

INTEGRATED MARKETING COMMUNICATION TO ENHANCE ACTIVE USER OF INTERNET BANKING SERVICE CASE STUDY BANK XYZ

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Abstract— Internet banking is a form of self-service technology. In the global banking business, Internet banking has a big role for doing the business. In developing country, Internet banking received relatively little attention although has been deployed for years. Only 3% of customer Bank XYZ in Indonesia using Internet banking service actively, although has been 9 years Bank XYZ introduced Internet banking service. This study addressed what factor that drives and influences Internet banking acceptance, why Internet banking does not seems quite attractive to customer and how banks manage their Internet banking. SWOT analysis of Bank XYZ and customer toward Internet banking service is mapped in order to see the connection between them and determine the root causes. The alternative solution for Bank XYZ problem is a marketing communication strategy to educate the customer about the importance of doing transaction through internet banking which is easy and practical. The approaching concept to develop marketing communications programs are Interest, Search, Action, Share, and Loyal. Some alternative programs are developed based on that approach concept. At the end there are two scenarios of recommended program. The implementation of the recommended program as the business solution, formed in an activity planning schedule and human resources needed for each recommended scenarios.

Keywords: Bank, Internet Banking, Integrated Marketing Communication

I. INTRODUCTION

The incredible growth of the Internet is changing the way corporations conduct business with consumer. The banking industry is no exception. Technology developments are nowadays capable to enhance the service level to customers. One of the technologies is Internet banking service. Internet banking is financial services accessed via the Internet's World Wide Web. It cost less for the bank instead of building the new branch which equipped with tellers and PCs. Internet Banking makes customer possible to conduct transaction very often, since internet more easily accessible even with mobile phone.

Bank XYZ has been offered the internet banking (IB) product since nine years ago. IB of Bank XYZ is designed to shifting transaction for existing customer

who always uses the ATM or Teller of branch. Internet banking service has a benefit for both of customer as user and bank as provider. This service allowed customer doing transaction easy, fast, anytime, anywhere and of course safety. For Bank XYZ, IB has offered minimizing cost operation of banks.

Apparently Bank XYZ customer still hesitates to adopt Internet banking. Up to now, Bank XYZ has been offering internet banking to customer for nine years. The appraisal of this product shows that its customer acceptance is relatively low. At the end 2011, total registered user Internet banking service of Bank XYZ is 1.575.000 user. But the active user, people who accesses IB within 3 month, is only 363.000 users (23%). The largest numbers of IB user were in Jakarta of 660.000 (42%), but only 31% of registered users in Jakarta that active using IB service regularly and continuously.

On the other hand, Bank XYZ had spent large amount of money to setup internet banking and feature development in hopes the facility can facilitate customer transactions, both for the advancement of their business or their daily needs.

Therefore, this low amount of user active of internet banking service in Bank XYZ need to be analyzed more deeply and discovered the root of the problem. By knowing the root of the problem, will know the right strategy for Bank X, especially in Internet banking service to give advantage for both of customer as user and bank as service provider.

II. BUSINESS ISSUE EXPLORATION

The main issue that Bank XYZ currently faces about their internet banking service is the customer acceptance of internet banking service that relatively low even though the amount of registered user keep rising.

The following analysis is needed to identify one or several significant factor affecting the business issues.

A. Conceptual Framework

Conceptual framework to explore those issues contains of company internal and external condition

analysis, the theoretical review and customer analysis. Result of those analyses will be generate to determine what the strength, weakness, opportunity, and threat for both customer and bank side towards internet banking service of Bank XYZ. All of the information gathered by analysis will help determining the root cause of the problem and the alternative solution which can be implemented by Bank XYZ.

Venkatesh, et al (2003) developed the Unified Theory of Acceptance and Use of Technology (UTAUT) model to explain user intention to us an Information System and subsequent usage behavior. The theory holds that four key construct (performance expectancy, effort expectancy, social influence, and facilitating conditions) are direct determinants of usage intention and behavior. Gender, age, experience, and voluntariness of use are posited to mediate the impact of the four key construct on usage intention and behavior.(Venkatesh, et al, 2003)

Internal analyzing contains current condition of segmenting, targeting, positioning and marketing mix of IB Bank XYZ. Target market of IB were male and female, from group age 20 to 29, 30 to 39 and 40-49, with college student, employee or entrepreneur as occupation and have average to high expenses. IB Bank XYZ internet banking service positioned itself as 24 hour banking service with no distance, time and space limit. From marketing mix analysis can be found that IB Bank XYZ has several promotion activity both of above the line and below the line which is broadcast media through TV and radio; print media through advertorial, magazine and newspaper; billboard, brochure, sales promotion and event roadshow.

Five Competitive Forces by Porter (1985) is one of the tools to understand current condition of industry, including Internet banking industry. Based on that theory, the intensity of competition within industry is determined by basic competitive forces which consisted of threat of new entrants, bargaining power of buyer, threat of substitute, bargaining power of supplier, and competitive rivalry within an industry. From the analysis, it can conclude that competition in internet banking industry is quite fierce, because commercial bank in Indonesia always trying to improve their service especially in technology. Therefore, there are so many ways to do banking transaction. Customers have a lot of option.

Competition analysis is used to find out what the differences and similarity among IB service from other banks in same grade as Bank XYZ. Apparently PT Bank Ais the most powerful competitor. Only PT Bank A that already used internet marketing in their promotion activity.

Based on analysis of usage behavior towards internet activity and banking transaction, can be conclude that internet banking is not the top of mind choice for conduct banking transaction. It could be because of there are so many alternative to conduct the banking transaction. In term of how to get information, only few respondents get Internet banking information from promotion media such as TV, Magazine, Newspaper and Billboard. Therefore, it can be concluded that Bank XYZ communication activity

does not have a significant result. Security issues seems not to being a big deal, most of internet banking user trust using internet to conduct banking transaction. This could be due to Bank XYZ reputation, so that all product and service of Bank XYZ always trustworthy. Nevertheless, based on consumer perception, Internet banking service system of Bank XYZ is still often encounter error. Afterwards, PC/notebook is the most media that used to access internet. Smartphone is also being the second most media to access internet. From the acceptance construct, can be conclude that respondent perceive that (1) using internet banking will help both active and non-active user conduct banking transaction (2) non-active user need more effort to conduct Internet banking than active user (3) other people influencing to use Internet banking service is stronger for active user than non-active user and (4) non-active user tend to feel the lack support facility.

B. Method of Data Collection and Analysis

The research will be focused on one city. Research will be conducted to respondents in Jakarta area because 42% of total registered users located in that city. In addition, data of internet banking users with classification based on age can be obtained for Jakarta area only.

This research consists of qualitative and quantitative method. The qualitative method was used to gain insight how consumer value IB Bank XYZ by interviewing user IB Bank XYZ. The quantitative method was spread questionnaire to customers Bank XYZ that already registered on IB. Pilot study of 30 respondents was carried to test the validity of questionnaire. Quota sampling with age as control characteristic was employed in this study to recruit respondents. A total of 350 with stratified age completed cases were gathered through self-administered questionnaire.

This survey is conducted to find influenced between four construct of UTAUT (performance expectance, effort expectance, social influences, facilitating condition) with moderators (Age, Gender, Experience and Voluntariness) towards intention behavior and use behavior in term of Internet banking service.

The hypotheses using liner regression have a result that performance expectance has influence towards behavioral intention, that effect will be stronger for women and younger people (30-39 years old). After that, effort expectance has influence effort to learned and operate internet banking towards behavioral intention, that effect will be stronger for Men, older people (40-49 years old) and those with medium low experience (1-3hour/day) in internet usage. The next, social influence has influence towards behavioral intention, that effect will be stronger for women, younger people (30-39 years old) and those with medium low experience (1-3hour/day) in internet usage. Facilitating conditions has influence towards use behavior, that effect will be stronger for older people (40-49 years old) and those with medium high experience (3-5 hour/day) in internet usage. And the

last, there are positive influence of Behavioral Intention on Use Behavior.

C. Analysis of Business Situation

Before determined the root cause it is necessary to mapping SWOT analysis. The author is composing two kinds of SWOT analysis to give understanding about customers need and the readiness of Bank XYZ. The First one is SWOT Analysis from the perspective of Bank XYZ and the second one is from the customer perspective.

From both SWOT analysis the author found some problems. The product quality and features has no problem. The customers are not disappointed by that. The problems raised because the customer feels that the banking transaction they usually do can be done by another channel even though internet banking service can make the service faster and easier. There is nothing that can convince the customer to regularly using internet banking service. Another problem based on the survey, there are a lot of customer that not really understand how to use internet banking. They need a lot of effort learning how to use internet banking but there is not any media or a special counter to help them learn about it. Based on that, the author sees that there is lack of marketing communication. Bank XYZ looks like not continuously to educate their customer to use internet banking and inform the advantages of using internet banking. Actually, this service could be use for simple and practical transaction just like what the customers want. Beside lack of communication, the author see that the promotion activity to attract the customer to use the internet banking is a rare thing to do.

acceptance of internet banking service are effort expectancy, facilitating conditions, less education regularly and continuously, less added value and many other choice. These factors can be concluding in lack of integrated marketing communication activity.

III. BUSINESS SOLUTION

The root cause for low acceptance of internet banking service are in integrated marketing communication activity which is high effort expectancy, less inform facilitating conditions, less education regularly and continuously, less added value and many other choice to conduct transaction.

Integrated marketing communication planning is needed to provide an appropriate marketing communication program. The author is using reference zero-based planning by Ouwersloot and Duncan in Integrated Marketing Communications. Zero-based planning means that planning starts with no preconceived notions about what marketing communication functions of media are needed. Rather than starting with last year's plan, planners select functions and media in the light of current marketplace and brand conditions. Zero-based planning makes sense because competitor and distribution channels are constantly changing, as are customer's wants and needs. With the increase in interactivity and tracking of customer interactions, companies now have more data on which to base marketing communication and media decision.

Once SWOT analysis was performed, it can proceed to develop marketing objectives then setting the communication objectives. The author is using approaching of Consumer Response Models as guidance to set objectives because it explains how messages affect the decision-making process. Since the service that Bank XYZ would educate to customer is internet based, so that the author tend to use AISAS consumer behavior model. AISAS stands for Attention – Interest – Search – Action – Share. Based on survey result in previous chapter said that awareness of customer toward Internet banking service already high, step attention from this model would be omitted. After that because of the solution also to maintain existing user, the author perform minor modification with adding Loyal steps to that model. These ISAS+L model suggest that a service has communication objectives for achieving certain levels of that model. The detail statement of objectives based on ISAS+L model can be seen at following table 1.

Table 1. Communication Objective

Consumer Response	Objective Statement
Interest to Search	Trigger 'wants' to do anytime and anywhere banking transaction
Action	Encourage consumer positive attitude
Share to Loyal	Build strong, unique and favorable association
	Build relationship to customer

Figure 1. Root cause of low acceptance IB Bank XYZ

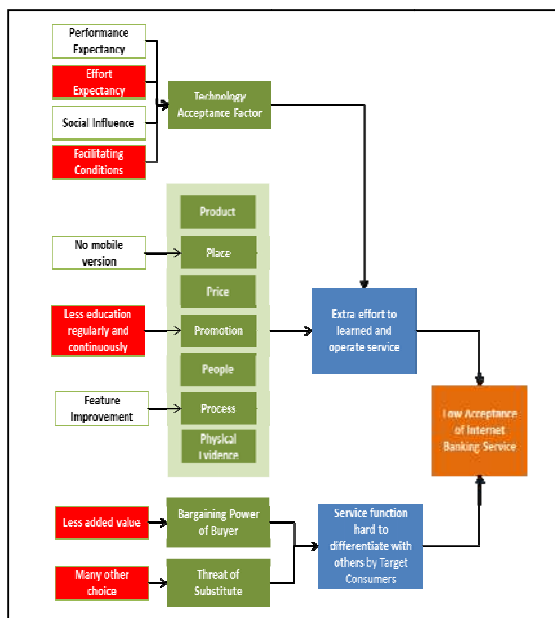


Figure 1 above shown, the root cause of the low acceptance internet banking service in Bank XYZ is founded and formulated. The factor that affect low

Every objective should be supported by one or more strategy. The strategic development of a marketing communication plan generally goes through two phases. The first is determining which marketing communication functions and which media to use. The second phase is how each marketing communication function will be used.

A. *Alternative of Business Solution*

Based on the objectives, the author evaluates the effectiveness of each media in order to select a mix of cost-effective marketing communications function. This evaluation using scale: Not effective, Less effective and Effective. The evaluation result is shown the channels that would be effective to deliver objectives are (1) Internet Marketing (2) Event (3) Personal Communication (4) Sales Promotion (5) Direct Marketing (6) TV Advertising (7) Print Media Advertising (8) Online Banner (9) Billboard (10) Public Relation

Internet marketing that could be used is through Facebook, Twitter, and YouTube. Activity in Facebook and Twitter could increase loyalty by building association and relationship to customer. This media allows two-way communication, not only to share information from Banks as provider but also to discuss with customer. YouTube could be used to share video about how to use IB or other video advertising. YouTube could be aligning with Facebook and Twitter. The recommendation include: create Good and interesting story, generate WOM and opinion leaders, create discussion

Event. Bank XYZ could conduct campus event such as seminar, talk show or workshop. This event attract college student and educate them about importance of IB for the transaction easiness and practicality. The seminar also could bring values to its audience. For example, IB conduct seminar with theme of "Young Entrepreneurship" or "Business and Technology". The messages could be inserted through seminar that business requires high speed of transaction anytime and anywhere.

E-Banking Corner. Personal communication is needed when customer get interest with IB and they want to search and learn how to using the service. E-banking corner could be the alternative solution if customer searches the information in banks. Of course there was customer service and customer service is must have an ability to explain the entire question from customer about every single thing in their bank. But customer service is not enough to explain detail about internet banking service, from how to register until how to handle problem in the first place. The recommendation is build E-banking corner which is a booth in every branch. E-banking corner must be eye catching so customer will be aware and interested with it.

Sales Promotion. A useful way of looking at sales promotions is as a communication attached to incentive. The desired benefits of service won't be achieved if customers resist new technology of self-service alternative. In order to deal with it, can be used sales promotions as incentives to encourage customer

to make the necessary changes in their behavior. The recommendation incentive program include: drawing prize, Bonus for top up prepaid account Bank XYZ through IB, Joint promo with cellular provider connection, Joint promo with online shop or online payment

Direct Marketing. This category embraces such tools as mailings, email, and text messaging. Direct strategies will most likely succeed when company have detailed database information about customer. So that it's suitable for Bank XYZ that already have existing user data. Challenging of this method is customer will assume that email is annoying and spam. So that timing and content of email should be well planned. The recommendation include: friendly reminder mail to use internet banking service, newsletter about updated information of Internet banking, email regularly about Tips and Trick using Internet banking, sales promotion information

TV Advertisement. Based on survey result can be known that consumer first formulates relatively elaborate beliefs surrounding the service, means consumer use their cognitive to approach their product decision as a problem-solving process. Therefore the concept of TV advertising is using attitude change strategy focusing on cognitions. Advertising will show the usefulness of internet banking in daily live. For example, in the middle of the night, someone needs to top up their cellular credit or they have to transfer amount on money immediately, and Internet banking could solve the problem. This is the standard learning hierarchy process which is first consumer formulates beliefs surrounding the service then based on those beliefs; the consumer develops an emotional stance (or like/dislike) toward the service. Then, based on these beliefs and emotions, the consumer decided how to behave toward that product/service. The other TV advertising concept is give information about sales promotion that the more transaction conduct through Internet banking, the more gets chance for drawing prize. The advertising will show how easy, simple and fun using internet banking to do the daily transaction. This concept can combine with the entire channel of electronic banking. Based on target audience, recommended tv channel is channel that have a business program such as MetroTV, TVone, or cable channel

Print Media. The advertisement will show that internet banking is the solution of their business transaction. Internet banking could make their life easier. The advertisement should also emphasize the tagline of easiness and usefulness internet banking service, "convenience only for you", thus it increases association with helpful brand. The recommended magazine is Flight Magazine (Garuda or Lion Air) or Tempo and the recommended newspaper is Kompas. Besides in form of print advertising, advertorial is needed. This article will contain growth of banking industry, usefulness and benefit of internet banking and how internet banking works. The article is expecting to educate the customer how the importance of internet banking for the transaction easiness and practicality

Online Banner.Advertising through internet is also being alternative for advertising media. It could be on portal websites, involve in forum discussion group of online communities and also banner advertising on the websites or blog. This form of online advertising is entails embedding and advertisement into a web page Recommendation for media placement including: kaskus.us, disdus.com, and bhinneka.com

Billboard could be used as media advertising and it can communicate messages massively as long it put in a strategic place with high traffic, but billboard has limitation in the content. If putting to many contents it would be cluttered and won't deliver any messages within glance. The suggestion is create billboard that evoke curiosity. It would be better if the billboard is a creative

Public relation is a communication function used to promote mutual understanding between an organization and its various stakeholder groups. Bank XYZ already have public relation department to maintain good relationship with the entire stakeholder and they already have their own program

From channel evaluation of effectiveness in delivering the objectives, Bank XYZ should choose the program between personal communications, sales promotions, direct marketing, internet marketing and events since these channel are rated high on its effectiveness. Besides that, advertising in TV and print media also still have high rate effectiveness. The program could be adjusted according to the budget. Although, advertising are indeed have highest cost. It's too expensive on above the line, Bank XYZ could concentrate on below the line because that programs are effective to build association and relationship with customer, which is it could be the solution in maintaining existing registered user.

B. Analysis of Business Solution

The recommended solution is offered in two scenarios, the affordable and the ideal solution. The affordable scenario which is the "Scenario 1" is contain program from channel that the most effective to deliver the objectives with the lowest budget. While the ideal scenario which is the "Scenario 2" will basically base on the benefits of the solution to fulfill company's need and less concern about the financial resource of the company. The recommended program can be seen at Table 2 and Table 3.

Table 2. Scenario 1- The Affordable

Root Causes		Scenario 1
Marketing Communication	Personal Communication	<ul style="list-style-type: none"> E-banking corner Customer service need to asking and reminding customer in order to use internet banking service regularly

	Sales Promotion	<ul style="list-style-type: none"> Drawing prize Bonus for top up prepaid account Bank XYZ through IB Joint promo with cellular provider connection Joint promo with online shop or online payment
	Direct Marketing	<ul style="list-style-type: none"> Friendly reminder mail to use internet banking service Newsletter about updated information of Internet banking Email regularly about Tips and Trick using Internet banking Sales promotion information
	Internet Marketing	<ul style="list-style-type: none"> Optimize function of facebook; create interactive facebook fan page Create Twitter Account Create and upload video of Internet banking in Youtube

Table 3. Scenario 2- The Ideal

Root Causes		Scenario 2
Marketing Communication	Advertising	<ul style="list-style-type: none"> TV Ads: Local and Cable Advertising on Kompas Advertorial on Tempo
	Personal Communication	<ul style="list-style-type: none"> E-banking corner Customer service need to asking and reminding customer in order to use internet banking service regularly
	Sales Promotion	<ul style="list-style-type: none"> Drawing prize Bonus for top up prepaid account Bank XYZ through IB Joint promo with cellular provider connection Joint promo with online shop or online payment
	Direct Marketing	<ul style="list-style-type: none"> Friendly reminder mail to use internet banking service Newsletter about updated information of Internet banking Email regularly about Tips and Trick using Internet banking Sales promotion information
	Internet Marketing	<ul style="list-style-type: none"> Optimize function of facebook; create interactive facebook fan page Create Twitter Account Create and upload video of Internet banking in Youtube
Event		<ul style="list-style-type: none"> Goes to Campus

IV. CONCLUSION AND IMPLEMENTATION PLAN

Implementation plan consist of scheduling and resource requirement. Scheduling program will be described for each program in both of recommendation.

Personal communication, which is E-Banking Corner will run throughout the year to make sure customer can find and ask anything about Internet banking when they came to branch. Customer service training will be held a long year, schedule adjusted with Human Capital Department.

Calculation of points of drawing prize based on daily balances, the number of payment transactions / purchases through e-banking and debit transactions during the drawing period. There are two period, and during the period drawing will be taken every two weeks.

Bonus prepaid account and cellular provider will be held once every quarter to attract customer's attention continuously with different kind of promotion of course. Joint with online shop in term of giving special discount depend on promotion activity on online shop, but usually special promotion held on mid-season, end-season and holiday.

In order to keep in touch with existing user, direct marketing activity which is sending email and e-newsletter could run throughout the year. Newsletter will send at least one per month or there is some interesting news. Reminding email will be sent to user that never use internet banking at least a month.

Social media are the communication that should run throughout the year. While social media have to be maintained on day-to-day basis since this media has potential to create conversation and relationship with consumer and also communicate latest news of IB program. For YouTube, video can be uploaded at least once every quarter.

Some program in "Scenario 2" is same with "Scenario 1", but there are some additional programs in "Scenario 2" consist of advertising and event. TV advertisement is placed within three months in the row, because this media has the most potential in wide reach attention. After that, the commercial would be again intensely run in June mid of the year and also consumer would be reminded again in October, the last quarter of the year. For print ad, the author proposes to run the advertisement and advertorial on magazine and newspaper one in three months alternately since the cost is quite high with range of outreach is less than TV advertisement. Program Goes to Campus is scheduled near the beginning of semester so the students are not busy yet. But it can be changed due to campus schedule.

The human resource requirements for "Scenario 1" consist of six internal people and one external agency. For E-Banking Corner program will be implemented at every branch in Jakarta area which is 328 branches'. "Scenario 2" is requires eight internal people from communication department and two external agency in order to build advertising and social media agency.

Sometime marketing communication is great, at other times marketing communication does not work such as the ad is forgettable or point is unclear, no one remembers the promotion and the direct-email piece gets thrown away without being open. Evaluate of effectiveness is needed to see whether communication activity is work or not. The effectiveness of a communication activity is evaluated according to how

well the effort meets its objectives that already states in previous chapter.

Besides emphasis on continuous feedback is also could be one of method to evaluate effectiveness. Companies must have ways of listening to customer wherever contacts with customer occur. It could be contact with front-line employee or contact in virtual world through social media. This is one of reason why social media is important in this era. Continuous feedback programs help the company become a learning organization.

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