions to their financial needs. Overall, mobile marketing can be a powerful tool for banks to reach out to potential customers and help them

recognize their needs. By using targeted messages and personalization, banks can create a sense of relevance and urgency that can lead to increased demand for their products and services.

5. Increasing awareness: Mobile marketing can help banks increase their brand awareness and promote their products and services to potential customers. By reaching out to customers through their mobile devices, banks can create awareness about their offerings and the benefits they provide.

Importance of mobile technology on information search stage:

Written, communications to provide information about banks' services and goods, based on quality assurance of the product, are necessary for banks to communicate with their clients. Better salesmanship, including the use of effective images and symbols, is essential for attracting a wider audience and keeping existing customers happy. Therefore, these values are significant in bank-to-client interaction and communication. Additionally, in today's competitive world, it is very difficult to survive as all banks are satisfying to win over the customers, and in this banking industry, customer satisfaction plays a very important role; thus, merely informing customers about the products and services on offer is insufficient, as it is only part of the banks' overall process of communicating with their clientele. Therefore, there should be two-way communication between banks and their customers, with the latter providing feedback on the former's offerings. As a result, the communication process is completed when clients provide feedback to banks about their shortcomings and suggestions for improvement. When it comes to the banking industry, effective communication is crucial since it helps establish a positive reputation and inspires trust and confidence among clients. The

information search stage is a crucial part of the consumer decision-making process, where consumers gather information about a product or service to make an informed decision. Mobile technology has revolutionized the way consumers search for information, providing a convenient and efficient way to access information from anywhere at any time.

1. **Speed and Efficiency:** Mobile technology also provides consumers with faster access to information. Consumers can quickly search for products, compare prices and features, and make informed decisions. With mobile technology, consumers no longer need to visit multiple stores to compare prices or products. Instead, they can use their mobile device to access information quickly and efficiently.
2. **Convenience and Accessibility:** One of the most significant advantages of mobile technology is that it provides consumers with easy access to information. With the proliferation of smartphones and mobile devices, consumers can quickly and easily search for information on the go. They can browse product reviews, compare prices, and access information from multiple sources, all from the convenience of their mobile device.
3. **Personalization:** Mobile technology also enables personalized information search, where consumers can receive recommendations based on their preferences and browsing history. Mobile apps and websites can use data analytics to understand consumer behavior and provide tailored recommendations for products and services.
4. **Flexibility:** Mobile technology also offers flexibility in the way consumers search for information.

Consumers can choose the type of information they want to access, whether it's product specifications, reviews, or prices. They can also choose the medium through which they want to access the information, whether it's a mobile app, website, or social media platform.

5. **Accessibility of Local Information:** Mobile technology also enables consumers to access local information, such as store locations, hours, and directions. This information can be critical to consumers who are searching for products or services in their local area.

#### Statement of the problem

Mobile phone service has reached every nook and cranny of India. The number of submissions has grown in recent years. The number of mobile phone users in India has surpassed 900 million and is expected to keep growing. Over the past four decades, mobile phones have come a long way from the first mobile phone introduced by Motorola. The smartphone has taken over our lives, and its prevalence is only growing. This surge in Smartphone usage can be largely attributed to improvements in connectivity, speed, and prices offered by mobile networks. Marketers have taken notice, and mobile marketing is quickly becoming one of the most effective channels for reaching an audience and influencing purchasing decisions in ways that traditional marketing channels can't. Study on the efficacy of marketing by text message, even though the percentage of the population with a mobile phone and a bank account is significantly greater in most major cities.

#### Need and Significance of the Study

The research is crucial since it seeks to quantify the effects of mobile marketing on banking customers. As one of the newest forms of direct marketing promotional channels, mobile phone marketing is

becoming increasingly popular among marketers due to the many advantages it provides to both consumers and companies. The percentage of people who use mobile devices to access the web has surpassed that of computers in recent years. Because mobile devices are so easy to transport, users can access the internet from virtually any location. Mobile marketing allows for the distribution of information in a way that is both personalized and engaging for the customer. The banking industry is following suit, with an increasing number of institutions embracing mobile marketing.

#### Importance of the study

The term "mobile banking" refers to a service offered by banks and other financial institutions that enables consumers to perform banking functions using a mobile device, typically a smartphone. The financial institutions own app (software) is used for this purpose. Mobile banking services are often available at all times, day or night. Some banks put restrictions on the types of accounts that may be accessed and the dollar amount of transactions that can be made using a mobile banking app. For mobile banking to work, a constant data or internet connection must be in place. You may perform a wide variety of things with mobile banking, from checking your account balance and transaction history to making bill payments, remote cheque deposits, person-to-person payments and inter-account transfers, all from the convenience of your mobile device. Customers can save paper and time by downloading and printing their statements from certain mobile apps. Using a mobile banking app improves usability,

swiftness, and adaptability, and also boosts security, since it integrates with the user's preexisting mobile device safety mechanisms.

#### Analysis, Findings and Results

Business leaders who took part in our survey about the impact of mobile marketing on consumer behaviour were nearly unanimous in their assessment that these strategies have a positive impact on consumer behaviour because they help define market segments, increase market share, decrease communication and promoting costs, boost the potential for new orders, provide easy access to a global and targeted market, and heighten brand awareness. However, few agree that traditional marketing methods are more effective than mobile marketing. Since mobile marketing is still in its infancy as a promotional method, customers may take some getting used to it before they fully embrace it. All businesses should make it a priority to adopt mobile marketing strategies as their primary method of advertising and promotion. This is a must-have before venturing into the online world. Therefore, in order to stay at the forefront of competition, businesses need to put more effort into developing mobile marketing strategies.

#### Findings

1. Socio-Economic characteristics of the respondents

The profile of the bank employees will impact on their decision making, perception and attitude. In this context, the age, gender, educational qualification, income level, level of experience and nature of the bank are observed.

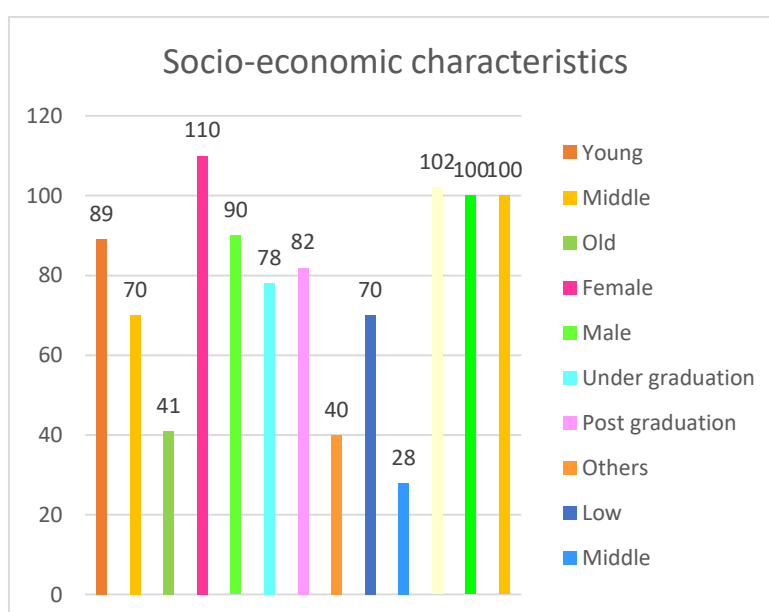
Table 1  
Socio-economic characteristics

Socio-economic characteristics		N	%
Age	Young	89	44.5
	Middle	70	35.0
	Old	41	20.5
Gender	Female	110	55.0
	Male	90	45.0
Educational qualification	Under graduation	78	39.0
	Post graduation	82	41.0
	Others	40	20.0
Income level	Low	70	35.0
	Middle	28	14.0
	High	102	51.0
Nature of Bank	Private	100	50.0
	Public	100	50.0
Total		200	100.0

The respondents based on their age distributed as 89 (44.5%) respondents are from young age group, 70 (35.0%) are from the middle age group and 41 (20.5%) are from old age group. 110 (55%) respondents are female and 90 (45.0%) are male.

Educational qualification shows that 78 (39.0%) respondents are undergraduates, 82 (41.0%) respondents are post graduates and 40 (20.0%) are from other categories like professionals and diploma holders.

Chart 1





Based on their salary, they are grouped as low income group (34), middle income group (14) and high income group (51). The nature of the bank in which the respondents are working is also considered. For the purpose of comparison, equal numbers of respondents (100 each) are taken from private and public sector banks.

## 2. Perception towards mobile marketing

The majority of business leaders who filled out the survey's effects of new generation mobile technology on marketing activities section believe that these tools are more efficient and useful than their predecessors. Findings indicate that Mobile Technologies facilitates network traffic management, maximizes

marketing efforts, delivers more brand value, increases marketing efficiency, and decreases time spent on essential business applications. Marketers have embraced the concept of mobile marketing as a new, cutting-edge alternative to the traditional channels of communication typically used in the buying and selling process in response to the explosion in the use of mobile phones and the number of people who subscribe to mobile data services. In conclusion, mobile technology has had a significant impact on the information search stage, providing consumers with easy access to information, faster decision-making, personalized recommendations, and flexibility. The result is given below.

Table 2

### Awareness towards mobile marketing

Dimensions	Mean	Std. Deviation
ATMs	4.29	1.119
Credit card	3.62	0.821
Debit card	3.19	0.821
Demat account	3.25	1.104
Digicash	2.17	1.302
E-Cheque	3.31	1.108
e-invest	3.11	1.149
Internet banking	3.09	1.064
m-cheque	3.14	1.203
Mobile Banking	3.21	1.052

The result from the above table shows that the respondents give much importance to the reputation of the bank (4.20) which gives job security, more benefits and prestige. The compensation paid by the banks is mostly considered by the employees (3.72) as it is their most expected factor. The present system and commitments make the employees not able to balance their personal and professional

life. The Work life balance is given third rank (3.54). Organization culture is the key for the entire work culture and motivation (3.50). Workload (3.30), other benefits (3.29) are ranked fifth and sixth respectively.

## 3. Perception and the nature of the respondents

Total perception score is calculated from the dimensions considered above. The perception may change according to the

nature of the employees. By keeping this in mind, the relationship is studied as follows.

Table 3  
Difference in perception according to the age

Age	N	Mean	Std. Deviation	F	Sig.
Young	70	37.2506	6.12384	2.526	0.084
Middle	90	34.2582	6.16413		
Old	40	32.0138	6.65416		
Total	200	33.2500	6.45132		

The Table 3 shows that young age group respondents (37.2506) have more perception than other age groups. But the difference in the means across all the age groups is not significant. The F value from

the ONE WAY ANOVA is 2.526 and p value is 0.084 ( $>0.05$ ). It is concluded that the perception of the respondents do not differ much according to their age.

Table 8  
Difference in perception according to the nature of bank

Nature of bank	N	Mean	Std. Deviation	Z	Sig.
Private	100	36.0100	6.04945	2.914	0.004
Public	100	33.4900	6.18159		
Total	200	33.8900	6.55613		

The perception of the employees working from the private and public sector banks may differ as their recruitment process, work environment, workload and compensation are entirely differ. The result shows that the perception of the employees working in the private banks (36.0100) is found more than the public sector bank employees. The Z value (2.914) shows a significant difference in the mean at 1% level of significance (0.01). It is concluded that the employees working in the private banks consider much about the employer branding dimensions than the public sector bank employees.

#### Conclusion and Discussion

The world's changing political and cultural climate as well as the advancements in science and technology have an impact on every academic field and

contribute new perspectives to the written word. In the 1990s, the Information Age began, ushering in a period of rapid technological advancement that also gave rise to new approaches to marketing. Developments and changes have occurred across the board, from the manufacturing stage to the end up customer, as a result of the widespread usage of the Internet connection, the decreasing cost of computers, and the advent of the mobile idea. As communication and information technologies have improved, so too have consumers' awareness, resolve, and ability to research products and services before making a purchase. In order to make educated purchasing decisions, consumers now employ a variety of strategies, including conducting online research and reading product reviews. Comparison

shopping online, finding a reputable vendor, and reading reviews from satisfied customers are all important steps in the buying process. Changes in the ways consumers make purchases have inspired new approaches in the study of consumer behaviour. The advent of smart mobile phones, which have altered our routines and made our lives easier, has also heralded new approaches to advertising. In tandem with these developments, the marketing literature has incorporated discussions of mobile apps and notifications sent by these programmes, mobile pop-ups and banners, and mobile marketing and advertising techniques. The marketing notion that first appeared in the 19th century encompasses the entire supply chain, from raw materials to final sale. Marketing initiatives are unavoidable because of the ever-increasing number of competitors, globalization, ever-evolving market and market conditions, mass production, and intensive branding efforts. It is common knowledge that while developing marketing plans, it's important to keep a number of things in mind. These elements are crucial to marketing efforts and have a direct bearing on the evolution of sales. With the advent of humanity, mobile marketing—a byproduct of social media—has been heralded as the dawn of a new age in the study of consumer behaviour. Because with mobile marketing, you can get instant, cheap, and effective data on previously unknowable aspects like consumers' attitudes, comments, perceptions, appreciations, and expectations. Unlike with more traditional forms of advertising and promotion, businesses may get immediate, two-way response from their customers with mobile marketing. Determining consumer characteristics, designing sales and promotion policies in accordance with consumer expectations and attitudes, identifying a target consumer group, and orienting general operating policies in accordance with the behaviour of this group are central to successful mobile marketing. During this time, the integrated market is

coordinated with all the initiatives that will encourage consumers to buy and thus help the company achieve its goals. The time has come to coordinate all of the efforts that will encourage consumers to make purchases and so aid in the achievement of corporate goals through the use of integrated market communication.

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