

Q. Explain the elements of promotion mix applied in marketing of banking services. 8

Promotion Mix

In the formulation of marketing mix for banking services the bank professionals are also supposed to blend the promotion mix in which different components of promotion such as advertising, publicity, sales promotion, words-of-mouth promotion, personal selling and telemarketing are given due weight age. The different components of promotion mix help bank professionals in promoting the banking business.

Advertising:

Like other organizations, the banking organizations also use this component of the promotion mix with the aim of informing, sensing and persuading the customers. While advertising, it is essential that we know about the key decision making areas so that its instrumentality helps bank organization both at micro and macro levels.

Finalizing the Budget:

It is related to the formulation of a budget for advertisement. The bank professionals, senior executives and even the policy planners are found involved in the process. The formulation of a sound budget is essential to remove the financial constraint in the process. The business of a bank determines the scale of advertisement budget.

Selecting a Suitable vehicle:

There are a number of devices to advertise, such as broadcast media, telecast media and the print media. In the face of budgetary provisions, one needs to select a suitable vehicle. The latest developments in the print technology have made print media effective. The messages, appeals can be presented in a very effective way.

Making possible creativity:

The advertising professionals bear the responsibility of making the appeals, slogans, messages more creative. The banking organizations should seek the cooperation of leading advertising professionals for that very purpose.

Instrumentality of branch managers:

At micro level, a branch manager bears the responsibility of advertising locally in his / her command area so that the messages, appeals reach to the target customers of the command area. Of course one finds a budget for advertisement at the apex level but the business of a particular branch is considerably influenced by the local advertisements. If one talks about the cause-related marketing, it is the instrumentality of a branch manager that makes possible the identification of local events, moments and make advertisements condition-oriented.

Public Relations:

Almost all the organizations need to develop and strengthen the public relations activities to promote their business. We find this component of the promotion mix effective even in the banking organizations. One can't deny that in the banking services, the effectiveness of public relations is found to be of high magnitude. It is in this context that we find a slight difference in the designing of the promotion mix of banking services. Of course in the consumer goods manufacturing industries, we find advertisements occupying a place of outstanding significance but when we talk about the service generating organizations in general and the banking organizations in particular, we find public relations and personal selling bearing a high degree of importance. It is not meant that the banking organizations are not required to advertise but it is meant that the bank executives unlike the executives of other consumer goods manufacturing organizations focus on public relations and personal selling.

Personal Selling:

The personal selling is found instrumental in promoting the banking business. It is just a process of communication in which an individual exercises his/her personal potentials, tact, skill and ability to influence the impulse buying of the customers. Since, we get immediate feedback, the personal selling activities energizes the process of communication very effectively.

In fact, personal selling is an art of persuasion. It is a highly distinctive form of promoting sale. In personal selling, we find inter-personal or two-way communication that makes the ways for a feed back. There is no doubt in it that the goods or services are found half sold

when the outstanding properties are well told. Thus the art of telling and selling is known as personal selling in which an individual based on his/her expertise attempts to transform the prospects into customers.

Direct Marketing:

Direct marketing consists of direct connections with carefully targeted individual consumers in order to obtain an immediate response and cultivate lasting customer relationships (Kotler & Armstrong, 2005). It is the use of consumer-direct channels to reach and deliver goods and services to customers without using marketing middlemen. These channels include direct mail, catalogs, telemarketing, interactive TV, kiosks, websites, and mobile devices. *It is one of the fastest growing avenues for serving customers (Kotler, 2003).* Viral Marketing has emerged in modern marketing practice. It is a term used to describe a whole set of aggressive promotion. It includes paying people to say positive things about a firm's products via word of mouth, emails, blogs, and mobile phones. It also involves setting up multilevel selling schemes where individuals get commissions for directing friends to certain outlets, products, and websites (Thuo, 2008).