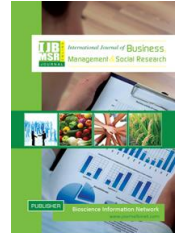




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## Impact of Advertisements on Online Banking in Bangladesh

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### ABSTRACT

*Online banking is becoming much popular to all level of customers because of time saving, easier ways of transaction and other modern IT based banking facilities. To make the online banking more popular and create more strong customers database advertisements is significant. Advertisements are playing vital role to create consciousness among the customers and non-customers, and make it feasible in every possible ways through television commercials, billboard, newspaper ads or word of mouth communication. Questionnaire survey was conducted with 45 respondents to know the impact of advertisement strategies on online banking in Bangladesh. We have used different statistical tools to make the results more feasible and understanding. Among the respondents, there were students, service-holders, bankers who are mainly using the online banking and the impact of advertisements activities of the banks to choose online banking.*

**Keywords:** *Online banking, Advertisement techniques and Television commercials*

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### I. Introduction

Bangladesh is one of the most emerging economies among the developing countries. Banking sector is playing the crucial role for the development of economic growth. Banking services are not only adding on gross domestic progress (GDP) of whole economic sustainability but also making money transactions easier. In today's world, everyone is busy and they have not enough time to transect their day to day or business activities while waiting on banks' branches on a queue. For this reason, people are getting more dependent on online banking or sometimes we call it Internet banking or E-banking. Online banking is becoming popular because of people's choice, quick transaction, less time pressure, reducing physical costs and others. Online banking or Internet banking is generally defined as the automated delivery of traditional banking services through the electronic interactive communication channels. Customers may access their accounts through electronic intelligence device such as Personal computer (PC), Personal Digital Assistant (PDA), mobile phone, Automated Teller Machine (ATM) and others. But it does not matter how they will access their account through which device, they have to access on internet so that they will smoothly finish their all transaction. Online banking services may

include electronic fund transfers, debit cards, credit cards, wire transfers, telephone banking, ATMs, bill payments (electricity, water, phones etc.) and many other purposes. A traditional service-holder of bank accounts can easily adopt the online banking process. They need to follow banks specific rules which are mandatory for online banking process and they continue their banking functions through using online regulations and precautions.

Advertising is considered as any paid form of non-personal communication directed towards target audiences and transmitted through various mass media to communicate the services offering of the advertised company. The most important part of advertising is to make services tangible in the mind of customers to reduce the perceived risks and provide a clear understanding what they want to deliver to their desirable customer groups. According to Meidan (1996) two types of advertising channels appropriate for financial advertising. TV commercials, billboards, newspaper ads, radio ads, posters, magazines ads etc. are the forms of advertising and these forms of advertising known as "Above-the-line" of advertising. While on the other hand, invisible advertising of bank services are considered as leaflets, pamphlets, exploratory guides and manuals that help banks to support to sell their specific services and these forms of advertising is popularly known as "Under-the-Line" of advertising. TV commercials (TVC) are playing vital role for promotional technique, through an advertisement bank can use both functional appeal and emotional appeal to attach their customers. TVC is the best way to capture huge audiences and they are usually convinced through TVC. Nevertheless, word of mouth, billboards, newspaper ads, personal contact etc. are also playing crucial role for the adoption of online banking.

Banking sector is the most lucrative sector in Bangladesh. Banks are using most TV commercials and or advertising, billboards as their promotional strategies. Because of on air of TV commercials and billboards, all levels of people from the society may know about the banking conditions of the present demand of by customers and others. Promotional strategies are playing the vital factor for the improvement of knowledge of customers about banking progress. TV commercials have shown the customers how they can use online banking; its functional benefits are being presented through different forms of advertisements. Commercial banks are using emotional appeals on their advertising to convince their existing and potential customers to adopt online banking facilities of their banks. People are convincing of their promotional techniques and adopting online facilities. BRAC Bank, City Bank and Dutch Bangla Bank are the major players who make their online services more reliable to their customers through various creative promotional strategies these days. Customers are getting more informative through advertisements, billboards and others functions of the banks. The most convinced customers are always using "Word of Mouth" of about desired facilities regarding online services that are being offered by different commercial banks.

Several banks have launched online banking facilities for their customers such as HSBC, BRAC Bank, City Bank, Dutch Bangla Bank, Standard Chartered Bank, Southeast Bank, Premier Bank, Bank Asia, AB Bank, First Security Bank, Mercantile Bank, Janata bank, Jamuna Bank etc. These banks have already taken their actions for successful online service for customers.

BRAC Bank is the pioneer of introducing online banking or Internet banking in Bangladesh. It's the first local private bank in our country that takes the initial function of modern technology. Furthermore, BRAC bank is the first local private bank in our country which introduced first "Online shopping" facilities for their customers. Customers can buy any products through online shopping and they may customize their offers. Customers who have BRAC Bank's VISA card or any VISA card can be the part of online shopping service. "24/7 "service is their main motto to deliver their banking services. On their TV commercials the bank has been shown the customers access facilities through online banking and how customers can easily finish their transaction just on one (or fewer) click of internet. Advertisings are used as both emotional and functional appeals to make situation more reliable and get closer attachment through the marketing promotional strategies towards targeted customers.

City Bank has also launched their new internet banking services "Citytouch" on the full-fledged. Customers may download the apps from Android, Nokia, Apple, Blackberry apps stores. City bank's TV commercials activities are really appreciable because of new forms of introducing their services at the

basic needs of the customers. The customers are getting more information through their TV commercials; and their ad models are playing the vital role to attach the customers' needs through the advertising. The services of "Citytouch" include the real time transaction of current, savings and fixed deposits, online shopping, transfer of funds from one account to any account of the country, school bill payments, purchase of airline tickets of domestic routes, mobile or credit card bill payments and others.

Dutch Bangla Bank Ltd. is another pioneer of mobile banking facilities. Their advertisements are too much popular towards all levels of customers. Their advertisements have shown how the customers can easily adopt the technology and use the facilities of their banks. The commercial ads, billboards newspapers ads are playing vital role to create awareness about the online banking facilities. HSBC, AB Bank, Standard Chartered Bank, Bank Asia, Southeast Bank, Premier Bank, Jamuna Bank, Janata Bank, First Security Islami Bank etc. are offering more or less the same kind of online banking services to their customers. They have undertaken more attractive promotional strategies to get attach with their customers for their banking facilities. However, the main objective of this study is to find out the impact of advertising strategies on online banking in Bangladesh. Some related objectives include know-how of online banking, to find out the most favorite media of communication towards the customers and non-customers, to retreating of advertising strategies, to find reasons for choosing online banking and to rate of online banking facilities of banks and advertisement based on customer's satisfaction.

## II. Materials and Methods

**Literature review:** This questionnaire survey is conducted for measuring the impact of advertisements of online banking in Bangladesh. Now-a-days, almost all the banks run their activities through internet along with traditional banking. Online banking makes their deals with consumers easier than before. Transaction, deposit or withdrawal process is now very much consumer friendly and safe due to secure online banking. But, the customers must need to know about the procedure and process of online services of a particular bank. From this perspective, those bank which have online banking system also build a promotional strategy to promote their services. Promotion always has significant effect on any kind of product or services. For online banking this is much crucial because if people do not know about the services they provide through internet it will not be possible for them to consume those services. Thus, the impact of promotion bears greater affect towards customers.

There are lots of published papers on online banking. This is a trending issue of this era. But, most of the papers discuss about the procedures, necessity or the applications of online banking. Moreover, there are some articles for identifying the problems of online banking or discuss modern techniques for online banking services. Some articles are written on promotions of online banking services. There are even some articles on online promotion of banking service. These articles cover lots of important areas but there are lacking of information about the promotional strategies of online banking and its impact using recent data. In this regard, this survey paper will cover the impact of promotional strategies taken by the banks to promote and strengthen their online service. It will show how consumer perception has been changed and what customers view about promoting online services. It will give the answer if it is fruitful or not. There are some research papers and articles which are helpful to demonstrate the aim and scope of this paper. Likewise, [Balaceanu \(2011\)](#) discussed about modern techniques for online promotion of banking services and products. Effective communication and how a promotional strategy can be successful were identified in the study. [Grankvist \(2014\)](#) reported promotional strategies for banking service; they conducted the job for better understanding the promotional strategies of banks. One more article which discussed about the online banking system of Bangladesh is online banking in Bangladesh: an empirical analysis ([Roy et al. 2011](#)). This study was conducted for increasing the current understanding of influential factors of online banking acceptance considering new technology acceptance.

[Mia et al. \(2007\)](#) observed that the latest development in marketing financial services by banks is online banking, where banks have now put themselves in the World Wide Web to take advantage of the Internet's power and access to cope with the accelerating pace of change of business environment.

Aliata et al. (2012) discussed about promotion of banking services on the influence of promotional strategies on banks performance. They observed various promotional strategies of banking sector. Uppal (2010) observed how the bank products are marketed through promotion in his article on marketing of bank products-emerging challenges and new strategies. Joseph et al. (1999) found six dimensions of online banking service quality. Those are convenience and accuracy, feedback and complaint management, efficiency, queue management, accessibility and customization.

Ahmed and Islam (2008) observed that adopting e-banking services, banks in developing countries are faced with strategic options between the choice of delivery channels and the level of sophistication of services provided by these delivery channels. While Shamsuddoha (2008) argued that in Bangladesh, banking industry is mature to a great extent than earlier period. It has developed good image in their various activities including electronic banking, online transactions, mobile banking and other e-banking services. Now modern banking services have launched by some multinationals and new local private commercial banks. Electronic banking is one of the most demanded and latest technologies in banking sector. However, it is evident that the companies who undertake e-business quickly can outperform the competition. Companies who will not be able to cope up with the e-business and or electronic banking will be out from the competition in the progressive banking sector of Bangladesh.

From Bangladeshi perspective, this questionnaire survey research will define the impact and importance of the advertisement activities taken by the banks to promote their online banking service. This study aims to understand the market scenario of online banking. It will help the banks to understand the impact of their work regarding promotional advertisements. They will be able to understand the steps they have already taken are right or they will have to make corrections in their promotional strategies.

**Type of the study and data source:** A Descriptive study has conducted to explore the impact of advertisements on online banking in Bangladesh. Primary data has been collected through structured questionnaire survey. Secondary sources of data have been collected from different publication material including articles, national and international reports, websites as well as books.

**Sampling method and data analysis:** The research survey has conducted on 45 respondents of different banking system who frequently using traditional, online or mobile banking. Random sampling is used by selecting every customer for the survey. The respondents who are accountholder of different banking system will only be considered in the sampling frame. During collection of data, structured questionnaires have provided to every respondent. Dichotomous questions, multiple choice questions and likert scales are used for the questionnaire design. To analyze the date, SPSS 20.0 software was used.

### III. Results and Discussion

Questionnaire response revealed that many respondents have agreed that the advertisement strategies are quite good than previous because through various advertisements they came to know about online banking. Almost 36.4% respondents aware about the on watching TVC, 29.5 % respond that they are aware of word of mouth communication (Table 01).

Media of communication	Valid Percent (%)
Watching TV commercial	36.4
Reading newspaper	18.2
Word Of Mouth	29.5
Through personal contact	15.9
<i>Std. Error of Mean</i>	<i>0.169</i>
<i>Std. Deviation</i>	<i>1.123</i>

**Table 01. Awareness of customers about online banking through advertisements**

In terms of favorite means of add communication, 52.3% of respondents prefer TVC, 15.9 % print advertisements, 22.7% billboards as the most favorite media of communication to gain knowledge about the online banking and others services (Table 02).

<b>The mostly favorite media</b>	<b>Valid Percent (%)</b>
TV commercial	52.3
Print advertisements	15.9
Billboards	22.7
Others	9.1
<i>Std. Error of Mean</i>	<i>0.160</i>
<i>Std. Deviation</i>	<i>1.061</i>

Table 02. Favorite means of communications for customers

It revealed from analysis of questionnaire about reasons of choice of online banking that 51.1% users use online banking for 24 hours access of account, 26.7% for convenience and 20% for time saving as shown in Table 03.

<b>Reasons</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid percent (%)</b>
Convenience	12	26.7	27.3
To save time	9	20.0	20.5
24 hours access of account	23	51.1	52.3
Total	44	97.8	100
Missing system	1	2.2	
Grand total	45	100	
<i>Std. Error Of Mean</i>	<i>0.131</i>		
<i>Std. Deviation</i>	<i>0.866</i>		

Table 03. Reasons for choosing online banking by customers

Rating of online banking and customer satisfaction against different banks of Bangladesh showed that banks which promote their online services deliberately through media are more acceptable to the customers. As our respondents, recommend banks based on the facilities, advertisements based on their satisfaction level, they mostly prefer DBBL 28.9 %, BRAC bank 20% and Standard Chartered Bank 17.8% (Table 04).

<b>Banks</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid percent (%)</b>
BRAC Bank	9	20.0	20.5
City Bank	4	8.9	9.1
DBBL	13	28.9	29.5
Standard Chartered Bank	8	17.8	18.2
UCB	5	11.1	11.4
HSBC	5	11.1	11.4
Total	44	97.8	100
Missing System	1	2.2	
Total	45	100	
<i>Std. Error Of Mean</i>	<i>0.241</i>		
<i>Std. Deviation</i>	<i>1.601</i>		

Table 04. Rating of online banking and advertisement based on customer's satisfaction

From the data, it revealed that without promotional activities banks could not be able to reach to their customers to inform them about their online banking services. Most of the people knew about those services through TV commercial, which is an important tool of promotional strategies taken by the

commercial banks in Bangladesh. After gaining the knowledge about these services many of the urban and rural people started to use online banking facilities. After using the facilities most users rated online banking services as safe and sound service.

Moreover, they spread positive word of mouth about the online banking services which was the way of gaining knowledge for those people who already didn't know about these services. So, they could also start to receive those facilities in future. Even this has become a competitive issue in the banking industry for these days. Those banks that provide better online service are getting more attention of the consumers. Thus, the success of promotional strategies taken by the banks regarding online banking is evident and functional. Promotional tools played a great role and the impact of the promotion is really great as the banks have created positive buzz and or impressions amongst the targeted customers and other people's.

#### IV. Conclusion

Online banking has become popular to the traditional customers and the non-customers group. Adaptation of new technology to save time, speedy transaction, 24/7 hours access on bank accounts and other facilities (such as balance check, bills payments etc.) are the reasons for increasing of online banking popularity. Marketing promotional strategies like advertisements of various forms and word of mouth are playing vital role to increase the popularity of online banking facilities. Promotional tools are the best way to communicate with the customers. TV commercials, billboards, newspaper ads are considered the mass media to target mass audiences. Because of these marketing promotional tools customers are aware of banking facilities, what the banks want to provide to their customers become evident. There is no doubt that promotional tools are the best medium to connect with the customers as found in this study. The effect of promotional tools regarding the online banking activities are playing vital role to provide the customers services of new offerings of the modern banking system. In this survey, it is evident that promotional tools are not only medium of awareness creating among the customers and non-customers groups but also the medium of adopting new forms of banking facilities that make their life easier and comfortable than previous.

#### V. Limitations of the study

This survey paper represents an initial phase of sustainable research program and it has limited itself in terms of research design. Firstly, data collection was confined only limited basis because of short of time span and a significant number of customers was overlooked. Secondly, it was time consuming and was difficult to find out spontaneous respondents for the questionnaire. Thirdly, there was limited secondary literature available of the related topic.

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