USING THE INTERNET AS A COMMUNICATION CHANNEL IN BANK MARKETING

UTILIZAREA INTERNETULUI CA SI CANAL DE COMUNICARE ÎN MARKETINGUL BANCAR

C. PAVEL[1], NICOLETA BUZILĂ[1]

[1]„Tibiscus" University Timisoara, Romania; pavel_ciprian9@yahoo.com

Abstract: *Implementation of very cheap distribution channels has always been a priority for retail banks. Along with the technological revolution appeared numerous advances in IT systems able to provide remote access to banking services. One of the most frequently used channel for sending informations between customer and bank is the Internet. This work shows the importance of using the Internet as a communication channel in bank marketing.*

Key words: *marketing, internet, bank, distribution channel*

INTRODUCTION

In the business environment, organizations which are not using the communication and promotion strategies are firms that have no future, and the success of big names in banking certifying the need to use these strategies.

Economic globalization and the emergence of global market, characteristic phenomena of our days and will increase in future, are accompanied by increasing of buyers demands and increased global competition. Due to the dynamic economic environment, unstable and and fierce competition is no more possible that the understanding of these things to rely on intuition and flair. A successful business requires knowledge, insight and skill in organizing the activities.

In this context, organizations can not exist without the data and information, without processing them in the form of market information, business environment, competition, customers, clients. Based on this information, companies can set challenging and achievable objectives and can scientific substantiate the marketing decisions.

New information and communication technologies are central to social and economic changes that affect all countries. But the Internet has the greatest impact. It is comprehensive, interactive, flexible, resource-rich, dynamic, generous Information, accessible to a broad audience, relatively inexpensive compared with other means of mass communication; opened new avenues for communication, collaboration and coordination between consumers, merchants and business partners.

The offer of banking products and financial services, price level, promotional strategies should be regularly upgraded, updated and known to customers, because they are perceived differently the characteristics of banking offers. From this point of view, the process of communication in general and marketing communication, has an important role for the existence of a banking financial organizations.

MATERIALS AND METHODS

Improving customer service standards will be essential to maintain them as long as they will be at a rate of increasingly high courts of other banks. There is a risk that many of the most profitable customers are easily attracted by competitors, if they are not actively stimulated and preserved as customers by promoting new products and services.

Therefore, lately banks have increasingly focused on marketing activities in general and in specialy on promotion. To survive on the market, banks made extensive market research trying to adapt supply of goods and services according to consumer needs and desires, set their prices to join the general trend of the banking market nd seek the most appropriate distribution channels to make their products and services to consumers. All these activities do not give the desired result and hoped, if not permanently accompanied by sustained promotional campaigns.

Communication must be analyzed and organized as well as other elements of the marketing mix. An effective communication program highlights the benefits of a service or product, promote the image of the bank on the market and is an opportunity for it to distinguish itself from its competitors.

Unlike conventional products because of their intangibility, banking products and services are very difficult to assess before buying them. They are often associated with a high risk and therefore it is the bank's efforts to promote them should be directed towards reducing these risks of intangible.

The challenges that banks must respond or the strategies to be followed can be summarized as:

- keeping a number of clients in parallel with attracting new customers;
- a sale of various products in the categories of customers (generally those with low and middle income);
- achieve cost-effectiveness;
- an introduction of new distribution channels to increase the dispersion of products and services;
- development of cross-selling.

Increasing diversity of banking products and features makes it more difficult to compare them. Yet the banking customers are doing permanently a comparison of these from different points of view: price, features, flexibility, ease of use, etc. Marketing studies may also focus on this important aspect. The quality of results may depend on the success of a promotion strategy of products and services for retail business. Exact knowledge of the characteristics that determine a client to choose a particular bank may be a competitive advantage on the investment behavior of retail customers.

Technological progress combined with the need to increase bank inventiveness in terms of new sales channels as diverse types of banking products and financial services resulted in the emergence of new generations of savings instruments and investment based on an electronic medium.

Whether it manage an upgrade or additional features of the older electronic products, such as card, whether were launched electronic sales channels, such as internet or mobile banking, all this was meant to streamline the customer's bank bidirectional traffic information with potential effect of increasing sales volume. Using a sales channel as close to customers requirements necessitated massive investment by banks in the latest generation technology or restoration of old technology structures that are operational for some time.

Not all electronic products are enjoying great success. Relatively short period since of their appearance, in comparison with the history of products, respectively, the traditional distribution channel, has not yet created a mass "dependency" for use of some of these electronic tools. But all takes time. In the first phase, the retail banks feel the important cost that

needs to be done for the necessary investment in the tehnology. These channels distribuțiecu minimum operational costs for banks compared with that recorded by the network of territorial units, can give excellent results over the medium term or even long.

Reaching maturity vast majority of electronic products can be accomplished only if the critical mass of customers is achieved and economic characteristics or other environment in which these institutions operate facilitate access to such instruments.

RESULTS AND DISCUSSIONS

Implementation of distribution channels that are extremely cheap has always been a priority for retail banks. Along with the technological revolution , appeared numerous advances in IT systems capable of ensuring remote access to banking services. One of the most frequently used media for transmitting information between the customer and the bank is the Internet. Every year there is an increase in Internet users.

Country	Population	Internet users	Internet Penetration	Evolutionary 2000-2010
Germany	82.282.988	65.123.800	79.1%	171.3%
England	62.348.447	51.442.100	82.5%	234%
France	64.768.389	44.625.300	68.9%	425%
Italy	58.090.681	30.026.400	51.7%	127.5%
Spain	46.505.963	29.093.984	62.6%	440%
Poland	38.463.689	22.450.600	58.4%	701.8%
Romania	**21.959.278**	**7.786.700**	**35.5%**	**873.3%**
Austria	8.214.260	6.143.600	74.8%	192.6%
Hungary	9.992.339	6.176.400	61.8%	763.8%
Lithuania	3.545.319	2.103.471	59.3%	834.9%
UE	499.671.847	337.779.055	67.6%	257.8%

Source: www.wall-street.ro

To ensure an efficient service such as Internet banking or home banking, banks were forced to invest heavily in IT systems. Security issues, unauthorized access to the database of the bank, procedural errors, customer

distrust, all of which may be critical aspects of internet banking site development.

Bankers say the main problem is the lack of customer confidence in using the Internet. There are still reluctant to use the Internet because people, in their view, say that is not a safe environment.

Comparison analysis of internet banking service in times of crisis shows that the difficult economic time had a boost effect of these services. The need to reduce costs has led banks to move some operations to alternative distribution channels. On the other hand customers are more aware of the price paid for bank services, their allotted time, speed and security operations.

According to a study by e-Finance magazine over 19 banks, which together hold over 80% of the Romanian banking system assets, number of customers internet banking services increased by 66% in 2009 compared to previous year.

Regarding the European situation of the adoption of Internet banking services, it can be classified into four groups:

- Northern European countries, which have a 62-77% adoption rate;
- Central European countries (Germany, France, United Kingdom) which have a 35-54% adoption rate;
- Countries in South and East of Europe, plus Ireland, which have an adoption rate below 32%;
- Emerging countries, where Internet banking is less used, less than 5%.

Internet banking has a low adoption rate in Romania because of the small number of Internet users compared to other European countries and the low level of understanding of this service.

It was found that during the crisis the service has seen a rapid development and future growth is expected in the use of this service. One area in which Romania is lacking is education bank, banks in the system focusing more on public ignorance to make bigger profits.

In the past 10 years, the proportion of Internet users in Romania has increased 10 times, ranging from 3.6% in 2000 to 35.5% in 2010.

It has been found that in Romania, nearly 10% of Internet users made bank transactions online, and 9% web access via mobile devices, this being a segment with growth potential, after a market research performed by Interactive TradeAds.

BIBLIOGRAPHY

1.**CETINA IULIANA.,** 2005, "Marketing financiar-bancar", Editura Economica, Bucuresti
2.**HARRISON T.,** 2000, "Financial Services Marketing",Prentince Hali
3.**KOTLER PH.,** 1997, "Managementul marketingului.Analiza, planificare, implementare.", Edituta Teora, Bucuresti
4. **MITRAN P.C**., 2005, "Marketing financiar-bancar", Editura Muntenia, Constanta
5.**OLTEANU V.,** 2005, "Marketing financiar-bancar", Editura Economica, Bucuresti
6. www.arb.ro
7.www.efinance.ro
8.www.ghiseulbancar.ro
9.www.wall-street.ro