

BANK ADVERTISING IN INDIA : SOME ISSUES

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Approximately 2300 years ago, in Greek city of Alaxandria, the following public announcement appeared on a wall:¹

"To natives and strangers this bank gives equal dealing; deposits and withdrawal, for the calculation comes account. Let another make excuses : Caicus pays foreign monies at request even by night."

Caicus seems to have been much ahead of his times. He had realised that creativity and communication hold the key to survival in a dynamic and highly competitive environment. Advertising is one of the three basic forms of communication, the other two being internal communication and public relations.

Aim and Scope of the Paper

It is noticed that bank marketing in general and bank advertising in particular are still in a nascent stage in India. Indian banks have yet to make use of advertising as a tool of sales promotion. Thus, the paper seeks to analyse what bank advertising is about, its need and relevance today and the specific issues which merit special attention to make the advertising programme of a bank more effective and successful. To illustrate various aspects of bank advertising some real life examples have been used. However, pictorial reproduction of such ads, a comprehensive discussion on trends in bank advertising in India, advertising expenditure of banks, media break up, comparison of advertising expenditure of various banks and correlation between such expenditure and deposits/profits are beyond the scope of this paper.

What is Bank Advertising

The Definitions Committee of American Marketing Association defines advertising as "any paid form of non personal presentation of ideas, goods or services by an identified sponsor". Accordingly, bank advertising may be defined as the use of printed, spoken or visual medium by a bank for direct promulgation of its services. It is one of the four major tools of marketing communication/promotion mix.

At times, advertising is confused with public relations, public relations, however is a more diffused, indirect and subtle form of promulgating ideas. It relies on such means as news conferences, press releases, sponsorships and community involvement. For example, a news item in the Times of India was captioned "Canara Bank plays leader in drought hit Kolar in Karnataka". Here the emphasis is on building a more meaningful relationship with the public by making them identify with it. Advertising, on the other hand, is more akin to the "hard sell" approach. It seeks to cause a direct behavioural change in customer by focussing on the specific services offered by the sponsor.

Need for Bank Advertising

The need for bank advertising in India can be traced to three sources : Communication and image; Non bank financial institutions and Competition from other banks. First, creation of customer satisfying services, attractive prices and accessibility to customers in the target area is not enough. Existence of a bank derives its meaning only when its services are patronised. This calls for communication with present and potential customers to inform them of the availability of specific services offered. An equally important task is to create a favourable disposition of the clients towards the bank by removing their misgivings, if any. Researchers have shown that people often harbour negative feelings about banks. They perceive bank as a parental figure-judgemental and moralistic and are afraid of being rejected for a loan and the resultant humiliation.² Such nebulous fears that tend to vary with literacy and income levels are likely to be more pronounced in a developing country like India. To overcome this handicap, banks need to project a more humanistic and considerate image.

Second, process of economic development in a country is accompanied by a simultaneous process of financial development. For banks, it implies competition from non bank financial intermediaries (NBFIs). These NBFIs threaten profitability of banks by making inroads into their cherished territory of deposit mobilisation and loan operations. Given the threat which banks face from NBFIs, the need for bank advertising cannot be overemphasised.

Finally, the banking scene in the country has undergone a metamorphosis in the last two decades or so. Rapid branch expansion and entry of foreign banks has gradually turned it into a buyers' market. With growing competition among banks per se and vis-a-vis NBFIs, the idea of marketing bank services and application of marketing principles and techniques has gained acceptance. Progressive adoption of marketing concept, in due course, will ensure that advertising finds its rightful place in the overall marketing programme of a bank. Thus, for the successful banks the focus will wean away from institutional and informative advertising to advertising tasks/job as defined by market positioning and marketing mix strategies.

The Indian Experience

Development of bank advertising in India is directly related to the development of banking in India. Till late sixties the banks were controlled by a few big industrial houses who sought to channelise small savings into the investment requirements of the select few. In this period some banks did insert short, perfunctory ads in newspapers and magazines. Such ads were austere in style and formal. Banks emphasised, "we are here to help the industry", almost to the exclusion of any other message.

The end of sixties saw a unique event-nationalisation of 14 banks in July 1969. It resulted in significant quantitative and qualitative change in banks' clientele and services. Accordingly, advertising also changed. It developed a wider outlook; and novel means of communication were employed to reach those for whom banking was something new and alien.

Banks in this period made an earnest attempt to understand their target audience and chose their advertising media with care to suit the background (rural or urban), habits, preference and attitudes of their customers. Most of the banks, in this period, used two or more media. The first choice was

newspapers/magazines followed by outdoor advertising, cinema and radio. Radio in terms of cost per thousand was the cheapest medium.

During seventies and early eighties the stress was on expansion of bank branch network all over the country. However, mere proximity to banks was not enough for people, ignorant and sceptical of them, to make use of their services. Thus, a crucial task before banks was to educate the masses in banking. The most critical factor in rural communication of banks was the choice of appropriate media. It is interesting to note that the banks adopted an ingenious approach and made use of traditional media like village fairs, puppet shows, etc.

A close examination of select print media ads reveals the true nature of bank advertising in this period. First, each ad emphasised a definite subject like prestige, customer service or savings and deposit schemes, etc. Most of the prestige or image building ads were released on special occasions like festivals, Gandhi Jayanti and anniversary of bank nationalisation or in the souvenirs of various cultural programmes. Some of the specific images which the banks sought to project include the large bank image (Central Bank of India), the dependable bank (Bank of India), the move bank (Syndicate Bank) and the helpful bank (United Bank of India). Advertisements during festival season offered greetings; and gave prominence to the name of the bank. On the other hand, advertisements in brochures and souvenirs were expressive, with interesting illustrations and minimum copy. For example, a State Bank of India ad released on the eve of a dance festival showed a pair of dancing feet and single line message-step by step to prosperity/with regular savings.

Second, the ads were addressed to a specific group like farmers, small scale entrepreneurs, exporters, self employed, students, house-wives and minors. Usually, such ads did not identify the specific schemes of the bank; and used almost identical approach and copy. A much more convincing form was adopted by the Union Bank of India which serialised the success story of persons who were given financial and other assistance by the bank. Its another ad aimed at exporters/importers also deserves a mention. The ad used a refreshingly simple copy (all banks deal in money/we also deal with *people*); and focussed on its foreign transactions officer. The typical ad in this category depicted a globe/a case marked "export" a scene at a dock or a ship and emphasised the fact that they had foreign branches or links with key international trading centres.

Third, Indian commercial banks used a variety of themes in their slogans. The choice of a suitable slogan or catch phrase is important for it not only communicates the image that a bank seeks to build for himself, it also conveys the perception or attitude of the bank towards customers. Normally, these were placed either at the top or bottom of the ad or just above the name of the bank in the ad. For some of the banks, it could be found incorporated in their respective logos (Bank of Baroda, Canara Bank, Syndicate Bank). The message in these slogans ranged from service (Union Bank helps people) to warmth and friendliness (where friendliness is a tradition), hope (Thou shalt forever be prosperous with), client self esteem (The bank where your credit is high), caution (Not what you earn today/But what you save for tomorrow is what matters), even a warning (Don't let tomorrow catch you unprepared). While some were bland ineffective statements (The bank that get things done), others were simple, rhythmic and forceful

(every man's bank for every banking need. Also, serving to grow, growing to serve).

An interesting feature of bank advertising in India has been formation of the Joint Publicity Committee (JPC) by 28 Public Sector Banks (PSBs). It is a direct fallout of the structure of banking industry in India. Banking in India is controlled by the Reserve Bank of India. It dictates virtually every aspect of operational policy of PSBs who account for nearly 90% of total banking business. This leaves PSBs with little flexibility or scope for manoeuvrability in their operations. Thus, common advertising by them is a pragmatic response to the challenge of advertising in a highly regulated environment that offers few opportunities for creativity and innovation in this regard. An indepth study is possible on various aspects of advertising by JPC. Nonetheless, one can safely say that the thrust of JPC has been on dissemination of information on various schemes for priority sector lending and grievance redressal mechanism for consumers. Joint publicity, by its very nature, is more suitable for making announcements and providing general information common to all the members of the Committee. Besides print media, JPC has made use of electronic media as well. Its slogan is 'Public Sector Banks-touching your life everyday everywhere'.

One element common to all the ads of a bank is its logogram. An emblem or logogram is a vital portion of an ad on account of its visual appeal. It constitutes signature of the advertiser and gives him distinct visual identity. One finds that there is no discernible pattern of logograms used by banks. Obviously, the choice of an emblem is determined by factors other than advertising too. While some of the logos are simple and memorable, with inherent character representing service or security; some others, without such built in traits, have become synonymous with the very best of banking services.

Dena Bank has adopted Laxmi, traditional religious symbol of prosperity and wealth, as its logo. Logos of Canara Bank (a flower) and United Bank of India (an ear of corn) suggest growth. While a dog and its qualities of being faithful and friendly find a place in the logo of Syndicate Bank; an elephant symbolising strength has been opted by Grindlays Bank Ltd. On the other hand, Indian Overseas Bank has made it like a honeycomb. The signature of some banks like Standard and Chartered Bank, Indian Bank and Central Bank of India have interlocked letters which give an impression of continuity, security and solidarity. The New Bank of India Ltd. designed its emblem like a coin. It showed an ear of corn (representing agriculture) encased in a wheel (representing industry) supported by a pair of hands. It went well with its motto of "Service with a smile" incorporated in the logo itself.

Of late, foreign banks have been allowed a more liberal access to Indian markets. They are much more systematic and aggressive in their advertising. For deposits, they have concentrated on companies, institutions and other 'large' account holders located in metropolis. Their loan operations show a marked preference for self employed, motor finance and loan for other consumption purposes. Besides popularisation of plastic money (credit cards) they have gone in for financial innovation and introduced new services like FAST (Finance Against Securities in Time). This is in direct contrast to the style and approach of their domestic counterparts.

Banks in India have underaken every type of advertising—to remind, to persuade and to inform. They advertise extensively but generally speaking the quality of their effort has been quite mediocre. Very few banks disclose any

meaningful information regarding their specific schemes or services. They fail to give convincing reasons for patronising the services of the advertiser. If one bank launches a new scheme, it is not long before half a dozen other banks follow the suit and advertise it. The only perceptible difference among such ads is the logo of the advertising bank. In other words, there is a lot of "me tooism" in advertising by Indian banks.

Issues and Options

The expansion phase of Indian banking is over. Now, the focus is on consolidation of existing branches; and improvement of efficiency and profitability through privatisation of banks. While NBFIs are making serious inroads into their deposits; the worst threat they face is from foreign banks. As the market becomes more competitive, Indian commercial banks will have to review their advertising policies and plans. In this process, some specific issues which the banks need to consider are discussed below.

First, an advertising program divorced from marketing program of a bank is not likely to succeed. A marketing manager, in formulation of advertising program, should start with identification of target market and buyer motives. Then he can proceed with the five Ms of advertising—Mission, Money, Message, Media and Measurement.

Second, advertising must be viewed in its proper perspective—as a component part of the overall communication effort. Advertising themes can not be at variance with the latter. They must reinforce each other. This can be achieved through proper coordination between the two.

Third, unique selling proposition (USP). An advertisement should be able to convince a client as to why should he bank with the sponsor and not some other bank whose branch may be nearer to his house or place of work. There ought to be some reason for bank advertising; some reason that motivates a person to prefer one bank to another.

Bank advertising would be much more convincing and effective if banks offer a unique selling proposition or USP. This can be achieved through emphasis on selling the benefits, not specific products. The cardinal principle of advertising is that the message segment of the ad should be so constructed as to emphasise the benefits of the product to the customer.

Fourth, image building or institutional advertising assumes special significance when fairly similar products or services are offered. Just as public relations can build and maintain a good image so can advertising. It is important that the image to be projected is clearly defined. While several themes can be used in conjunction, it is desirable to concentrate on only one theme. It must be ensured that the public does not receive mixed or confusing image/message. The slogan and logo of a bank can be effectively used to build the chosen image for the bank. But sheer image building is not enough, the bank will have to strive continuously to live up its image.

Fifth, feedback. Feedback is so crucial to advertising that it deserves a separate mention. Without proper feedback, the most professional of ad campaigns may end up in a fiasco. The obvious advantage is that the future campaigns can be made more effective. A variety of evaluation methods are available. As these approaches differ in cost and relevance, the ultimate choice depends on advertising objectives and budget of the bank.

Finally, it must be realised that advertising has its own limitations. To influence a customer, it must make a contact with his mind; it should be

registered. As a person gets bombarded with ads for various product and services, he develops a "kill switch" for ads. Further, mere advertising is not enough. No bank can rely on advertising to save it from mismanagement or overwhelming competition. It can do little more than to convince a person to try the services offered. Advertising, alone, can not attract and hold back customers unless the services and personnel of the bank live upto the promised image.

References

1. Bogen, I Jules, et. al., *Money and Banking* (New York : Prentice Hall INC., 1940), pp 89
2. Packard, Vance, *The Hidden Persuaders* (New York : David Mckay Co Inc., 1957).