

THE IMPACT OF ADVERTISING TO ATTRACT CUSTOMERS IN E-BANKING SERVICES: A CASE STUDY OF THE BRANCHES OF MELLI BANK IN WEST OF MAZANDARAN PROVINCE-IRAN

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Abstract

Nowadays, concerning the competitive atmosphere which governs the banks regarding e-services, using advertisement to introduce services has a significant role in inspiring and motivating customers in using products and services and consequently attracting them to use their e-services. In other words, if the banks wish to evaluate the efficiency of their advertisement on the customers, they can perform better in future which is a distinctive competence for the banks. In this regard, there have been various researches throughout the country which merely investigated the effective factors in advertising or the advertising facilities. The present study was conducted on the customers of the branches of Melli Bank in west of Mazandaran province, aiming to answer whether advertisement has caused any improve in the customers' attraction to use the branches of Melli Bank e-services, such as mobile banking, telephone banking, internet banking, shopping centers' POS (Point of Sale), and ATM (Automated Teller Machine), and if they are effective, the effect of which ones (television advertisement, radio advertisement, catalogues and brochures, press or oral advertising) are more considerable. The present research is an applied research which has gathered the questionnaires regarding the feedbacks of the customers of the branches of Melli Bank in west of Mazandaran province using library sources, bank data and the viewpoints of the related experts. The SPSS and regression were used to analyze the options of the questionnaires and to determine the effects of advertising elements and communication media and ultimately the effect of advertising on the attraction of the customers to the e-banking services. Moreover, the communication media was investigated and the most influential method of advertising was introduced. Finally, while the research hypotheses were investigated, this study concludes with suggestions for further research.

Key words: Advertising, E-Banking, Electronic Services, the Branches of Melli Bank.

1. Introduction

Nowadays on the one hand organizations are trying to introduce their goods and services and announced distinguishes it from similar products using various advertising media because send influential messages in order to persuade customers to buy. On the other hand, people are surrounded with a variety of advertising through various media at any time and any place and in fact evaluating effectiveness of advertising is important (Rabiei & Mohammadia, 2011: 17-40). Physical distance of bank branch and client, distance of client and financial adviser and the resulting uncertainty on overall environment of internet creates special challenge in electronic banking and internet because banks find ways which start and continue electronic commerce relationships effectively (Claudia, 2011). Reliability and customer satisfaction is an important challenge in e-banking that bank managers faced with it and other research is needed (Ademola, 2009).

2. Statement of Problem

In Iran, due to the increasing number of banks and offering similar services, banks have faced with a big problem to attract customers and as a result their deposits. Therefore banks in this competitive environment to maintain market share or increase its share of market should have a suitable plan for delivering advertising. Unfortunately, Iran has not paid much attention to assess the effectiveness of advertising that reason can be cited the novelty of the advertising industry, lack of adequate information and a lack of familiarity with the patterns and models for evaluating the effectiveness of advertising managers and a lack of practical examples in this field (Rabiei & Mohammadian, 2011).

Changes in the type of client's transaction in bank from physical presence of customers in branches and doing transaction with bank to use of postal services to transport and deposit money and perform other banking operations, the transaction via phone and contact center with customers, use keys of phone to interact with bank and accountability audio and video, do banking via PC, using a modem and special software and finally use of internet reflects historical path of changes that is lead to improve and increase the diversity of banking services to customers (Gilaninia & et al, 2011a). The emphasis on continuous change and structural alignment with environmental changes, strategy and technology of banks, supporting creativity and innovation in banking services, continuous improvement of service quality and attitude change in management and human resources in the field of value creation for customers has always been consider the world's top banks. Internationally successful banking experience has shown that bank to maintain and improve its position in existing markets by creating new markets required providing new services and at the same time improving its existing services. To achieve this goal, bank take advantage different strategies including diversification strategy and the strategy of improving service (Rasool F-Jalal, 2008: 6). Banks can also use communication methods to introduce their products and services. Communication objectives include raising awareness, persuade and remind to current customers and potential customers about the product or company (Gilaninia & et al, 2012b). When a new product is introduced to the market and the aim is to create initial demand, awareness advertising is very used. When competition increases and the aim are creating selective demand, persuasive advertising is used. When the product be

in the curve of their life in their mature stage and the aim is that the consumer think about the product constantly, reminder advertising is used (Rezaei & Mohammad, 2009).

Advertising is caused a change in attitudes, knowledge and behavior of the audience. Awareness, persuasion, encouragement, reminders, strengthening relations and accelerating and promote exchanges including various tasks of advertising that by examining effects of advertising and its relationship with organizational goals can done changes in the advertising budget to content of messages and media type and communication channels and even time and conditions of advertising because advertising is done more useful and effective than in the past (Parhizgar & Mehdipour, 2004:3). But important issue is that banks given the intense competition structure prevailing them in the supply of electronic services have turned to the media extensive advertising to introduce its services. Since effects of different advertising on different people is different and what effect have on their awareness, encourage to use the products and services and ultimately attract them to use e-banking services, thus it is necessary for banks. In other words, if banks can evaluate the effectiveness of their advertising on customers, thus have a better performance in the future. This can be considered as a competitive advantage for banks. In this research, advertising is considered as independent variable and attracting customers to use electronic services of bank as dependent variable.

Thus, according to statement contained, proposed analytical model of study is as follows:

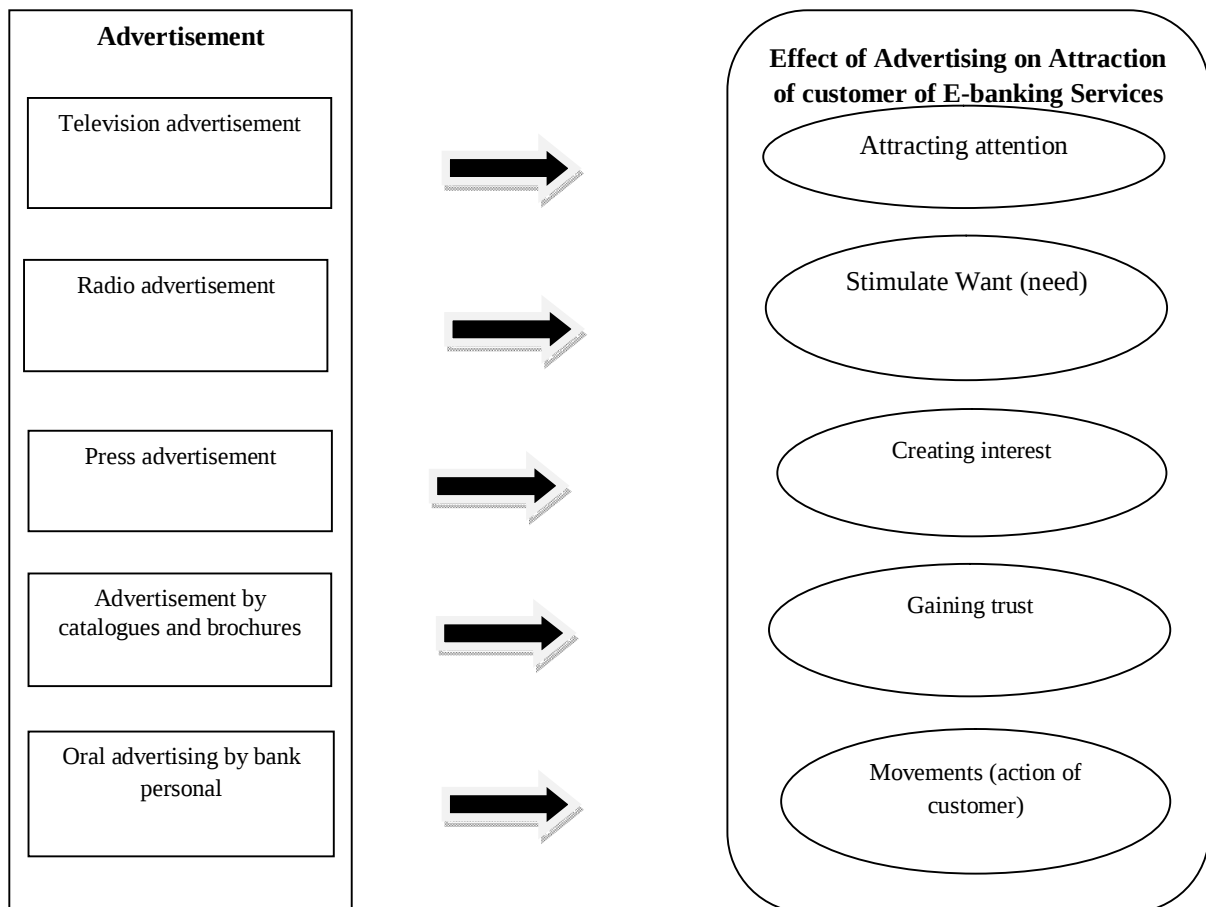


Figure 1- research- made model (impact of advertising on increase attracting customers of electronic banking services)

It should be noted that the box advertising is advertising methods and it is used as independent and main variables of research hypothesis in this study and elements increase attracting customers of electronic banking services is elements that each of independent variables of study through it (attracting customers of electronic banking services) affect dependent variable.

3. Research Hypotheses

3.1. Main Research Hypothesis

Advertising increases attracting customers to use electronic services.

3.2. Sub-Hypotheses

1. Television advertisement increases attracting customers to use electronic services.
2. Radio advertisement increases attracting customers to use electronic services.
3. Press advertisement increases attracting customers to use electronic services.
4. Advertisement by catalogues and brochures increases attracting customers to use electronic services.
5. Oral advertising by bank personal and customer increases attracting customers to use electronic services.

4. Research Methodology

This study in terms of purpose is considered applied and its method is descriptive-survey, in terms of data collection is field research. Statistical population of this research is customers of electronic services in Melli bank branches of West Mazandaran province-Iran. Suitable sample size for distribution is calculated 384, thus 384 questionnaires is distributed. It should be noted, sampling method in this study is random sampling. Cronbach's alpha method is used to test the reliability of the questionnaire. Given that Cronbach's alpha coefficient was obtained more than 70% so questionnaire has been reliable. In this study, SPSS software: v18 and Regression test used to analyze the hypotheses.

5. Research Findings

5.1. First Sub-Hypothesis

Television advertisement increases attracting customers to use electronic services.

H₀: Television advertisement doesn't increase attracting customers to use electronic services.

H₁: Television advertisement increases attracting customers to use electronic services.

Table 1: Correlation coefficient between Television advertisement and increase attracting customers

Variables	Number	Correlation coefficient	Sig	Result
Television advertisement and increase attracting customers	384	0.14	0.003	Confirmed

According to the table can be seen that $\text{sig}=0.000<0.05$, for this reason with 95% confidence H_0 is rejected and H_1 hypothesis is confirmed and this relationship is significant. Also based on this table will be said intensity of correlation between two variables television advertisement and increase attracting customers is 0.14 that this indicates a direct correlation between the two variables. Therefore, this hypothesis is confirmed.

Table 2: Regression test between Television advertisement and increase attracting customers

	R	R ²	B	Constant	Sig
Television advertisement and increase attracting customers	0.14	0.018	0.14	3.05	0.005

According to the sig is less than 0.05, relationship between two variables of television advertisement and increase attracting customers at 95% is a significant, intensity of relationship is 14%. To determine direction of this effect according to coefficient of B is observed that this effect is direct and positive. On the other hand R^2 in this hypothesis is 0.018. This means that independent variable can predict 1.8% changes of dependent variable. So regression model can be written as follows:

$$Y = 0.14X + 3.05$$

On the other hand R^2 is squared R that is moving in the range of zero to one and is called square of the correlation coefficient and is equal to ratio of regression squares to sum of total squares (residual) and in fact it is part of a variable changes that is dependent on other variable and is more meaningful factor than R that its amount is 0.0196, this means that size of this amount can predict dependent variable changes.

5.2. Second Sub-Hypothesis

Radio advertisement increases attracting customers to use electronic services.

H_0 : Radio advertisement doesn't increase attracting customers to use electronic services.

H_1 : Radio advertisement increases attracting customers to use electronic services.

Table 3: Correlation coefficient between radio advertisement and increase attracting customers

Variables	Number	Correlation coefficient	Sig	Result
Radio advertisement and increase attracting customers	384	0.12	0.009	Confirmed

According to the table can be seen that $\text{sig}=0.009<0.05$, for this reason with 95% confidence H_0 is rejected and H_1 hypothesis is confirmed and this relationship is significant. Also based on this table will be said intensity of correlation between two variables radio advertisement and increase attracting customers is 0.12 that this indicates a direct correlation between the two variables. Therefore, this hypothesis is confirmed.

Table 4: Regression test between Radio advertisement and increase attracting customers

	R	R ²	B	Constant	Sig
Radio advertisement and increase attracting customers	0.12	0.012	0.12	3.9	0.01

According to the sig is less than 0.05, relationship between two variables of radio advertisement and increase attracting customers at 95% is a significant, intensity of relationship is 12%. To determine direction of this effect according to coefficient of B is observed that this effect is direct and positive. On the other hand R² in this hypothesis is 0.012. This means that independent variable can predict 1.2% changes of dependent variable. So regression model can be written as follows:

$$Y = 0.12X + 3/9$$

On the other hand R² is squared R that is moving in the range of zero to one and is called square of the correlation coefficient and is equal to ratio of regression squares to sum of total squares (residual) and in fact it is part of a variable changes that is dependent on other variable and is more meaningful factor than R that its amount is 0.0144, this means that size of this amount can predict dependent variable changes.

5.3. Third Sub-Hypothesis

Press advertisement increases attracting customers to use electronic services.

H₀: Press advertisement doesn't increase attracting customers to use electronic services.

H₁: Press advertisement increases attracting customers to use electronic services.

Table 5: Correlation coefficient between Press advertisement and increase attracting customers

Variables	Number	Correlation coefficient	Sig	Result
Press advertisement and increase attracting customers	384	0.05	0.15	Rejected

According to the table can be seen that sig=0.15>0.05, for this reason with 95% confidence H₁ is rejected and H₀ hypothesis is confirmed and this relationship is not significant and do not confirm. So hypothesis is rejected.

Table 6: Regression test between Press advertisement and increase attracting customers

	R	R ²	B	Constant	Sig
Press advertisement and increase attracting customers	0.05	0.003	0.05	3.3	0.3

According to the sig is higher than 0.05, relationship between two variables of press advertisement and increase attracting customers at 95% is not a significant.

5.4. Fourth Sub-Hypothesis

Advertisement by catalogues and brochures increases attracting customers to use electronic services.

H₀: Advertisement by catalogues and brochures doesn't increase attracting customers to use electronic services.

H₁: Advertisement by catalogues and brochures increases attracting customers to use electronic services.

Table 7: Correlation coefficient between advertisement by catalogues and brochures and increase attracting customers

Variables	Number	Correlation coefficient	Sig	Result
Advertisement by catalogues and brochures and increase attracting customers	384	0.085	0.05	Rejected

According to the table can be seen that sig=0.05=0.05, for this reason with 95% confidence H₁ is rejected and H₀ hypothesis is confirmed and this relationship is not significant.

Table 8: Regression test between advertising by brochures and increase attracting customers

	R	R ²	B	Constant	Sig
Advertisement by catalogues and brochures and increase attracting customers	0.085	0.005	0.085	3.2	0.09

According to the sig is higher than 0.05, relationship between two variables of advertisement by catalogues and brochures and increase attracting customers at 95% is not a significant.

5.5. Fifth Sub-Hypothesis

5. Oral advertising by bank personal increases attracting customers to use electronic services.

H₀: Oral advertising by bank personal doesn't increase attracting customers to use electronic services.

H₁: Oral advertising by bank personal increases attracting customers to use electronic services.

Table 9: Correlation coefficient between oral advertising by bank personal and increase attracting customers

Variables	Number	Correlation coefficient	Sig	Result
Oral advertising by bank personal and increase attracting customers	383	0.16	0.000	Confirmed

According to the table can be seen that sig=0.000<0.05, for this reason with 95% confidence H₀ is rejected and H₁ hypothesis is confirmed and this relationship is significant. Also based on this table will be said intensity of correlation between two variables oral advertising by bank personal

and increase attracting customers is 0.16 that this indicates a positive correlation between the two variables. Therefore, this hypothesis is confirmed

Table 10: Regression test between oral advertising by bank personal and increase attracting customers

	R	R ²	B	Constant	Sig
Oral advertising by bank personal and increase attracting customers	0.16	0.02	0.16	2.9	0.001

According to the sig is less than 0.05, relationship between two variables of oral advertising by bank personal and increase attracting customers at 95% is a significant, intensity of relationship is 0.16 . To determine direction of this effect according to coefficient of B is observed that this effect is direct and positive. On the other hand R² in this hypothesis is 0.02. This means that independent variable can predict 2% changes of dependent variable. So regression model can be written as follows:

$$Y = 0.16X + 2.9$$

On the other hand R² is squared R that is moving in the range of zero to one and is called square of the correlation coefficient and is equal to ratio of regression squares to sum of total squares (residual) and in fact it is part of a variable changes that is dependent on other variable and is more meaningful factor than R that its amount is 0.256, this means that size of this amount can predict dependent variable changes.

Table 11: Ranking advertising elements

Advertising elements	
attention	2.99
Stimulate	3.26
interest	3.56
Trust	2.58
Movements	2.61

Chi-Square=120.39 d.f=4 sig=0.000

According to Table 12 shows that Sig <0/05, H1 is accepted, Ie difference between variables (elements) is significant and advertising elements differ in size of influence on attracting customers and interest has most effect and trust has the least effect.

Table 12: Ranking a variety of advertising items

A variety of Advertising items	
television	3.30
Radio	2.45
Press	3.04
Brochure	3.03
Oral advertisement	3.19

Chi-Square=67.96 d.f=4 sig=0.000

According to table 12 shows that Sig <0/05, H_1 is accepted, Ie difference between variables (elements) is significant and advertising items differ in size of influence on attracting customers and television has most effect and radio has the least effect.

5.6. Main Hypothesis

Advertising increases attracting customers to use electronic services.

H_0 : Advertising doesn't increase attracting customers to use electronic services.

H_1 : Advertising increases attracting customers for use of electronic services.

Table 13: Regression test between advertisement and increase attracting customers

	R	R ²	B	Constant	model Sig
Advertisement and increase attracting customers	0.99	0.98	0.325	0.139	0.000 Beta sig=0.000

According to the sig is less than 0.05, relationship between two variables of advertisement and increase attracting customers at 95% is a significant, intensity of relationship is 0.99 and direction of this effect according to coefficient of B is direct and positive. On the other hand coefficient of determination in this hypothesis is 0.98. This means that advertisement can predict 98% changes of attracting customers. So with 95 percent H_0 is rejected and H_1 is confirmed and this relationship is significant, and main hypothesis is confirmed.

On the other hand R^2 is squared R that is moving in the range of zero to one and is called square of the correlation coefficient and is equal to ratio of regression squares to sum of total squares (residual) and in fact it is part of a variable changes that is dependent on other variable and is more meaningful factor than R that its amount is 0.9604, this means that size of this amount can predict dependent variable changes.

6. Conclusion and Recommendations

Nowadays, concerning the competitive atmosphere which governs the banks regarding e-services, using advertisement to introduce services has a significant role in inspiring and motivating customers in using products and services and consequently attracting them to use their e-services. In other words, if the banks wish to evaluate the efficiency of their advertisement on the customers, they can perform better in future which is a distinctive competence for the banks. In this regard, there have been various researches throughout the country which merely investigated the effective factors in advertising or the advertising facilities. The present study was conducted on the customers of the branches of Melli Bank in west of Mazandaran province, aiming to answer whether advertisement has caused any improve in the customers' attraction to use the branches of Melli Bank e-services, such as mobile banking, telephone banking, internet banking, shopping centers' POS (Point of Sale), and ATM (Automated Teller Machine), and if they are effective, the effect of which ones (television advertisement, radio advertisement, catalogues and brochures, press or oral advertising) are more considerable. The results of this study show that television advertising, radio, oral by the personnel of banks increased attracting customers for use of electronic services but impact of advertising through catalogs and brochures, the press was not confirmed. Also advertising elements differ in size of influence on attracting customers and interest has most effect and trust

has the least effect. Advertising items differ in size of influence on attracting customers and television has most effect and radio has the least effect. Thus, according to results obtained following recommendations are offered:

It is recommended that banks according to the results of this study (the impact of advertising on consumer attract of electronic banking services) use in order to improve their performance and increase the benefit of banking resources.

It is recommended that banks in planning their advertising use from results of this study and impact of advertising tools and equipment to attract customers and as a result use from investment losses of advertising and thus reduce the cost of bank.

It is recommended that bank marketing departments to find new markets and attract customers consider the impact of advertising and promotional items.

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