

## MARKETING IN DIGITAL AGE: AN EXPLORATORY STUDY OF HDFC BANK

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### Abstract

*Now a days marketing has become more customer oriented as well as technology oriented. Marketing is a very important functional area of business organization. Without marketing, there will be no existence of business. Marketing environment is always changing with the time. So, marketer need to identify these changing needs and it should be taken as an opportunity. The present research paper is divided in three major parts. In first part of the report, attempts have been made to understand the concept of digital marketing in terms of its meaning, its components-digital devices and digital channels and benefits of digital marketing. In second part of the report, efforts have been made to know the effectiveness of digital marketing in entire world. It shows the spread of digital marketing channels worldwide. It is proved that entire world is a growing potential market which needs to be captured with the help of digital marketing strategies. Third part of this report describes the efforts of banks in digital marketing areas. In digital marketing, banks are taking cautious steps to move forward. While working within the framework of regulations and laws and handling all safety and secrecy related issues with risk factors, banks are entering in digital marketing very slowly and carefully. Many private sector banks are trying to establish and expand their business with the help of digital marketing. Bank's efforts have been analysed with the help of case study of HDFC bank. The researcher has also analysed the digital marketing system adopted by HDFC Bank.*

**Keywords:** Digital Marketing, Digital channels, Digital Devices, Banking Sector.

### Introduction

New era is started in marketing that is known as a Digital Marketing. Digital marketing is a marketing of products and services with the help of digital devices and digital channels. Marketing includes all the activities which is required to provide desired goods and services to the target customers. Marketing aims to generate

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customer satisfaction. Effective marketing needs creativity and innovativeness to promote new and established products among target customers. So, marketer is always in search of new ways and opportunities to expand market. Marketer need to change as per the changing time. Nothing is constant in marketing environment. Hence to adjust with the changing marketing environment and to find out new opportunities, along with traditional marketing channel, marketer need to accept digital marketing channels.

In digital marketing process, goods, ideas and services are introduced, shared and promoted with the help of real time interaction with consumers through digital marketing channels. This interaction between marketer and customers reaches to large number of people across the world at the same time. It includes text, audio, video and graphics. Digital marketing has entertainment as well as educational value. Digital marketing is required to follow by the marketer to gain competitive advantage over competitors. It also promotes business by doing brand awareness and brand development. All businesses need to hold the hand of digital technology for future nourishment of business. No business sector can be the exception.

### **Objectives**

Research has been done in the light of the following objectives:

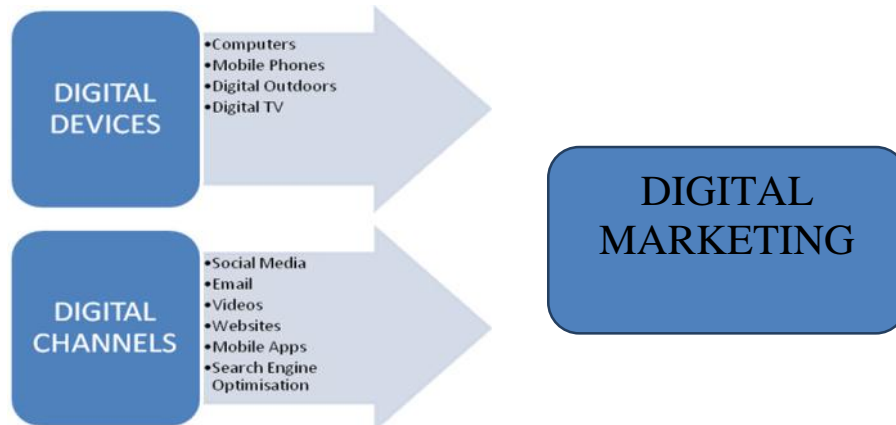
- To understand the concept and benefits of digital marketing.
- To study the worldwide effectiveness of digital marketing.
- To study the efforts of banks in digital marketing.
- To know the experiences of digital marketing in HDFC bank.

### **Research Methodology**

This research paper is based on secondary sources of data. For this study, the researcher had used published documents, books, magazines, research journals, HDFC Annual Reports; various websites were referred for descriptive and quantitative data. Efforts have been made to collect most recent data available on various web sites and Bank's website.

### **Concept and Benefits of Digital Marketing**

Digital marketing means promoting goods and services with the help of digital medium. Digital means transmission of data with the help of binary numbers. Digital marketing includes all marketing efforts with the use of electronic device. Digital marketing uses various channels through which content can be transmitted with the help of digital devices. It is a combination of digital devices and digital channels. Along with that, right skill and knowledge is required on the part of personnel to make use of it.



### Benefits of Digital Marketing

- **Higher Reach:** Digital media has higher reach. With the help of digital marketing, marketer can reach at every corner of the world as compared to traditional media's limited reach. Digital Marketing is a great opportunity to attract customers in every area of the world.
- **Cost Effective:** Digital marketing is cheaper than traditional marketing. It requires less fund to market the product as compared to giving ads in newspaper and TV, Magazine advertisements at a very high rate. It is definitely affordable to all marketers whether single marketer or large organizations.
- **Easy Targeting of Right Audience:** In digital marketing, easy targeting of right audience is possible with the help of proper planning and structuring of digital messages. Choice of right digital channel is necessary. Search Engine Optimization is helpful technique to target right audience.
- **High Engagement:** Digital media has the ability to engage the consumer at more personal and interactive level. Any person interested in specific advertisements or contents go on searching deep in that subject. It is always resulted in positive result.
- **High Return on Investment:** Digital marketing assures high return on investment. It is cost effective methods. Costs are less than the returns. Higher returns in less time period are possible.
- **Measurable:** Response on digital media can be measurable in terms of likes, comments, share, no. of videos watched, no. of clicks etc. Affectivity of social media is measurable. Thus, it is easy to find out impact of digital media.
- **Faster Growth Rate:** Digital media assures faster growth rate in number of consumers and overall business as compared to traditional marketing media.

- **Improves Brand Awareness:** Multimedia is used to promote products with the help of digital devices. Impact of Multimedia is high in creating brand awareness. Use of digital media creates long lasting effect on consumer's mind. It improves retention power of consumers.
- **Higher Conversion Rates:** Digital Media has higher conversion rate of potential consumers into actual consumers. Response rate of new consumers is high. TV advertisement takes time for actual sale but in digital media marketing, enquiry can immediately get converted into actual sales. All helping options regarding product's pictures, price, delivery, payment option are eye catching on the digital media screen. It acts as tempting option for on the spot purchases of products and services.
- **Brand Loyalty:** Consumer is having high satisfaction level because they are attached with organization on continuous interactions which results in brand loyalty. Their queries and problems are solved immediately by marketers. Marketer is trying to provide higher satisfaction at every touch point with customers.
- **Interaction:** Digital media marketing promotes interactions among organization and customers. It will help to solve their queries and problems at personal level. It tries to connect marketer and consumers for long term relations.
- **Experience:** Digital media gives customers unique experience of communication with organization. It promotes good relations among organization and consumers which will be fruitful for both of them in future.

### **Banking Sector and Digital Marketing**

Banking sector is trying to walk on digital path. Digital marketing is definitely helping banks to grow and expand at faster speed. Digital marketing symbolizes smart work rather than hard work. Digital marketing increases the demand for the financial products at faster rate as compared to traditional marketing. It is contributing to the goodwill and reputation of banks. Banks needs to plan digital marketing strategy with proper skills and expertise.

Private sectors banks are ahead in digital marketing efforts as compared to public sector banks. Many private sector banks are trying to establish and expand their business with the help of digital marketing. Bank's efforts have been analyzed with the help of case study of HDFC bank. At present HDFC bank is at top position in digital marketing efforts. HDFC bank is getting positive response from customers. It is true that digital marketing is the need of an hour. Every business sector along with the banking sector should try to grab the opportunities in market with the help of

digital marketing for future survival and growth. Various researches have been done to find out effectiveness of digital marketing in case of merchandise goods. It is proven that digital marketing is really improving the sales of products as well as it contributes to generation of new customers and customer's loyalty. In service sector, especially in banking business, still digital marketing is lagging behind. In this study attempt is done to find out whether banks are choosing the path of digital marketing and is it effective or not.

Indian banking system is well regulated system by Reserve Bank of India and by various banking laws. Banks always have safety and secrecy related issues. That's why we found less numbers of banks are involved in digital marketing activities. Digital marketing is the needed for successful present and future of any organization. That's why; every business needs to be in digital system to flourish their business. Banks cannot be the exception. Large number of people in world has been connected with the help of digital media. In this new era, person cannot be isolated from digital media. Table 1 and Table 2 shows worldwide spread of digital media in the year 2018.

**Table 1**

No.	Country	No. of Internet Users (in million)
1	China	751
2	India	462
3	U.S.	245
4	Indonesia	132.7
5	Japan	118.5
6	Russia	110
7	Bangladesh	81.7
8	Philippines	67
9	Vietnam	64

**Table 2**

No.	Networks	No. of Users (in million)
1	Facebook	2234
2	You Tube	1900
3	WhatsApp	1500
4	WeChat	1058
5	Instagram	1000
6	Tiktok	500
7	Twitter	335
8	LinkedIn	303
9	Pininterest	250

Source: [www.statista.com](http://www.statista.com)

**Table 3: Number of Worldwide Internet Users**

No.	Particulars	2005	2010	2017
1	World Population	6.5 billion	6.9 billion	7.4 billion
2	Users worldwide	16%	30%	48%
3	Users in the developing world	8%	21%	41.3%
4	Users in the developed world	51%	67%	81%

Source: International Telecommunication Union

Above table 1, 2 and 3 shows growing engagement of people on internet. Not only internet but people are using many digital devices i.e. Mobile phones and other digital equipment etc. In India social network users are increasing from 50.2 million in 2011 to 76.1 million in 2012, 105 million in 2013, 129.3 million in 2014 and 462 million in 2017. India has 241 million users on Facebook in 2017. LinkedIn has around 42 million users and Twitter has 23.2 million users in 2017 in India. Digital marketing is the golden path for expansion of business in every area. This is the great opportunity for all marketers, to grab it and sell their products worldwide. Following are few banks which are following digital marketing techniques for promotion of banks and their financial products.

**Table 4**

No.	Private Sector Banks	Social Grades	Public Sector Banks	Social Grades
1	HDFC Bank	3.06	State Bank of India	1.68
2	ICICI bank	2.81	Bank of Baroda	1.39
3	Axis Bank	2.28	Punjab National Bank	1.28
4	City Bank	2.02	Canara Bank	1.16
5	Yes Bank	1.97	Bank of India	0.51
6	Standard Chartered Bank	1.08	Corporation Bank	0.43

Source: Track.in .com, Ishwar K. Sethi, Si Krishnan

Table 4 shows private sector banks are more engaged in digital marketing as compared to public sector banks. In public sector, State bank is taking more efforts in digital marketing. In private sector, HDFC bank is ahead in digital marketing. It is facing tough competition with ICICI bank. Other major banks are also following them. Mainly the banks are more active on Facebook, Twitter and You tube. In above table 4, social media grades show activeness of banks in social media space. It is calculated on a scale of five, the interactivity level of banks in Facebook, Twitter, Linked, YouTube and Blogs are taken into consideration. Following table 5 shows number of people visited to banks on social media in first quarter of the year 2018.

**Table 5**

Name of the bank	Facebook Likes	Twitter follower	You Tube Views
HDFC Bank	26,35,081	2,71,599	4,75,69,022
ICICI Bank	54,67,772	4,19,033	8,93,11,894
Axis Bank	36,37,163	2,45,938	3,85,65,443
Yes Bank	73,35,160	3,31,20,313	9,65,598
State Bank	1,52,37,165	31,96,644	12,74,71,193
Kotak Mahindra	12,25,607	2,07,263	4,28,30,035

Source: Financial brand

Above table 5 shows the large number of people visited to bank through digital media in three months period of January to March 2018. These numbers have been constantly changing at higher speed. It shows the involvement of bank customers in digital media. As per the RBI announcements, total number of transactions through mobile banking were 1.68 crores which transacted rupees 11,323 crores in December 2014, which increases to 2.18 crore transaction with amount transacted 20,291 crores in rupees in June 2015 and 3.95 crores transactions with amount transacted 49,029 crores rupees in December, 2015.

### Case Study of HDFC Bank

Housing development finance corporation bank (HDFC) is a private sector bank formed in August 1994. It is an Indian banking and financial services company. Bank provides various numbers of financial services and products. It has 4,787 branches across 2,691 cities. It has 12,635 ATMs across India. HDFC bank's registered office is in Mumbai. It has 88,253 permanent employees as on 31<sup>st</sup> March, 2018. Following table 6 shows year wise details of HDFC banks.

**Table 6**

Year	Profit after tax (Rs. in Crores)	No. of Branches	Total Customers (In Crores)	Credit cards (In lac)	Debit cards (In lac)	POS terminals installed (in lac)	No. of ATM
2008-09	2245	1412	1.80	43.9	90.8	0.70	3295
2009-10	2949	1725	1.90	44.5	98.3	0.90	4232
2010-11	3926	1986	2.19	50.5	115.5	1.20	5471
2011-12	5167	2544	2.60	56.0	141.1	1.84	8913
2012-13	6726	3062	2.87	64.2	157.6	2.43	10743
2013-14	8478	3403	2.89	51.4	174.2	2.16	11256
2014-15	10216	4014	3.27	59.7	216.3	2.45	11766
2015-16	12296	4520	3.77	72.8	230.3	2.83	12000
2016-17	14550	4715	4.05	85.5	235.7	4.30	12260
2017-18	17487	4787	4.36	106.9	243.2	4.04	12635
Increase & Change in % as compared to 2008-09	<b>15242 (678.93)</b>	<b>3375 (239.02)</b>	<b>2.56 (142.22)</b>	<b>63 (143.50)</b>	<b>152.4 (167.84)</b>	<b>3.34 (477.14)</b>	<b>9340 (283.45)</b>

Source: Compiled from HDFC Bank Annual reports

Table 6 reveals that,

- Profit before tax was Rs. 2245 crore in the year 2008-09, which was increased to Rs.17482 in the year 2017-18. It was increased by Rs. 15242 crores (678.93 %) during the study period as compared to base year.
- Number of branches was 1412 in the year 2008-09, which was increased to 4787 in the year 2017-18. It was increased by 3375 (239.02 %) during the study period as compared to base year.
- Number of customers was 1.80 crore in the year 2008-09, which was increased to 4.36 crore in the year 2017-18. It was increased by 2.56 crore (142.22 %) during the study period as compared to base year.
- Number of credit cards was 43.90 lac in the year 2008-09, which was increased to 106.9 lac in the year 2017-18. It was increased by 63 lac (143.50 %) during the study period as compared to base year.
- Number of debit cards was 90.8 lac in the year 2008-09, which was increased to 243.2 lac in the year 2017-18. It was increased by 152.4 lac (167.84 %) during the study period as compared to base year.
- Number of POS was 0.70 lac in the year 2008-09, which was increased to 4.04 lac in the year 2017-18. It was increased by 3.34 lac (477.14 %) during the study period as compared to base year.
- Number of ATM was 3295 in the year 2008-09, which was increased to 12635 in the year 2017-18. It was increased by 9340 (283.45 %) during the study period as compared to base year.

It shows growing business of HDFC bank over a period. Total number of customers, no. of credit cards and debit cards, POS terminals, ATM has increased in great speed over 10 years period. This increase in numbers indicates successful implementation of marketing campaign by HDFC bank. HDFC bank is emphasizing on digital marketing campaign. At present HDFC bank is showing high engagement in digital marketing. HDFC bank has prominent presence on Digital media. It has remarkable presence on Facebook, LinkedIn, Twitter, YouTube and its official blog. HDFC bank is trying to convert these large number of digital device users into their customers by applying various digital marketing strategies. HDFC bank is following the strategy to engage, evolve and excel. This digital marketing strategy is based on comprehensiveness and convenience and time saving of customers. It is observed that in 2008 percentage of customers-initiated transaction through bank branches was 43%, through phone banking it was 14%, through internet and mobile it was only 3% and through ATM it was 14%. These numbers changed drastically in 2018 that is,



customers-initiated transactions through branches is 8%, through phone banking only 1%, through internet and mobile is increased to 85% and through ATM it is 6%.

### **HDFC Banks and Tools of Digital Marketing**

Annual report of HDFC bank 2018 indicates that bank is focusing more on experience differentiation rather than only transactional interactions. This approach provides bank competitive advantage over other banks. Bank has tried to integrate newer technology platforms to attract more customers and to design more satisfying customer's experience. Following are efforts taken by HDFC bank towards this direction through various tools i.e. EVA (Electronic Virtual Assistant), On Chat, DCC (Digital Command Care), Insta Alerts, Digital Loans, Virtual Insta Card, PayZapp, Smart Buy, Digital loans against securities and mutual fund, Smart Hub, Smart Hub Merchant App and BHIM App in digital marketing.

HDFC has achieved the target to install point of sale units, integrate the Bharat QR payment system and promote the Bhim mobile app based on the unified payment interface after demonetization. These are some of the tools which bank is providing to attract customers digitally. HDFC bank is trying their best to provide excellent digital banking experience with digital marketing to build trust among customers. HDFC bank's proportion of investment in digital marketing has increased. Bank is spending more on technical staff which is handling the digital media marketing. So, in every aspect bank is becoming ready to face future challenges, equipped with digital marketing.

### **Conclusion**

From above analysis of information, it is concluded that digital marketing has greatest potential to improve the business. Various channels of digital marketing and its great advantages definitely provide competitive edge to marketers. Customers are more satisfied and attached with the organisation due to constant interaction through digital media. The services and products have become more customised. It is observed that growing population on internet can be converted into actual consumers of products and services with the help of digital marketing. Banking sector is taking steps more cautiously in digital marketing. It is observed that the HDFC bank has taking continuous efforts towards digital marketing. HDFC bank is ahead in digital marketing and enjoying the benefits of greater reach with customers. All other banks, at their maximum strength are trying improving in digital marketing area to gain the benefits of it. It is sure that with changing time, digital marketing will be the top priority for every bank.

Above analysis is proving that digital marketing revolution is not only from marketer's side but equal response is received from customer's side. Customers are ready to face new wave of digital technology rather than acting as laggards. Digital Marketing is bringing bank closer to customers by building trust among customers. Bank has left no stone unturned, whenever customer remembers money, he will think only about HDFC bank, efforts are made to reach in this direction. HDFC Bank has taken great efforts to reach to customers through various digital marketing efforts in the area of financial services.

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