

Investigating and Determining the Priority of Effective Promotion Mixed Elements in Increasing Market Share in Private Banking

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ABSTRACT: Marketing considered as one of the knowledge that is gradually finding its true status. In this regard, attention to promotional activities is particular importance. Planning for promotion mix in organizations is based on factors such as market characteristics, target customers, and other things. In this study, we tried to identify and rank the effective promotion mix in increasing the market share in private banking. This study is practical in terms of survey method. The statistical society of this study is all the experts and directors in the field of marketing and spatial domain of this study is Middle East bank, Saderat and Eghtesad Novin banks. In the present study, the Kolmogorov-Smirnov test was used to examine the normal distribution of the sample, and a single-sample T test was used to test the mean of the community. To evaluate the effect of each promotional mix methods, a binomial test was used and for ranking Friedman test. Based on the results of this study, personal sales have the most impact on increasing the market share in private banking. Among the different methods of sales, personal sales or one by one is ranked the first place and demos less than 15 is the next. The order of other promotional elements is based on the following: sales promotion, direct marketing, public relations and, finally, advertising.

Keywords: Promotion Mix, Marketing Mix, Market Share, Sales Promotion, Direct Marketing, Public Relations, Advertising and Personal Selling

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1. Introduction

With the establishment private banks and financial institutions, competition between financial institutions and banks is increasing and for every business, getting new customers can be very important. Therefore, for banks as an economic firm, the proper implementation of the elements of marketing mix is very important. Promotion is one of the elements of marketing mix in the business. The success or failure of organizations and companies depends on their promotional activities. Therefore, due to the

importance and remarkable role of promotion, each year we see an increase in marketing budget of organizations. As a rule, “without taking into account the results of this impact, significant budget is imposed on companies.” Also, the decision to choose a mix of promotion is generally taken without sufficient consideration. It is clear that in such a situation, the responsibility of marketing and promotion of any organization without the confidence of the effectiveness of promotion can not be a suitable combination for its promotional activities in a way. Consider the maximum effectiveness and it may cost a lot of money, while another stepping-up activity could have been lower and more cost effective. All banks are looking to attract customers and increase their satisfaction. This issue is of particular importance in banks that are in constant contact with customers. On the other hand, competition among banks is increasing and the competitive advantage for surviving banks is necessary (Mohammadi, Ali, “The Scientific Journal of Tadbir No 129”, 2002). The attraction of financial resources can help banks to achieve the goals of development and economic growth of the country, and advertising is an effective economic factor that can increase the resources of the bank. Today, the impact of promotion in the survival and growth of organizations in the turbulent and competitive environment of the present world is undeniable. Banking is also no exception. Promoting as an element of the marketing mix plays a central role in preserving organizations by identifying and introducing products and services. In this regard, services have distinct characteristics in comparison with the goods. Due to these features, promotional activities are of great importance to inform service audiences (Hosseini et al., “Management Researches No. 5”, 2009). The conditions of society provide the context for the propagation phenomenon. Advertising phenomenon, as one of the most effective components of society, plays an essential role in the actualization of needs. The new function of this phenomenon is that it can be used positively and negatively in the world. This phenomenon today is an integral part of mankind’s life, which is reflected in all the dusty places. (Faraji and Maralani, “Quarterly Research Paper of Iran Carpet, 2009).

On the other hand, advisers and advertising companies are less likely to be responsive to their performance, since basically it has not been clear to the advertiser from the outset what the purpose of spending money has been to advertise. Usually, the smallest advertisement in attracting the customer and determining the people’s view of a brand is enough to make sure that the promoter is successful in its promotion. In any case, any advertiser will be required to allocate the necessary funds and select the message and the media to advertise. But the question here is which combination of the mix promotion brings in more market share and key customers.

2. Theoretical Background Research

Promotional mix in the banking services market is one of the important elements of marketing mix. It is a direct way to direct goods or services to the target market. Promotion systems have a significant impact on the marketing process, customer orientation, the current performance of sales staff (staff attitudes), and the main factors of the organization’s profits, such as the rate of return on investment and the level of sales. Promotional mix includes five elements of advertising, personal sales, sales promotion, public relations and direct marketing, which the organization uses to achieve its goals through the use of the above tools. This mix is a means of communication with the customer for information and promotion of the product’s position with the customer. Promotional programs play a very important role in awareness, training, encouragement and recall of customers. In the service sector, which is intangible of the inherent characteristics of supply, due to the lack of material goods or packaging that attracts customers’ attention, the importance of the promotional program is more evident. In addition, customer awareness of their role in the distribution of services requires effective communication (Woodford, Helen, Goharian Translation, Ibrahim, “Service Marketing”, 2006).

Despite the huge changes in the financial services market, there are many indications that banks have not been able to reach the level of customer satisfaction by using this tool. Banks have come to the conclusion that the use of past approaches can not be tailored to the needs of customers, so, given the needs of customers in different parts of the market, banking services should be divided into different parts for different customers and promoted in accordance with that section. On the other hand, each of the promotional methods has unique features that are the determining factor in choosing each one. A company must combine communication tools consciously and carefully in a way to combine the combination of promotional elements into a combination that achieves communication and marketing goals (Pequot & Griffith, 2010).

Advertisements: Financial institutions and banks can advertise for short or long term goals. Banks in their advertising policy emphasize promotion of bank name (brand) and mental image of banks in providing different services. The most important part of tangible advertising is transparency of services in the minds of customers. Also, frequent and continuous advertising that represents the provision of different services for word-of-mouth advertising can be considered in this way (Mortimer, 2001).

There are two types of advertising channels suitable for financial advertising: Above the line (ATL) and Below the line (BTL) ads. ATL advertisements include different communication channels such as television, radio, posters, newspapers and magazines. BTL advertising includes pamphlets or brochures that are used to sell specific products or services. This type of advertising usually does not attract new customers and for the effectiveness of the need for advertising through personal sales (Meidan, 1996), banks should have a permanent presence in the field of advertising. Banks should create a positive mentality among people about their services. The goals of the bank's advertising should be long-term.

Some promotions should also aim at key to attracting customers. In setting up an ad schedule, goals should be set based on previous decisions about the target market, market position, and marketing mix. Advertising messages come with different attractions. The type of message and media selected play an important role in the nature of gravity. The type of attraction is the following. Logical gravity, emotion, horror and humor, these attractions are designed to propagate and stimulate the listeners' reaction, and a combination of these attractions may be used. Effective message must have all three aspects of emotional, rational, and ethical. So that it can ultimately lead to market share, but in addition to the ones that need to be addressed among the message coherence and harmony is essential. If there is homogeneity and coherence between the message and the media, the result will be effective.

Sales Promotion: One of the marketing techniques aimed at short-term marketing goals or sales. Sales promotion in the financial services market should be accompanied by advertisements for more efficiency. The primary goals of sales promotion in this type of market are increasing the level of deposits, increasing market share and reducing the cost of obtaining new customers.

Public Relations: Public Relations, as well as advertising and Sales promotion is one of the most important means of marketing. Public relations involves a variety of programs designed to promote or support the mental image of the company or its individual products / services. Public relations is not costly and it is free, broadcasting news about companies, products or services through the public media is much more effective than direct advertising. Printing an article about business in the newspaper, or broadcasting a television program in this field is much better than direct advertising. It has more credibility with potential customers and potential customers. Therefore, maintaining regular contact with local media and news agencies and providing information about business activities such as declaring total sales and profits of the organization over a given period, product or market development plans, or other business-related events and it's interesting for the customers and audience you are looking for, it helps to develop direct advertising with the development of public relations activities and thus, while introducing ourselves indirectly and effectively to our customers, it also saves considerably the expenses that should be spent on advertising.

Personal Sales: There are many definitions of personal sales in the marketing literature. Many of these definitions are concepts that emphasize the fact that personal sales are the oldest promotion tool. In fact, personal sales are directly related to potential buyers. A process of developing relationships, needs and customizing products tailored to the needs of the customer. Direct marketers can use several channels to reach potential customers. These channels include face-to-face sales, direct mail marketing, catalog marketing, telephone, TV and other direct response media.

Direct Marketing: Direct marketing is a cross-selling system that uses one or more promotional media to provide a measurable response or transaction in each location. Today, the market has broken into a group of small markets, and new and diverse media have come to the forefront. Advanced media such as cable television, communications, and satellite networks not only make up the bulk of the market, but also one-stop marketing with the help of personal computer networks. Many companies have a massive database inventory that brings together thousands and even millions of customers. Customer database is an organized collection of comprehensive and complete information about potential customers and real customers. Information data that is available on time and available for marketing purposes, such as first-time access to customers, identifying qualified customers, maintaining good customer relationships (Cutler, Flip; Marketing Management, 2010).

Private Banking: Banking is not a new phenomenon in the world. The history of this service in the Swiss and British countries dates back at least 200 years ago. In the last three decades, private banking has become a new form and is being introduced all over the world. Switzerland has been the world's largest provider of banking services and has expanded its private banking service to the world. Now, with the globalization of services, many banks have dealt with this issue. Each bank, depending on its strategies and goals, has a different definition of private banking and target customers, also, the area in which this service is provided has a significant role in defining and defining these definitions, but all banks agree that private banking means special service for specific customers. International and regional banks are always at risk due to global economic changes; hence they

have been trying to reduce their risk by providing different services. And when it comes to reducing profits and increasing competition in banking, they secure their lives with private bankers. The most important responsibility of banks for the provision of private banking services is the recognition and evaluation of investment risk and investment management. The concept of private banking refers to a process by which maintaining, managing and enhancing personal assets provides the context for increasing and transferring wealth from generation to generation. It's not just specific services provided to some specific customers, private banking has definitions, structures, processes, and so on that should be considered in its design and presentation. A private banking is a good place to boost creativity based on banking expertise and investment for valued customers, which should be given special attention (Abbasi, 2011).

The purpose of risk management is to reduce the risks associated with the project, but to the extent that it is justified by the community and can be programmed. Private banking in the literature of the banking system of our country is a relatively new compound, but the background to this method of banking in the world dates back centuries. The emphasis on the word "proprietary" also means providing special services to "special" customers. In fact, special purpose bank customers in the world are wealthy people who, because of business conflicts or unfamiliarity with financial matters, need the help of advisors and financial institutions specializing in wealth management, and the bank provides them with these services. Due to the increasing competition in providing banking services and increasing the cost of banking, banks are thinking of finding new ways to increase their income each day. Banks, while managing and reducing their costs, are also working to increase efficiency and revenue. Attracting trust and maintaining customer confidence is one of the key issues in banking, because in the event of a loss of one particular customer, the costs of acquiring new customers in highly competitive markets are increasing. Also, the profitability of a particular customer, over the course of time, always increased. Therefore, banks are seeking to provide special and new services to their specific customers in order to maintain and use their financial resources, and this requires the use of specialist forces in all private banking sectors.

3. Research Background

Victor et al. (2012) explores the effect of mixed promotion strategies on banks performance. In this research, a linear regression model was used and a case study was conducted at the National Bank of Kenya. Based on the findings of this study, the relationship between advertising and advertising costs, personal sales costs, sales promotion, public relations, direct marketing and viral marketing and profits were respectively 0.324, 0.53, 0.402, 0.376, 0.378 and 0.308, which indicate that there is a positive but weak relationship between elements of promotion and profitability.

Tien Sie and Chong (2008) have investigated the effect of brand image on the views of public relations and customer loyalty. The results of this research show that the views of customers from the public relations activities of the organization are prior to loyalty. The public relations view has a greater impact on customer loyalty, and when the image of the brand is desirable, this image will be more meaningful.

Abbasi (2011) studied the effect of advertising in attracting customers for public and private banks. Also he prioritizes promotional mix on mull at internet payments. In this research, the author has been using AHP method using knowledge, knowledge, liking and willingness to examine the elements of promotion mix.

Ketabi (2011) examines the effect of marketing mix on customer attraction, a case study of Kermanshah trade bank branches. Based on the results of this research, the factors affecting customer attraction are the priority of employees, product / service, process, price, asset, promotion and location.

Rezaei (2006) has been studying and selecting effective marketing mix for software companies based on AIDA model using AHP method. Based on the analysis of advertisements with a score of 70%, advertising in specialized journals with a score of 54% has been selected as the most effective elements and promotional tools for making customers aware and paying attention to the companies that provide business software.

According to theoretical foundations, hypothesis the research hypotheses are as follows:

Main Hypothesis:

1. There is a significant effect on the elements of promotion mix and market share in private banking.

2. The ranking of promotional mix elements is equal to increasing market share.

Sub-hypothesis:

- Advertising has a significant effect on market share in private banking.
- Sales promotion has a significant effect on the market share of private banking.
- Public relations has a significant effect on the market share in the private banking.
- Personal sales has a significant impact on market share in private banking.
- Direct marketing has a significant effect on the market share in the private banking.

Conceptual Model of Research

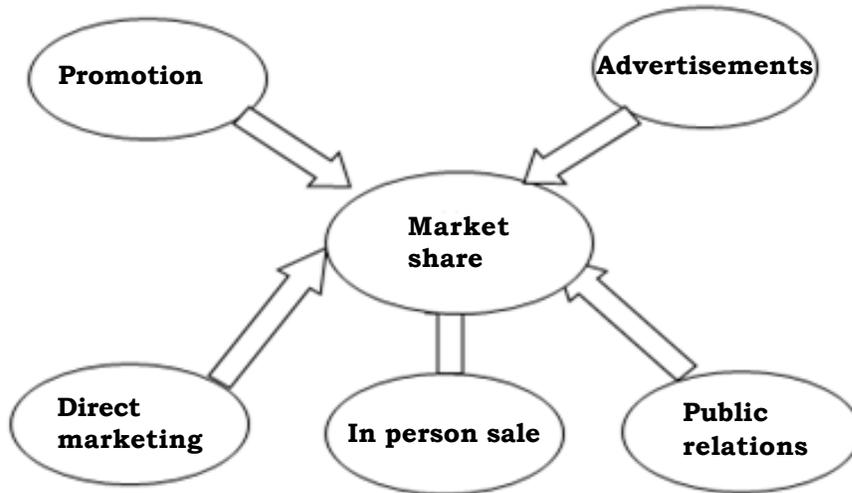


Figure 1. Conceptual model

4. Research Methodology

This research is applied in terms of its purpose; the data collection is descriptive and correlational. The statistical society of the research includes deputies, managers, senior experts and knowledgeable experts in the field of marketing in the banking industry. As a result, the sample size was 48 and was recognized for proper analysis. Given the fact that the number of informed people in the field of recognizing mixed elements of effective promotion is limited to the market share in private banking, the sampling method has been used; the research questionnaire was evaluated using the five-point Likert scale (very low = 1, low = 2, mean = 3, high = 4, very high = 5).

To test the hypothesis of the research, reliability and validity of the questionnaires were first assessed through Cronbach’s alpha coefficient. This coefficient for all variables of the conceptual model of research was more than 0.7; the obtained model shows the validity and compatibility of the research structures (Table 1).

Variable	Advertisements	Sales promotion	Direct marketing	Public relations	In personsal	Total questionnaire
Cronbach’s alpha	815/0	716/0	772/0	721/0	749/0	89/0

Table 1. Cronbach Alpha Variables

Investigating Research Hypotheses: In order to investigate the hypotheses, the distribution of research data is firstly investigated. To decide on the use of parametric or nonparametric tests, we investigate the normality of the data through the Kolmogorov-Smirnov test. The results of the Kolmogorov-Smirnov test are shown in Table 2.

$$\begin{cases} H_0 \text{ Distribution of society is normal} \\ H_1 \text{ Distribution of society is not normal} \end{cases}$$

According to the results of the test, the hypothesis is zero, that is, the normalization of the variables is confirmed.

Variable	Sig	Error probability level ($\hat{\alpha}$)	Kolmogorov statistics	Test result
Advertising methods and tools	0.106	0.106	0.118	Distribution is normal
Sales promotion methods and tools	0.20	0.05	0.910	Distribution is normal
Direct marketing	0.051	0.05	0.912	Distribution is normal
Public relations methods and tools	0.72	0.05	0.146	Distribution is normal
In-person selling methods and tools	0.20	0.05	0.106	Distribution is normal

Table 2. Results of research on the distribution of research data

Testing Hypotheses

In this section, after the normalization of the variables of the research in the previous stage was determined, appropriate statistical tests are used to test the hypotheses of the research.

Testing the First Hypothesis

Given the fact that the distribution of the desired variable follows the normal distribution, one-sample T-test is used to test this hypothesis.

First hypothesis: Advertising has a significant effect on market share in private banking.

The statistical hypothesis of the test is:

$$\begin{cases} \text{Advertising has no significant effect on market share in private banking.} & \mu \leq 3 \\ \text{Advertising has a significant effect on market share in private banking.} & H_1: \mu > 3 \end{cases}$$

The result of statistical analysis of the questionnaire data using one-sample T-test for the above research hypothesis is presented in Table 3.

Variable Name	Test Statistic	Degrees of freedom	Critical value	Averages difference	95% confidence interval	
					Lower limit	Upper limit
Advertising	3.651	47	0.061	0.384	-0.173	0.596

Table 3. Results of One-Sample T-Test for the first hypothesis

Considering the fact that based on the performance of the One-Sample T-test, the observed sig value is 0.061, which is greater than 0.05 (sig = 0.05). Therefore, the statistical hypothesis H1 is rejected and the hypothesis H0 is confirmed.

As a result, with 95% confidence, it can be said that the index has no significant difference with the number 3.

Also, by referring to the last two columns of the table, which indicates the upper and lower limit of the 95% confidence interval, it can be concluded that the average of this variable is almost equal to 3, which indicates the average effect of this factor on the acquisition of market share in private banking.

Testing Second Hypothesis: Since the distribution of the variable in question follows a normal distribution, one-sample T-test is used to test this hypothesis.

Second hypothesis: Sales promotion has a significant effect on the market share in private banking.

The statistical hypothesis of the test is:

$$\begin{cases} H_0: \mu \leq 3 \\ H_1: \mu > 3 \end{cases}$$

Sales Promotion does not have a significant effect on market share in private banking.

Sales Promotion has a significant effect on the market share in private banking.

(To test this hypothesis, questions 6 to 13 of the questionnaires that are related to the hypothesis are used).

The result of statistical analysis of the questionnaire data using one-sample T-test for the above research hypothesis is presented in Table 4.

Variable Name	Test Statistic	Degrees of freedom	Critical value	Averages difference	95% confidence interval	
					Lower limit	Upper limit
Promotion	444.9	47	0.00	0.7369	0.580	0.894

Table 4. One-Sample T-Test for the second hypothesis

Considering that, based on the One-Sample T-test, the observed significant sig value is 0.00, which is less than 0.05 (sig = 0.05). Therefore, the statistical hypothesis H0 is rejected and the hypothesis H1 is confirmed.

As a result, with 95% confidence, the index shows a significant difference with the number 3. Also, by referring to the last two columns of the table showing the upper and lower limit of the 95% confidence interval, it can be concluded that the mean of this variable is greater than 3. This reflects the effect of this factor on the acquisition of market share in private banking.

Testing Third Hypothesis: Since the distribution of the variable in question follows a normal distribution, one-sample T-test is used to test this hypothesis.

Third hypothesis: Direct marketing has a significant effect on market share in private banking.

The statistical hypothesis of the test is:

$$\begin{cases} H_0: \mu \leq 3 \\ H_1: \mu > 3 \end{cases}$$

Direct marketing does not have a significant effect on market share in private banking.

Direct marketing has a significant effect on the market share in the private banking.

The result of statistical analysis of the questionnaire data using one-sample T-test for the above research hypothesis is presented in Table 5.

Variable Name	Test Statistic	Degrees of freedom	Critical value	Averages difference	95% confidence interval	
					Lower limit	Upper limit
Direct marketing	-0.719	47	0.476	-0.0937	-0.356	0.168

Table 5. Test results for One-Sample T-Test for the third hypothesis

Considering that based on the performance of the One-Sample T-Test, the observed significant sig value is 0.476, which is greater than 0.05 (sig = 0.05). Therefore, the statistical hypothesis H1 is rejected and the hypothesis H0 is confirmed.

As a result, with 95% confidence, the index does not have a significant difference with the number 3. Also, by referring to the last two columns of the table, which indicates the upper and lower limit of the 95% confidence interval, it can be concluded that the average of this variable is almost equal to 3, which indicates the average effect of this factor on the acquisition of market share in private banking.

Testing Fourth Hypothesis: Since the distribution of the variable in question follows a normal distribution, one-sample T-test is used to test this hypothesis.

Fourth Hypothesis: Public relations has a significant effect on market share in private banking.

The statistical hypothesis of the test is:

$$\begin{cases} H_0: \mu \leq 3 \\ H_1: \mu > 3 \end{cases}$$

Public relations do not have a significant effect on market share in private banking.

Public relations have a significant effect on the market share in the private banking sector.

The result of statistical analysis of the questionnaire data using the One-Sample T-Test for the above research hypothesis is presented in Table 6.

Variable Name	Test Statistic	Degrees of freedom	Critical value	Averages difference	95% confidence interval	
					Lower limit	Upper limit
Public relations	1.822	47	0.075	0.1979	0.206-	0.416

Table 6. Results of One-Sample T-Test for the fourth hypothesis

Considering that on the basis of performing one-sample T-test, the observed significant sig value is 0.075 which is greater than 0.05 (sig = 0.05). Therefore, the statistical hypothesis H1 is rejected and the hypothesis H0 confirmed.

As a result, with 95% confidence, the index does not have a significant difference with the number 3. Also, by referring to the last two columns of the table showing the upper and lower limit of the 95% confidence interval, it can be concluded that the mean of this variable is almost equal to 3.

This reflects the moderate effect of this factor on the acquisition of market share in private banking.

Testing Fifth Hypothesis: Considering the distribution of the variable in question follows the normal distribution, so, one-sample T-test is used to test this hypothesis.

Fifth Hypothesis: Personal sales have a significant effect on market share in private banking.

The statistical hypotheses of the test are:

$$\begin{cases} H_0: \mu \leq 3 \\ H_1: \mu > 3 \end{cases}$$

Personal Sales does not have a significant effect on market share in private banking.

Personal Sales have a significant impact on market share in private banking.

The result of statistical analysis of the questionnaire data using one-sample T-test for the above research hypothesis is presented in Table 7.

Variable Name	Test Statistic	Degrees of freedom	Critical value	Averages difference	95% confidence interval	
					Lower limit	Upper limit
In person sale	444.6	47	0.00	0.7369	0.580	0.894

Table 7. Results of one-sample T-Test for the fifth hypothesis

Considering that, based on the One-Sample T-test, the observed significant sig value is 0.00, which is less than 0.05 (sig = 0.05). Therefore, the statistical hypothesis H0 is rejected and the hypothesis H1 is confirmed. As a result, with 95% confidence, the index shows a significant difference with the number 3. Also, by referring to the last two columns of the table showing the upper and lower limit of 95% confidence interval, it can be concluded that the average of this variable is more than 3, which indicates the effect of this factor on the acquisition of market share in private banking.

Ranking of the main factors of promotion on market share in private banking

In this section, marketing mixing factors affecting market share in private banking are ranked. The first output of this test is shown in the table below.

Rank	Agent	Mean rank
1	personal sale	4.06
2	Sale promotion	3.32
3	Direct marketing	2.91
4	Public relations	2.70
5	Advertisement	2.01

Table 8. Ranking of main factors

According to the results of the test “personal sales” with the first rank and “sales promotion” with the second rank, identified as the most important factors affecting the acquisition of market share in private banking.

5. Conclusion and Recommendations

Using research results in order to improve the performance of a system can have a desire effectiveness on achieving the highest goals in any organization, results that both qualitatively and quantitatively improve the current situation and make optimal use of resources and reduce costs in the organization. Based on the results of the research, personal sales as the most important tool

in increasing the market share in private banking is considered.

In this regard, use of skilled and expert staff as an effective factor in qualitative of services, as well as the definition and delivery of services tailored to the needs of customers are recommended.

Sales Promotion as the second most effective means of increasing market share and advertising in the sales points and bank ornamentalions are considered as the first important way of sales promotion.

Therefore, the optimization of the structure of the branches and the serious changes in the decoration and the use of special spaces for individual customers is the next priority.

Rewarding employees based on their sales and performance is recommended by taking into account the quantitative indexes.

Account Managers should use direct and bilateral marketing methods, tailored to the characteristics of their customers, as well as their interest in accessing new communication tools, customizing their messages and targeting their customers.

The use of powerful public relations executives who have strong links with the media, as well as participating in conferences and preparing news reports for media as another effective tool.

Given the results of this research and its constraints, the following suggestions are suggested for the next research:

Designing an appropriate organizational structure for the development and implementation of private banking in Iran, considering the effective external challenges (cultural, political and economic).

Designing private banking development patterns.

Designing a model for identifying special customers in private banking.

Designing a model for the implementation of personal sales in private banking.

Study and budget comparison of promotional activities in different countries of the world and comparing with Iran in the field of private banking.

6. Research Limitations

This research, like other studies, has some limitations. Part of the research constraints stems from the statistical society, including the inaccuracy of sample members in answering questions and the monopoly of studying at a bank or specific place. Another part of the constraints is one of the constraints of scientific research. The wide range of theoretical concepts of research, the small number of researches has examined these variables, the abstractness of some of the concepts and questions of the questionnaire and the limitations of the tool for collecting information into the questionnaire.

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