



**ADVERTISING AND INTEGRATED MARKETING COMMUNICATIONS
PROGRAMME –A PARADIGM SHIFT FOR BANKS –A CASE STUDY OF INDUSIND
BANK**

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Abstract: *Advertising has evolved into a vital communications system for both consumers and businesses. The audiences that marketers seek, along with the media and methods for reaching them, have become increasingly fragmented. Advertising and promotional efforts have become more regionalized and targeted to specific audiences. With the dawn of rapid growth of electronic technology and mass media communications, the consumers and business organizations are experiencing the dynamic and revolutionary changes of an era in the history of marketing, as well as advertising and promotion. These changes are being driven by advances in information technology / state-of- art developments that have led to the rapid growth of communications through interactive media, particularly the Internet.*

The ability of advertising and other promotional methods to deliver carefully prepared messages to target audiences has given them a major role in the marketing programs. Developing marketing communications programs that are responsive to these changes is critical to the success of banks. The efforts of 4 D, Differentiation, Diversification, Domain leadership and Dynamism in business have become the new age mantra for the banks.

In this research paper, a case study on IndusInd Bank, which has grown rapidly in the last decade of twenty first century, has been attempted. IndusInd Bank plans to increase its customers from current strength of 9.5 million customers to 20 million and its branch strength of 1200 to 2000 by 2020. To be focussing on customers and business expansion, the IndusInd bank would expand with digitization, operations performance and productivity improvements, customer experiences and overall sustainability. IndusInd Bank has integrated their advertising efforts with a variety of other communication techniques such as websites on the Internet, direct marketing, sales promotion, publicity and public relations (PR)and event sponsorships.

The case study would be basic and exploratory.

Keywords: *Advertising, Integrated Marketing Communications (IMC), Mass Media, Digitization, Target Audience.*



Introduction

Advertising has evolved into a vital communications system for both consumers and businesses. The audiences that marketers seek, along with the media and methods for reaching them have become increasingly fragmented. Advertising and promotional efforts have become more regionalized and targeted to specific audiences. With the dawn of rapid growth of electronic technology and mass media communications, the consumers and business organizations are experiencing the dynamic and revolutionary changes of an era in the history of marketing, as well as advertising and promotion. These changes are being driven by advances in technology and developments that have led to the rapid growth of communications through interactive media, particularly the Internet. The fragmentation of mass markets, the explosion of new technologies that are giving consumers greater control over the communications process. Advertising and promotional efforts have become more regionalized and targeted to specific audiences. Retailers have become larger and more powerful, forcing marketers to shift money from advertising budgets to sales promotion. Organizations have become “media-neutral” and are asking that they consider whatever form of marketing communication works best to target market segments and build long-term reputations and short-term sales. The changes discussed above are leading marketers and their agencies to adopt the new generation marketing strategy - advertising and promotion from an integrated marketing communications (IMC) perspective, which calls for a “big picture” approach as different from the traditional ‘marketing planning and promotion programs’ and coordinating the various communication functions.

I. Learning Objectives

- Through this research paper, the reader can **discover Advertising and Integrated Marketing Communications and understand the usage of these strategies in the context of Service organizations especially banking sector.**
- The case of IndusInd Bank would facilitate adoption of the key objectives and strategy of advertising and Integrated Marketing Communications (IMC) and its process for the new generation and IT oriented dynamic banks.

II. Review of literature

While the marketing efforts and sales promotion for business organizations engaged in fast moving consumer goods (FMCG) and food products are often studied, the emergence of



integrated marketing communication programme for banking and financial services have not been studied in detail. The business scenarios for all banks and financial services have changed rapidly in the twenty first century. Developing marketing communication programme that are responsive to these changes is critical to the success of the banks in our economy. Mehta(2001) in his research paper reported that there is lack of Marketing Communication in Indian Banks .He suggested for adopting banks suitable marketing promotion strategies for better business. He emphasized that on adoption of personal selling as a strategy for marketing promotion in Banks. Evren Ors (2003) examined the role of advertising in commercial banking. He found that advertising plays a proactive role in banking. An increase in advertising appears to lead to an increase in profitability. According to him minority-owned banks advertise less, possibly because they have a captive clientele whereas efficient banks advertise less. Rajasekhara (2008) evaluated the effectiveness of advertising and personal selling practices of Ethiopian service sector in communicating with its customers with the aim of finding solutions to improve the existing communication and customer satisfaction. He found that marketing communication mix elements viz. Advertising and personal selling are moderately effective in providing information, creating awareness and changing attitude whereas ineffective in building company image and enforcing brand loyalty. Gupta and Mittal (2008) studied that the promotional strategies of private and public sector banks are almost similar. Both types of banks take the help of almost all type of media to promote their services. The major difference in the promotional strategies adopted by banks is in the two techniques of the promotion and they are "Personal Selling" and "Direct Marketing". The difference is that public sector banks do not adopt the strategies of promotion as personal selling and direct marketing. Kola and Akinyele (2010) studied the effectiveness of advertising and personal selling practices of Nigerian service sector in communicating with its customers were assessed. Five parameters viz., Providing Information, Creating awareness , Changing attitude , Building company Image , Enforcing Brand Loyalty have been impact making for the customers . Mehta, Suresh (2010) emphasized the need of adoption of personal selling as a strategy for marketing promotion in Banks. Keeping in mind the foregoing illustrations as marketing communication a pilot study was planned in the selected areas of Karnal and Kurukshetra districts of Haryana for ICICI Bank & SBI.



It may be noted here that emerging and the new generation IT oriented banks and their strategies of advertising and IMC have not been studied in detail and therefore this case study is undertaken. In this study, Official website and annual reports /accounts of IndusInd Bank has been used for sourcing the data of the organization and IMC related events and quotes by its senior executives. Thus the data is authentic and reliable for research purposes.

III. IndusInd Bank Ltd: A Profile

IndusInd Bank Limited, established in 1994, provides commercial banking and foreign exchange products and financial services. IndusInd bank commenced its operations with a capital of Rs. 1 billion among which Rs. 600 million was donated by the Indian Residents and Rs. 400 million was raised by the Non-Resident Indians. The bank has specialized in retail banking services and continuously upgrading its support systems by introducing newer technologies. It is also working on expanding its network of branches all across the country along with meeting the global benchmark. As on June 30, 2016, IndusInd Bank has 1,004 branches, and 1885 ATMs spread across 625 geographical locations of the country. The bank has proposed to double the branches count to 1200 by March 2017. It also has representative offices in London, Dubai and Abu Dhabi. IndusInd Bank has the maximum number of bank branches in Mumbai followed by New Delhi and Chennai among the Metro townships.

Mr. R. Seshasayee, is the current Chairman and Mr. Romesh Sobti is presently the Managing Director and CEO, who took charge from Mr. Bhaskar Ghose in 2007. IndusInd Bank has the employee strength of about 23,000 as on March 2016.

Vision

- -A relevant business and banking partner to our clients
- -Customer representative, striving at all times to collaborate with clients in providing solutions for their banking needs
- -A forerunner in the marketplace in terms of profitability, productivity and efficiency
- -Engaged with all our stakeholders and will deliver sustainable and compliant returns

Mission

“ We will consistently add value to all our stakeholders and emerge as the ‘best



Inclass' in the chosen parameters amongst the community of banks, by doubling our profits, clients and branches within the next three years by 2020 “

IndusInd Bank operates the clearing bank status for both major stock exchanges - BSE and NSE - and major commodity exchanges in the country, including MCX, NCDEX, and NMCE. IndusInd Bank was included in the NIFTY 50 benchmark index. IndusInd Bank is ranked 19th amongst the Top 50 Most Valuable Indian Brands 2014 as per the BrandZ Top 50 rankings powered by the WPP and Millward Brown. (March 2017)

IndusInd Bank ratings Scenario as on April 2017 - :

- CRA AA for Upper Tier II subordinate debt program by ICRA
- CRISIL A1+ for certificate of deposit program by CRISIL
- IND A1+ for Short Term Debt Instruments by India Ratings and Research
- IND AA+ for Lower Tier II subordinate debt program by India Ratings and Research
- IND AA for Upper Tier II subordinate debt program by India Ratings and Research
- IND AA+ for senior unsecured bonds program by India Ratings and Research

Operations Performance Highlights at a glance:

Particulars	Q4 FY17 Rs.Cr.	Q 4 FY16 Rs. Cr.	Y-o-Y Growth	FY2016-17 Rs. Cr.	FY2015-16 Rs. Cr.	FY 2014-15 Rs.Cr.
Net Interest income	1,667.45	1,268.21	31 %	6,062.60	4,516.57	2890.71
Non-Interest income	1,211.30	912.80	33 %	4,171.49	3,296.95	1890.53
Operating profit	1,572.23	1,151.19	37 %	5,451.01	4,141.42	3071.73
Net Profit	751.61	620.35	21 %	2,867.89	2,286.45	1408.02

Note: Q –Quarter, FY – Financial Year, Y-O-Y – Year over Year, Rs.Cr.-Rupees in Crores.

Source: IndusInd Bank Website

IV. Main Findings

For IndusInd Bank, Advertising & IMC campaign have been considered synonymous with enhancement of all kinds of banking business operations and revenue cycle management strategy. Towards achieving such key performance Indicators (KPI), IndusInd Bank has embarked on a comprehensive advertising & IMC campaign for its brand building and business expansion programme through a rich variety of Digitization / IT related banking innovation awards and other activities are discussed here.



A. Digitization & IT awards: Digitization of banking operations has been the buzzword of dynamism for IndusInd Bank. Since inception in 1994, IndusInd Bank has undertaken increasing level of expenses on Digitization. Year after year, it was observed that the Bank has improved the degree of operations with the IT techniques. IndusInd Bank was bestowed with the Most Improved Bank Performance of the Year award at the Bloomberg UTV, Financial Leadership Awards (2011). The Bank received a series of accolades commencing with receiving the prestigious '**Best use of technology in training and e-Learning Initiatives-2010**' winner award and the '**Best Risk Management**' initiatives-Runners up award by **IBA Banking Technology Award 2010**, in the private bank category. IndusInd Bank has further received 2010 Global Awards for Excellence in Business Process Management and Workflow in Australia and Asia for Design Comprehensiveness, Implementation speed and Process coverage of the I-works platform. The Bank also ranked 2nd in the fastest growing Bank (mid-size) category – published in "India's Best Banks" report by Business World and PriceWaterhouse Coopers (PWC). IndusInd Bank has undertaken rapid strides in digitization of branches in all the states of India regionally. The State Forum of Bankers Clubs, Kerala bestowed on the Bank 'Excellence Award' as the 2nd best New Generation Bank in Kerala for the second consecutive year. In the recent past, IndusInd Bank has launched a series of market first services viz 'Choice Money ATM', 'Cash-on-Mobile', 'Direct Connect', 'Check on Cheque' and 'Quick Redeem' services which have set a new benchmark in the Indian banking industry. "Since 2012, IndusInd Bank commenced its new advertising campaign, a series of ads to communicate a set of innovative services; '**Cash-On-Mobile**', '**Direct Connect**' and '**Quick Redeem Service**'. The ads are directed by Imtiaz Ali, the well known director of Jab WeMet, Love Aaj kal and Rockstar and other films famous with youth segment. These ad films feature some popular Bollywood actors like Neetu Kapoor and Jimmy Shergill. With the recent advertising campaign, the IndusInd Bank further reinforced its focus on Innovative banking based on the philosophy of **Responsive Innovation**. IndusInd Bank launched innovative services in 2012 viz. Choice Money ATM, Check-on-Cheque and 365 Days Banking. The IT and State of Art banking service enhancement propositions launched by IndusInd Bank during the ad campaign include the following:



(i) **Cash-On-Mobile:** This facility enables customers to transfer money to anybody (including himself) irrespective of whether the beneficiary has an IndusInd Bank account or not from the mobile application to the beneficiary's mobile number. The beneficiary can withdraw the funds from IndusInd Bank ATMs without using his debit or ATM card.

(ii) **Direct Connect:** IndusInd Bank has also commenced the phone banking service which allows exclusive customers to speak to the Phone Banking Executive directly without going through the Interactive Voice Response (IVR).

(iii) **Quick Redeem Service:** IndusInd Bank Credit Card customers can now redeem their reward points on every transaction instantly by sending an SMS. The ad campaign aims at establishing the brand and its superior customer-centric services in a fresh and lively manner.

Mr. Sumant Kathpalia, Head- Consumer Banking, IndusInd Bank said, "Through this ad Campaign we are taking our 'responsive innovation' theme to customers and reinforcing our Commitment to give best-of-class services in the industry. The 'Cash-on-Mobile' and 'Direct Connect' Service are unique propositions and we are the first bank in India to offer these to our customers. These new services are focused on un-met client needs and are an outcome of extensive customer research." RK Swamy BBDO is the creative agency for the campaign. The campaign has been conceptualised by PS Mann, the Creative Director and the scripts have been put to light by Ankur Suman, Brand Design Director and Rashmi Ambastha, Brand Design Manager. The ad films have been produced by Pi Productions.

(iv) **Point of Sales (POS):** For improvements aimed at the digitization of banking transaction activities. IndusInd Bank Ltd. has signed an agreement with Atos Worldline India (Venture Infotek) for Point of Sales (POS) acquiring solutions. Under this agreement Atos Worldline India would set up MasterCard and VISA POS acquiring network across India. Atos Worldline India will also help IndusInd Bank to establish a Merchant establishment network. With this agreement, Atos Worldline India will help merchants to open accounts with IndusInd Bank. IndusInd Bank will promote POS acquiring business amongst its existing customer base and newly acquired customers whereas Atos Worldline India will provide the necessary support to the merchants to encourage and improve usage of POS terminals deployed at merchant establishments of IndusInd Bank.



(v)**Digitization of Forex operations:** Since 2010, IndusInd Bank has entered into an arrangement with Moscow-based commercial bank JCB Unistream for India-bound remittances. This Tie-up will give customers /Forex remitters an option to send money from any branch of Unistream, towards direct credit into the bank branches in India. Operating in 95 countries around the globe, Unistream Bank serves over 6 million clients a year and holds 35% market share for remittances in Russia to CIS countries. Further IndusInd Bank commenced digitization of forex operations in 2012 with foreign currency pre-paid travel card. This forex card facilitates transactions in 6 leading currencies US Dollar, Euro, Sterling Pound, Singapore Dollar, Australian Dollar and Saudi Riyal. IndusInd Bank has partnered with ElectraCard Services (ECS), a leading provider of software solutions for electronic payment systems to launch the Forex card program. As a part of this association, ECS will provide technology and processing services for Forex card program solution and is hosted from its world-class PCI-DSS certified data centre in Mumbai, India.

B. Gift City Branch: In 2015, IndusInd Bank received approval from RBI to set up an International Financial Services Centre (IFSC) in Gujarat International Finance Tec-City (GIFT City). IndusInd Bank's International Banking Unit (IBU) will provide the bank access to International financial markets and will allow IndusInd to deliver a complete range of products to its clients with foreign currency funding requirements. IndusInd Bank would henceforth be able to actively offer products such as External Commercial Borrowings to its customers an area where it had limited capabilities hitherto. Further IndusInd Bank would be enabled to meet the funding requirements of overseas entities which may be joint ventures or subsidiaries of its domestic clients or part of the value chain of its existing customers.

Mr. Suhail Chander, Head, Corporate & Commercial Banking, IndusInd Bank said, *"The opening of IBU in GIFT city will be yet another milestone in our growth trajectory. This development will benefit us in servicing foreign currency funding requirements which would help us in meeting our objective of being a complete banking partner to our customers with global aspirations."*

C. Event sponsorships: Event sponsorships as a mode of IMC have become the recent trend since 2010-11 for IndusInd Bank. **Mr. Romesh Sobti, MD & CEO, IndusInd Bank** said "the choice of casting Sharman Joshi and the subtle humour in the advertisement will



definitely help us break the clutter and create some impactful communication. Through this advertisement campaign, IndusInd Bank created a strong brand recall and associate customer convenience with IndusInd Bank.” The advertisement campaign aims at establishing the brand and its superior customer-centric services in a fresh, funny and lively manner. RK Swamy BBDO, New Delhi is the creative agency for the campaign. The campaign has been conceptualised and scripted by Ankur Suman, Senior Brand Design Director, RK Swamy BBDO. The Bank has taken a 360 degree integrated marketing approach to propagate the service message. TV, Out-of-Home, Radio, Digital and Cinema have been considered as an integral part of this multimedia Ad campaign. This mode of IMC has helped in mass awareness of the brand of IndusInd in the homes of the customers and has impacted the non-customers to become customers of the IndusInd. Spurred by the encouraging response of the Inaugural Kala Viraasat , Banyan Tree Events in 2009, IndusInd Bank organizes such brand building events every year till date . Such events included comprehensive festival showcasing the finest of classical dance, ballet forms, classical music, world music, fusion ensembles, folk and sufi music.

D. Currency Chest and other neo-marketing initiatives: IndusInd Bank opened its first currency Chest in Mumbai – at the Bank’s Thane Branch in 2012. IndusInd Bank is committed to provide better services to its clients and this Currency Chest would be a pillar of support for cash transactions at branches in Western region initially. The Currency Chest has been setup with the state-of-the-art equipment in note counting, sorting and counterfeit detection. Also, it is strategically located to provide easy access to our clients and branches across both Western and Eastern Express Highways as also other areas around Mumbai. It is yet another step towards customer responsiveness. Other such Currency Chests have been followed at New Delhi and other Metro cities. Other neo marketing initiatives aimed at creating 360- degree integrated marketing approach to propagate the service messages. TV, Out-of-Home, Radio, digital and Cinema have been considered as an integral part of this multimedia Ad campaign.

E. Corporate Social Responsibility (CSR) activities: IndusInd Bank aims to build a successful business and create long term value for its people, customers, shareholders and the wider community. To attain this, it has integrated an employee engagement program within the company and established partnerships with NGOs who work with communities at the



grassroots level. IndusInd Bank is committed to minimizing the environmental impact of our operations on the planet. Through the Solar ATMs, solarised premises, green operations and supply chains – IndusInd Bank is engaged in integrating environmental stewardship across the banking operations and investment portfolio. IndusInd Bank was awarded the Golden Peacock ‘Special Commendation’ Award for Sustainability (GPAS) in 2014. IndusInd Bank stands at 5th position among Indian companies and 1st in the financial services sector in the Carbon Disclosure Project (CDP).

F. Focussed Business Segment activities: IndusInd Bank Ltd. (IBL) has signed a memorandum of Understanding (MoU) with Toyota Kirloskar Motor Pvt Ltd (TKM) to extend car finance to their prospective customers in 2010. Consequent to the tie-up, IBL will be one of the preferred financiers for the entire range of vehicles sold by Toyota Kirloskar Motor. Similar preferred financier arrangements have been made with M/s. Ashok Leyland. Dealers of Leyland as well as Toyota Vehicles would promote various finance options to customers through all the branches/business outlets of IndusInd Bank.

G. Debit /Credit Card operations: Since 2013 IndusInd Bank and American Express have launched the IndusInd Bank Iconia American Express Card. IndusInd Bank's American Express-branded credit card offers strong rewards and lifestyle benefits catering to the needs of affluent customers. These branded credit cards also offers a host of lifestyle benefits including Golf, Entertainment, Travel and Dining. IndusInd Bank has also signed exclusive arrangement with Malaysian Airlines super exclusive business class, which will offer business class companion free travel for the customers with Platinum & other premium Credit Cards.

H. Social Media Banking: Since 2015, IndusInd Bank has launched ‘Onthe Go’ **Social banking** which offers its customers, a cluster of banking services including transactions through social platforms like Twitter and Face book. Apart from providing banking services like checking account balance, enquiry of mini-statement, locating nearest ATM/branch, users now can transfer money to their phone and social contacts using Facebook and Twitter. On **Twitter** platform, "**Onthego**" Social Banking enables the user to carry out basic banking functionalities in a completely secure environment. Any IndusInd Bank savings account customer, who has a mobile number registered with IndusInd Bank and who has a Twitter account, can access Twitter Banking. This way, the user can transfer money, check account



balance, view mini-statement and find nearest ATM/ branch apart from other banking transactions. The user can send money instantly to its recipient either on his/her twitter handle or if the receiver is not on Face book / Twitter, then the user sends it to the receiver's email ID or mobile number.

I. Video Conference facilities for customers: Since 2014, IndusInd Bank has launched innovative offering which enables the customers to do a video conference with the bank staff. They can schedule a Video call with the Branch Managers/Relationship Managers or Branch instantly. This is first-of-its kind to interact with the Video Branch at their own convenience either from his desktop/laptop computers or Apple and Android smart phones. This facility will be available to all existing and new customers of IndusInd Bank. Digitization of businesses is the key focus area of the step forward to the on-going Responsive Innovation to interact with their branches through a Video Branch app from their smart phones or avail this facility on the desktops through Bank This service enables customers to benefit transactions – Fixed Deposit booking, RTGS, NEFT & funds transfer through a video chat with the Contact Centre executive instantly or arrange a video call with the branch manager/relationship manager.

As a prelude to the Conclusions of our detailed discussions of Advertising & IMC strategy, a SWOT analysis (Strengths, Weakness, Opportunities, Threats) for Indus Ind Bank has been presented here:

Strengths	Weaknesses
<ul style="list-style-type: none"> ✓ Well trained manpower in IT and banking operations ✓ Accredited for effective debt performance by CRISIL ICRA and other credit rating agencies ✓ Awards for IT applications by national & international IT accreditation Boards 	<ul style="list-style-type: none"> ✓ 2- tier Commercial Bank ✓ Branches mainly located in Metro & Urban areas ✓ Low rural presence ✓ High operational costs
Opportunities	Threats
<ul style="list-style-type: none"> ✓ Increase in Forex business, credit /debit cards, Entertainments /events and Mass Media activities ✓ GIFT City branch @ Ahmedabad would lead business growth in Forex and external commercial borrowings for the clients 	<ul style="list-style-type: none"> ✓ Competitive business scenario for banking operations ✓ Low visibility ✓ Underutilized Capacity ✓ Rapid changes in RBI & Government policies



Conclusions: Emerging Paradigm Shift for the Banks & Financial Services

❖ IndusIndBank has been engaged in dynamic marketing communications programs to deliver carefully prepared customer oriented messages to target audiences and this has become the new age mantra for twenty first century. **Developing unique selling propositions (USP) through advertising and integrated marketing communication programs for business enhancement that cuts across the competitive scenario has become the emerging paradigm shift for the banks and financial services.**

❖ The fragmentations of mass markets and explosion of newer IT technologies have increasingly empowered the customers for enriching their banking experience. IndusInd Bank has transformed the banking experience from the 'brick and mortar 'branch operations to 'click and conveniently connect 'for its customers, both retail and wholesale.

❖ Financial sector is a booming sector which always focus on promoting the products and services to the customers and it concentrates on the advertising and integrated marketing communication strategies to reach the customers far and wide in the country and in the globalised markets.

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