

Contemporary trends in communication for the financial services marketing

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Abstract

India's financial services sector demonstrates the progress and opportunity of its economy. However, Financial services offer challenges to the marketers in communication owing to intangibility, complexity of the nature of the service product etc. Life insurance, mutual funds appeal to various socio-economic classes and play prominent role in the family life cycle. In India, the promotion of life insurance, Mutual fund and investment in equity markets etc. has come long way. Scare to sell approach initially adopted by Life insurance organizations, was shifted to the celebration of life to the fullest expression (Here ko Kya Patha Tera Umar Kya Hai) by SBI for promotion of pension plans. Mutual funds thrived on the power of compounding interest (coined by Einstein as eight wonder of world) and reached the mass segment with "Mutual Fund Sahi Hai campaign. Sadvertising was used by Thai life insurance, IDFC used One Idiot film as branded content, blogs and articles are used a means for native content. The Fintech companies also further expanded the investor market by providing much needed ease and convenience and also providing information symmetry. The current research paper attempts to analyze the select advertisement campaigns interface with new media using FCB Model. The paper also attempts to assess investment options, new media and advertisement appeals preferences using conjoint analysis and its linkage with Neuromarketing.

Introduction

India features a diversified financial sector undergoing rapid expansion, each in terms of robust growth of existing financial services corporations and new entities coming into the market. Thus. the sector includes commercial banks, insurance corporations, non-banking financial corporations, co-operatives, pension funds and various other smaller financial entities. The Banking regulator has recently allowed new entities like payment banks to be created, thereby adding to the kind of entities operational within the sector. However, financial sector in India is preponderantly a banking sector with commercial banks accounting for over 64% of the overall assets held by the financial system.

The Indian Government has introduced many reforms to liberalize, regulate and enhance this domain. Mutual Fund industry's AUM grew from Rs 10.96 trillion (US\$ 156.82 billion) in oct 2014 to Rs 23.93 trillion (US\$ 339.55 billion) in April 2020 which is huge. Inflow in India's mutual fund schemes via the Systematic Investment Setup (SIP) route reached to Rs 82,453 crore (US\$ 11.70 billion) in 2019. The Equity mutual funds registered a net inflow of Rs. 8.04 trillion (US\$ 114.06 billion) by the end of December 2019. Another crucial part of India's financial industry is the insurance industry. Insurance industry has been expanding at a quick pace. The overall initial year premium of insurance corporations reached Rs 2.59 lakh crore (US\$ 36.73 billion) in FY20.

Life insurance industry was transformed post liberalization in 1992 and setting up IRDA in 1999. Life insurance is thus no longer an unsought product as result of concerted marketing efforts by

the 24 players in the life insurance industry. The social media like YouTube has enabled the advertisements to go viral and Instagram using old age filters or Faceapp helps to visualize oneself in old age and thereby target pension products etc. HDFC Life's 'core brand thought' 'Sar Utha Ke Jiyo' empathizes the self-respect and dignity from protection. Max life insurance focused on true advisor based on the insight of mis selling prevailing among the agents or advisors. However, with the advent of liberalization, the new generic campaign recently launched "Sabse pahele" life insurance by all the 24 companies emphasizes the importance of life insurance offering security and savings. Similar campaign was launched for Mutual funds for generic education Predominately there is shift to value expression appeals to strike emotional chord with the target audience. A native content campaign was launched by Max Life Insurance to reach and engage these consumers rather than overtly selling the product, it might facilitate a conversation that brings awareness and offers a solution to the consumer's need to financially secure their future and therefore the way forward for their families.

The various trends and challenges in marketing of Financial marketing was studied by Dr. Tekki Surayya (2005), Bikram Jit Rsihi (2007) and Krishna Chaitany (2005). They suggested that CRM, channel network, Segmentation, innovation, and effective promotions will enable organizations to face the marketing challenged. Insurance sector remains vastly untapped and provide opportunity. Competition has also enabled to change the strategies. Life insurance ha immense potential with growth rate of 15-20%. They also highlighted the important aspect of customer service and bancassurance.

Promotional aspects were studied by Stafford and Day (1995), Puto and wells (1984) who observed that there are two approaches in rational approach which may involve functional congruity. The rational approach involves presentation of factual information in a straightforward way, characterized by objectivity Johar Sirgy (1991). Puto and Wells (1984) refer rational approach as informational advertising. Functional congruity route is similar to the central processing route in the Elaboration Likelihood Model (ELM) (Petty and Cacioppo, 1984). Similarly, in Indian context, Saxena and Khanna (2013) suggest that when advertisements displayed on social networking sites provide entertainment and information content, it increases the worth of the advertisement

The second appeal type is of an emotional nature and has been associated with such feelings as adventure, fear, romance and status (Cutler and Javalgi, 1993 and Johar and Sirgy (1991) The emotional approach as the self-congruity route which is defined as the matching of the product's value expressive attributes and the consumer's self-concept and likened to peripheral processing in the ELM (Petty and Cacioppo, 1984).

Broadly speaking, products used for consumption purposes can be categorized as hedonic or utilitarian (Lim & Ang, 2008). Hedonic products are primarily consumed for sensory gratification and affective purposes or for fun and enjoyment (Lim & Ang, 2008). Thus, hedonic

products generate emotional arousal with benefits that are evaluated primarily on aesthetics, taste, symbolic meaning, and sensory experience (Lim & Ang, 2008). In contrast, utilitarian products possess a rational appeal and are less arousing as they generally provide cognitively oriented benefits (Lim & Ang, 2008). Examples of highly hedonic products identified in previous research studies include designer clothes, sports cars, luxury watches, candy bars and games. Examples of highly utilitarian products identified in previous research studies include microwaves, minivans, personal computers, hair dryers and washers/dryers. Johar and Sirgy (1991) and Rossiter and Percy (1987) have observed the transformational and informational advertising as approaches to influence consumers,).

Life insurance involves concept selling and requires customer orientation and customer relationship Chandra Sahoo Sekhar (2004) and Min – Ghsin -Huang (2008). Marketers needs to understand the various characteristics of Life Insurance product and arrange to form a meaningful to simple concept. (Ex: Retire from work not from life, etc.,). Millennials in India prefer buying life insurance as the most preferred investment option to meet majority of their life goals, even as unconventional life goals such as health, fitness, travel and life enrichment are gaining traction, an according to Life Goals Preparedness Survey 2019' commissioned by Bajaj Allianz Life.

Rationale aspects of insurance promotion

Max Bupa focused 99.22% claims paid ration 30 minutes cashless promise and the campaign was launched across traditional ad social media platforms. This acts as brand differentiation. Some price of term policy per day (nearly 493 INR per month or 23 INR per day) for 1 CR term policy was highlighted in advertisements. Kotak Poora plan talks about A Poora Plan or a complete plan is a life insurance policy bought along with rider benefits (critical illness rider or disability rider) to maximize the coverage of the policyholder.

The objectives of the research paper:

- a. The analysis of select campaigns and interface with conventional and new media using FCB model.
- b. To identify the investment options, media and advertising appeal preferences among the millennial investors using conjoint analysis.

Methodology: Using secondary data, some of the select significant campaigns in financial services are analyzed and the summary is given in Table1

Table 1: Selected milestones in the advertising of Financial Services

Advertising campaigns	Objectives of the campaign
LIC roti kapda aur makan aur Jeevan bheema (1980)	To highlight the importance of life insurance as basic needs like food, clothing, and shelter.
Arre, heere ko kya pata tumhari umar" SBI pension plan (2004)	Redefining old age as a celebration and fulfilling the needs at old age.
HDFC Sur utha ke Jiyo (2005)	It created relevance of life insurance to consumers. The strong insights created the importance of financial independence and self-respect for the family through life insurance.
Sundaram Mutual fund (2010) (Rice a chess board story)	It talks about the power of investing in Mutual funds through SIP.
Thai life insurance campaign "unsung hero (2011)	Revolves around a young man who performs selfless deeds without expecting anything in return. It is a very emotive storytelling. It won several creative awards and clocked six million 800,000 Facebook shares and 22,000 tweets in just one week and ensuring virality. Heralded the use of Sadertising.
IDFC one idiot (2012)	One idiot is a 30-minute Hindi movie on the YouTube by the IDFC Foundation to educate the youth of India to be financially independent. It has been shown in many colleges like JJ College of Arts, Mumbai, IIT Chennai and eventually covered colleges across the country.
Aapke Sachche Advisor". (2012) Max life insurance	To highlight the need for honest and knowledgeable advisors and avoid mis-selling.
LIC's Lic Zindagi ke saath, Zindagi ke baad bhi (2014)	Highlight the importance of life insurance both during life and after the life of bread earner passes away.
Ambani the investor (2014) (sponsored	Ambani the investor is an award-winning short film about a child who despite in extreme difficult situation creates opportunities ad converts

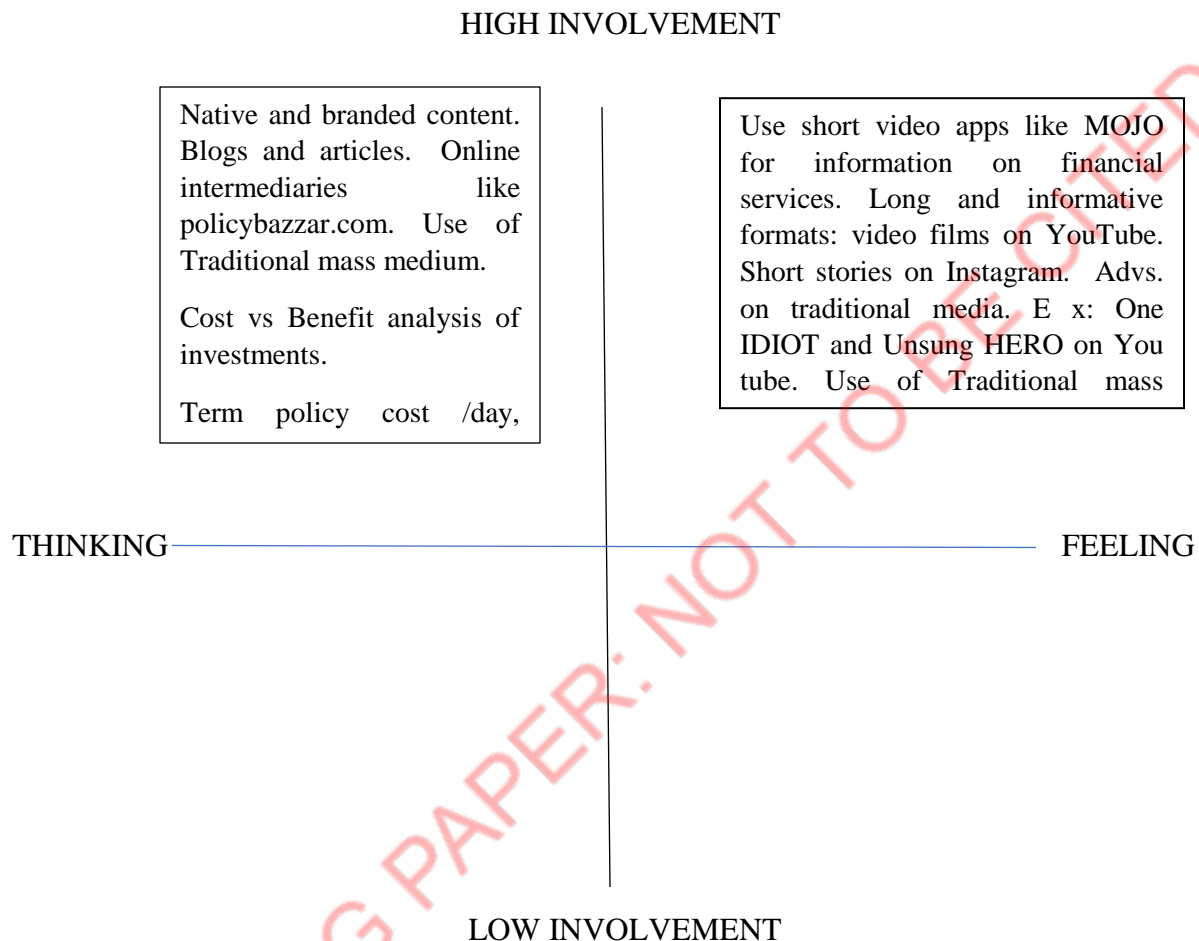
content)	5 INR to 138 INR in a day.
'Mutual Funds Sahi Hai (2016) (AMFI)	To highlight that ease and importance of investing in mutual funds for wealth creation among the masses.
IDFC return of one idiot (2017)	The film aptly captures a common challenge in our society and proposes a simple solution to avoid a pitfall of not saving enough for retirement. The idea that your savings will always provide you support, no matter what the future holds is both empowering and liberating. The movie attempts to deliver a simple message in an engaging manner, making it relatable to all."
Policybazaar.com (2017) Policybazaar.com <i>Par Term Insurance Lena Bhool Kar Bhi Mat Bhoolna.</i> "	Intends to give a push to the consumers' buying decisions, by focusing on the challenges that the family would have to face in their absence, including inability to sustain the current lifestyle.
Taalo nahi, Policybazaar.com se le daalo'. (2019)	The campaign draws attention to the complications that families can face, in the absence of the primary breadwinner.
Sabse Pehle Life Insurance campaign (2020)	Indian life insurance industry's first joint mass media campaign launched by the Life Insurance Council. The aim is to highlight the importance life insurance in the financial portfolio.
HDFC life insurance (2021)	Let's talk advt focusing on financial literacy for daughters.

Source: Prepared by the authors based on the secondary data.

The above changes are explained by using FCB grid in the Figure 1. FCB grid and advertising strategies for the Financial services.

Figure 1:

FCB grid and advertising strategies for the Financial services



Teng, C. I., Huang, L. S., & Hsieh, P. C. (2010) examined the use of technical term with detailed explanation in advertising in high involvement and high thinking product, observed that there is increase in consumer attitude towards the advt.

Financial services are predominantly high involvement and high thinking products need to use informative print adverts and blogs, articles and native content. However, the new mediums like YouTube and branded content have transformed the financial services with the touch of feeling (focusing on emotive storytelling directly and indirectly explaining the benefits of financial services). Youtube and Instagram ensure virality and ensures buzz marketing. Small video apps like TIK TOK have been used for family planning and safe sex. Although, currently TIKTOK is banned, can other apps like MOJO be used by financial services for Investor education? With blogs and articles, there is scope for native

content and branded content and influencer marketing. Use of Instagram which enables age filters enables to visualize themselves in old target pension products. The new age media options can be explored by the financial services using infotainment. Currently several financial services (life and health insurance and mutual funds etc. can be purchased online both from company website and can also be purchased from online intermediary like Policybazaar. Hence short video highlighting the utilitarian value would be appropriate on Instagram or Mojo. But the pain of missing the policy through humor can also be expressed. Hence, financial services being high involvement and utilitarian products both informative and transformational advertising can be used. However, the nature of medium, its advantages and disadvantages need to be considered, and its fit with product category and appeal.

Theoretical and managerial implications

Buying situations are likely to embody both rational and emotional aspects (Wicks (1989), and Rossiter et al. (1991) and therefore campaigns may also include the same. Brand's signal social value and signals which goes beyond the functional utility of the purchase. According to Vaughn (1980), FCB Model (Foote, Cone & Belding) is a tool for strategic planning and specifies the methods for measurement of effectiveness. According to the FCB grid, there are four planning strategies: 1. Informative strategy is proposed for highly involving products/services where thinking and economic considerations are important. The suggested sequence of events is awareness, knowledge, liking, preference, conviction, and purchase. This strategy is abbreviated as Learn-Feel-Do. Examples include purchase of cars, appliances, and insurances. 2. Affective strategy is proposed for highly involving and feeling purchases. These psychological products fulfill self-esteem and ego-related or (Feel-Learn-Do). Examples include fashion items, jewelry, and cosmetics. 3. Habitual strategy is proposed for low involvement products with routine purchase. (Do-Learn-Feel). Examples include household items and gasoline. However, we look at the previous advertisements which are impactful and significant in the financial services marketing. We suggest informative strategy and affective strategies and a combination for the financial services marketing. The goal of strategic planning is to identify information that triggers specific emotions, which persuade individuals to achieve the desired results such as awareness and purchase of financial services.

Part II of the study

To assess the investment options among millennials, new media and its interface with appeals, the conjoint analysis was used for the study.

Methodology

This study used conjoint analysis to examine the relative importance weights for promotion elements comprising financial investment, media platform, and type of appeal that increases the investor preference or attitude towards the instrument, Conjoint analysis has been widely used in marketing to evaluate consumer preferences for products and services (Hair et al., 1998). Green and Krieger (1991) pointed out the conjoint analysis is used for market segmentation. The input data to perform conjoint analysis comprise of customer ratings based on a set of attribute levels (Gil and Sanchez, 1997).

Murphy et al. (2000) suggest that the while performing conjoint analysis to know customer preferences, conjoint attributes should be most relevant to prospective consumers. Attribute levels must be chosen carefully to represent what would be realistic in the market and should cover the representative levels (Gil and Sanchez, 1997).

This study used three attributes Financial Investment Options with four levels such as Life Insurance Policies including ULIP, Public Provident Fund (PPF), Tax Free Bonds, Mutual Funds; medium of advertisement with four levels such as Social Media (Instagram, Twitter, Facebook), Live Stream Apps, Blogs & Sponsored Content, Youtube (Short film & Larger duration); and Advertisement appeal with two levels such as Rational and Emotional appeal to examine the relative importance weights for marketing elements. This gives rise to $4 \times 4 \times 2 = 32$ possible combinations. It would be a tedious approach for respondent to rank or rate the 32 combinations. Hence, it is used orthogonal design in IBM SPSS to reduce the possible number of combinations in such a way that no collinearity between attributes. The attributes and levels considered for the study are given in the table 1 and the list combinations that have been arose from orthogonal design are provided in the table 2.

Table1: Attributes of Financial investment , advts and their levels

Financial Investment Options	Medium of advertisement	Advertising Appeal
Life Insurance Policies including ULIP	Social Media (Instagram, Twitter, Facebook),	Rational
Public Provident Fund (PPF)	Live Stream Apps	Emotional
Tax Free Bonds	Blogs & Sponsored Content	
Mutual Funds	YouTube (Short film & Larger duration)	

Table2: Card Descriptions

Description	Financial Investment Options	Medium of advertisement	Advertising Appeal
1	PPF	Live Stream Apps	Emotional
2	Mutual Funds	Live Stream Apps	Rational
3	PPF	YouTube (Short film & Larger duration advt)	Emotional
4	Life Insurance Policies including ULIP	Blogs & Sponsored Content	Rational
5	Tax Free Bonds	Blogs & Sponsored Content	Emotional
6	PPF	Social Media (Instagram,Twitter,Facebook)	Rational
7	Life Insurance Policies including ULIP	Social Media (Instagram,Twitter,Facebook)	Rational
8	Mutual Funds	Social Media (Instagram,Twitter,Facebook)	Emotional
9	PPF	Blogs & Sponsored Content	Rational
10	Tax Free Bonds	Social Media (Instagram,Twitter,Facebook)	Emotional
11	Mutual Funds	Youtube (Short film & Larger duration advt)	Rational
12	Tax Free Bonds	YouTube (Short film & Larger duration advt)	Rational
13	Life Insurance Policies including ULIP	Live Stream Apps	Emotional
14	Mutual Funds	Blogs & Sponsored Content	Emotional
15	Life Insurance Policies including ULIP	YouTube (Short film & Larger duration advt)	Emotional
16	Tax Free Bonds	Live Stream Apps	Rational

Convenience sampling method has been adopted to collect the desired information from the selected respondents and obtained 52 valid responses from eligible respondents. A screening question was used to know whether the respondent has made any investments in the past or not. The demographic profile of the respondents is exhibited in the table3.

Table3: Respondents Demographics

Category		Frequency	Percentage of respondents
Gender	Male	32	61.5
	Female	20	38.5
Age Group	b/w 20 and 25 years	28	53.9
	b/w 25.1 and 30 years	24	46.1
Place of work	Hyderabad	29	55.8
	Bengaluru	19	36.6
	Chennai	4	7.6

Analysis and Discussion

The conjoint results (table4) indicate that the relative importance of the attributes Financial Investment Options (37.61 %) and Medium of advertisement (39.65%) are of no much difference, but the attribute Medium of advertisement (live stream, social media) plays the major role in consumer likelihood to go for a specific investment. The other attribute Advertisement Appeal (22.43%) showed a relative less importance than the other two attributes.

Table4: Results of Conjoint analysis (n=52)

Attribute	Level	Utility Estimate	Relative importance (%)
Financial Investment Options	Life Insurance Policies including ULIP	-1.75	37.61
	Mutual Funds	0.25	
	Tax Free Bonds	1.25	
	PPF	0.25	
	Social Media (Instagram, Twitter, Facebook)	0.25	
Medium of advertisement	Live Stream Apps	3.25	39.65
	Blogs & Sponsored Content	-1.25	
	YouTube (Short film & Larger duration)	-2.25	
Advertising Appeal	Rational	1.75	22.43
	Emotional	-1.75	

From the table4, it is observed that the most important attribute is medium of advertisement. The positive utility of 3.25 for Live Stream Apps which is the highest utility among all levels of attributes indicate that the medium of advertisement through Live Stream Apps increases the investor's likelihood to invest on various investment alternatives. This could be attributed to the

sampling units considered in the study are millennials and the heavy usage of live stream apps among this group and the availability internet. The live stream apps are convenient and easy to access on mobiles. While a negative utility of -2.25 and -1.25 respectively for Youtube (Short film & Larger duration) and Blogs & Sponsored Content indicate that when the mediums of advertisement are YouTube (Short film & Larger duration) and Blogs & Sponsored Content, the likelihood of investment on various financial investment options would decrease.

Rational advertisement appeal has a positive utility of 1.75 which is the next highest utility after Live stream apps. This indicate that investors of age between 20 and 30 value the rational appeal than emotional appeal. Further, rational advertisement appeal increases the likelihood of investment among the group. This is probably change in the rational thinking and realism among millennials.

Linkage with Neuromarketing

“Neuromarketing’s strength is that it may hit on subconscious biases that traditional advertising methods, such as focus groups, fail to uncover” (Quartz cited in Singer, 2004). Neuromarketing uses brain-scanning technology—such as MRIs and electroencephalography (EEG)—to observe how people's brains respond to a specific ad appeal (prominently rational or emotional or mix), type of investment alternative, media platforms (social media, blogs, live streaming). Marketers take the results of the scans and use them to create marketing promotion plans which investors find more appealing or motivating. The possible role of several brain mechanisms in the processing of marketing stimuli as well as obstacles need to be explored.

Conclusion: Marketing communication plays key role in promotion of financial services. Given the new medium and risk appetite of the millennials, the most preferred options and combinations obtained using Conjoint analysis can be used as platforms for investor education and investment options. As such, organizations need to very creative in delivering advertising messages that foster Millennial’s investors thinking and feeling, and act on it.

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