

Marketing Communication Approach in Indonesian Banking Industry: Research Study on Indonesia's Largest Private Bank

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ABSTRACT

Keyword:

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Integrated Marketing Communication is one strategy that can be used to create, maintain and improve the positive image and reputation of the company included banking industry. This research will find the marketing communication approach used by PT XYZ as the biggest private bank in Indonesia. This research refers to the concept of five aspects of Integrated Marketing Communication (IMC). The research method used is the qualitative research method with a case study research design accompanied by series of observations and interviews. The results showed and concluded that the marketing communication approach in the banking industry implements five aspects of IMC, which is advertising, sales promotion, public relations, events & experiences, and direct marketing. The approach of private bank XYZ is aimed at creating long-term relationships, and enhancing reputation.

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INTRODUCTION

Banking has a role in driving the national economy with its main function to raise public funds, channeling these funds to finance production and consumption activities, all of which will encourage national economic growth (ojk.go.id, 2022). According to the Indonesia Otoritas Jasa Keuangan (OJK), national banking has continued to experience growth over the past few years. However, in the future, the challenges faced by the banking industry will also increase, varied and dynamic.

Banking not only requires a strong business and structural strategy but also a strategy for maintaining image, reputation, and communication, especially in Indonesia. Marketing become the spearhead for a company and is very important, especially in the banking sector (Yosep et.al, 2020). Marketing communication is becoming a dynamic industry, which is constantly adapting to new technologies, media consumption patterns, and communication interfaces between marketers and their target markets (Eagle et.al, 2022).

Marketing communication developed into Integrated Marketing Communications (IMC) can be an IMC strategy which is believed to be one of the strategies that can be used to create, maintain, and improve positive perceptions of the audience or society (Rachmawati & Afifi, 2021). Today's digital era and technology can be an easy means to communicate, including being a link between the customers and the banks. Referring to the findings of Wang and McCarthy (2021), the banking sector in Australia and Singapore argues that it is important to adjust content strategies in their marketing processes to match banking services.

To find out more about Marketing Communication in the banking sector, research will be conducted at XYZ which is the largest private bank in Indonesia and received several awards in terms of the whole company as well as in terms of marketing communication & public relations. This proves that IMC's approach is one of PT XYZ's strategies and steps to maintain its position and reputation to become the largest private bank in Indonesia. This study will discuss and analyze how the integrated marketing communication approach carried out by PT XYZ in building and maintaining reputation and communication with its customers. It is hoped that through this research can be seen the strategies carried out and how the impact or the influence on marketing communication practitioners, especially in the banking industry.

Literature Review

Homepage: <https://arl.ridwaninstitute.co.id/index.php/arl>

This research will analyze the Marketing Communication approach in the banking industry both in Indonesia and internationally. The study took several references from previous studies. The influence of the marketing communication approach on a company was examined by Agustin Hermawati (2022) who said that handling complaints and marketing communications affect customer loyalty in the banking sector and trust affects customer loyalty and the presence of customers or customers. This is also continuous with what Elana Anthony (2019) said in her research that Integrated Marketing Communication makes communication with all business stakeholders efficient and effective.

The implementation of IMC in the company is also assisted by the existence of Information Technology which paves the way for modern businesses to perform better and organizations can easily embrace coordinated marketing and communication models into the practices carried out by the company's divisions. In terms of internal communication and recruitment, IMC helps easily change and manage overall recruitment and selection practices more effectively (Bulganina et al., 2016). By adopting IMC and incorporating it into HR practices, there is evidence that organizations can improve their communication (Elana Anthony, 2019).

Uses of Integrated Marketing Communication related to Nuralam, M., Satyawan, A., & Astuti, I D (2023) who said that Integrated Marketing Communication is also used in the banking sector by credit marketing to get new debtors after crisis issues. Marketing activities carried out must also refer to five aspects of IMC, including; Advertising, Sales Promotion, Events and Experiences, Public Relations And Publicity, Direct Marketing, Interactive Marketing dan Personal Selling. Research shows that Integrated Marketing Communication strategies can yield many benefits both in terms of relationship management and customer attitudes in the form of loyalty even though a company is hit by a crisis.

The existing research was developed deeper in research conducted on marketing communication approaches used in the banking industry, especially in private banks in Indonesia. The marketing communication approach will be associated with its contribution in shaping and maintaining the reputation of a company.

Marketing Communication Approach

Marketing communication is a dynamic industry, which is constantly changing and adapting to new technologies, media consumption patterns, and communication interfaces between marketers and their target market. Marketing communications are said by Eagle (2020) to have a positive effect on brand equity brand valuation and existing value can be measured if existing marketing communication approaches make a major contribution to the changes occurring in the environment.

But First, we need to understand in advance what is meant by marketing communications. Marketing communication is defined as an activity that seeks to disseminate information, influence and persuade or remind the target market of the company and its products to be willing to accept, buy loyal to the products offered by the company concerned (Mulitawati & Retnasary, 2020). Philip Kotler and Kevin Lane Keller (2016) also define marketing communications as a means by which companies inform, persuade, and remind their customers – directly and indirectly – about the products and brands they sell.

From the definition that we can defines marketing communication as a process and activity used to inform, persuade and influence the community or target market either directly or indirectly about a product, service or brand offered by the company. Existing activities are expected to provide a positive introduction and response from the community.

Public Communication

Public communication is communication that occurs and shows the communication process to a wide audience. Rusdiana (2018) defines public communication as a communication process in which existing messages are conveyed by communicators to a larger audience or the wider community (public) and public communication can also be interpreted as a process of exchanging messages that occur face-to-face or through media such as radio, television, online media and others. Public communication is used in communication practices to inform or persuade, build relationships, and encourage open communication in organizations or communities related to long-term solutions (Subandriyo, 2020).

Based on the definition and explanation of public communication, it can be concluded that public communication is a process of exchanging messages that aims to inform or persuade, build relationships, provide information to target audiences, and influence the attitudes or behaviours of target audiences whose dissemination to audiences or the wider community is heterogeneous in accordance with the initial plan of communication to be carried out or carried out. Communication media can be through radio, television, print media, or online media.

Integrated Marketing Communication (IMC)

According to Rehman, S., Gulzar, R., and Aslam, W (2022) Integrated marketing communication (IMC) dominates and influences a company's communication and marketing strategy. IMC delivers good results for companies in creating brand appeal, brand equity, and brand performance in a company. Porcu et al. (2019) also defined IMC as "an interactive, stakeholder-centered process of cross-functional planning and alignment of organizational, analytical and communication processes that enables shaping an ongoing discussion through transparent and consistent messaging using media to foster long-term beneficial relationships that create value" (Rehman et.al, 2022). Integrated Marketing Communication (IMC) defined by Kotler & Armstrong (2016) as an activity that seeks to combine advertising with other marketing communication tools such as public relations, direct marketing, sales promotion, and event sponsorship to work together (Nasiha, 2010). There are five aspects of marketing in IMC, namely advertising, sales promotion, public relations, events & experiences, and direct selling (Juska, 2022).

1. Advertising is defined by Richard Rosenbaum-Elliott (2020) as a way to direct potential customers to the advertised product or service by providing information designed to influence a favorable impression.
2. Sales promotion is a push to increase sales of a particular product that usually generates more revenue and brand preference when choosing a product to buy.
3. Public relations is part of an organization's promotion strategy. This approach is considered to be the most cost-effective proposition that results in a long-term relationship between the customer and the company (Hilde A.M. Voorveld, 2019).
4. Direct marketing/selling becomes a tool to bridge the gap between marketers and customers and create awareness about a company's product portfolio.
5. Event & Experiences is a strategy by holding an activity or event and giving an impression or experience to the target market or customers.

We can conclude that Integrated Marketing Communication (IMC) is also referred to as a communication tool or bridge in shaping the identity of a brand, corporate image and message conveyed to the target audience. Therefore, the implementation and application of IMC really need to be considered and carefully compiled.

Concept of Banking Industry and Private Bank

The banking industry is an important industry to achieve sustainable development in a country. Its because the unique intermediation role and an important role in mobilizing financial resources towards sustainable goals (Aracil et.al, 2021). Banking in Indonesia itself, based on Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation, defined as everything related to banks and bank itself can be defined as a business entity that collects public funds in the form of savings and distributes these funds to the public in the form of credit and/or other forms with the aim of improving people's standard of living (Indonesian Financial Services Authority, 2023).

The existing definition explains that the banking industry is a business sector that includes all matters related to banks along with coverage regarding institutions, business activities as well as methods and processes for carrying out business activities with the aim of improving the standard of living of the community. There are several types of business fields in the form of banking in Indonesia and based on the source of capital, one of the type of bank is a private bank. Private Banks themselves are banks whose capital and ownership are held by individuals or institutions that are not related to the government.

METHOD

This research applies the constructivism paradigm with a qualitative approach to explore and understand the meaning of individuals or groups associated with social or human problems. This research uses a holistic single case study method (Yin, 2018) and data collection will be carried out by observation, interview results analysis from documents and derived from audio visual and digital materials which usually come from photos, videos, artwork, computer messages, films and sound (Creswell, 2018). The use of this research method is because the case to be researched and analyzed is only one and has a uniqueness in the case regarding the marketing communication approach carried out by PT XYZ to become and survive as the largest private bank in Indonesia.

This research will present the marketing communication approach of PT XYZ as the largest private bank in Indonesia which is associated with the concept of five aspects of Integrated Marketing Communication (IMC). The research involved the result of the interview with a key person or key informant from PT XYZ's Marketing Communication division and observation inside the company.

RESULT AND DISCUSSION

Bank XYZ is a private company engaged in the banking sector and received the title as the largest private bank in Indonesia. The journey to expand or earn profits is supported by the Marketing Communication division which in addition to making sales also maintains the reputation and image of the company through the communication strategy that is carried out. The approach taken by XYZ private bank to build a reputation to become the largest private bank in Indonesia is seen from several forms of communication carried out in relation to five aspect of Integrated Marketing Communication (IMC).

Marketing Communication Approach

Based on the result from the interviews conducted, the Marketing Communication Division of XYZ private bank more focuses on external communication than internal communication that more focuses and held by the Internal communication division. However, communication regarding products, promotional strategies and communication that forms relationships with customers is still carried out because it affects the entire process and the impact of implementing Marketing Communication at bank XYZ.

Internal communication Bank XYZ is carried out in the form of providing an information portal called "myXYZ Portal" and communication media for each employee using WA, Email and Microsoft Teams. And for the external communication, the form of communication that use as the main foundation of bank XYZ is public communication and communication that persuades many audiences to be able to continue to improve and maintain the relationship, image and reputation of the company. Communication carried out is also continuous communication from year to year and in it there is also open information about the company to the profits received by the company. This is also done as an approach to gain customer and public's trust as a transparent bank.

Banking is an industrial sector engaged in services and as we know the products offered are intangible products. Therefore, the approach and form of communication carried out must be considered well because it will be different from those who have products in the form of goods. The results of an interview with one of the Head of the Main Branch Office at Bank XYZ show that from the experience that has been passed while working at Bank XYZ, marketing communications carried out must be able to make customers know, understand, accept and use it as a solution needed by customers.

Integrated Marketing Communication

Intensive communications are carried out by bank XYZ in the form of storytelling and the application of integrated marketing communication (IMC). Although banking is an industrial sector that collects funds from the public, still increasing profits through the services provided is also the goal of a bank. Therefore, communication based on the application of Integrated marketing communication is the basis for the marketing communication approach at bank XYZ.

Through interviews and observations at bank XYZ, the marketing communication approach based on Integrated Marketing Communication (IMC) applied by bank XYZ turned out to be more towards the continuity of planned communication, implementation and evaluation related to each other so as to create new solutions, new strategies, new performance improvements, integrated results and integration communication innovations. The integration creates a new strategy that can minimize risk and budget but has great results and impact for the company. Integrated Marketing Communication carried out from the head office to XYZ bank branches leads to the establishment of continuous communication and continuity from the head office (HO) and branches so that what is done at the HO or made by it can be implemented to branches and forwarded to customers. This makes the internal bank XYZ in the branch office able to understand and package in such a way as to approach marketing communication or direct selling / marketing to customers.

The continuous communication referred to by bank XYZ is the existence of activities and programs ranging from product promotion, advertising, events & campaigns, public relations activities to direct selling. For the advertising and sales promotion activities are very running and become one of the main activities of XYZ bank's marketing communication approach. Advertising activities are carried out using various kinds of conventional media and new media (online). During its journey from its inception to the present there have indeed been several changes such as before 2012 focusing on using conventional media such as television advertisements, radio, newspaper, magazine, pamphlets, billboards and others now since 2012 began to focus also on the use of new or online media such as advertising through websites, social media and online communication platforms.

XYZ bank social media itself is active in the use of WhatsApp, Instagram @goodlifebca, Facebook, and Website (bca.co.id). Other than the social media, Bank XYZ also develop an mobile application HaloBCA which will facilitate communication with bank XYZ about obstacles and needs that want to be helped online without having to go to a branch. Halo BCA will provide live chat and phone calls without credit in the application and customers can choose the product category according to their needs. The existing advertisements are direct derivatives of the themes and campaigns formed by the marketing communications

division each year. Existing advertisements will be disseminated through online media with digital marketing strategies and some conventional media such as television or billboards. The last campaign created was an awareness campaign about the appeal to be more vigilant against cyber crime that is currently rampant in banking, namely "Don't Know, Kasih No" and the introduction of the latest product, "myXYZ" as the "one stop banking apps.

For the sales promotion and direct selling activity, bank XYZ also use the procurement of Person In Charge (PIC) for each customer. This program helps communication that is formed and planned can reach every customer in Indonesia. Through the assistance of branches and the placement of PIC in each branch of bank XYZ, communication about bank XYZ products and companies is widely and evenly distributed. In addition, bank XYZ also uses Artificial Intelligence (AI) technology which has a role to assist customers in finding the necessary information about banking solutions and products at bank XYZ.

This AI technology is named VIRA which is a Virtual Assistant Chat Banking developed by XYZ bank. VIRA is a virtual assistant system specifically designed to facilitate customer needs in financial transactions. VIRA, which uses Natural Language Processing (NLP) and Artificial Intelligence (AI) technology, can understand the daily language spoken and used by customers when asking about XYZ banking services. VIRA helps in providing information such as promos, exchange rates, and ATM locations. It can be easily applied to several channels such as WhatsApp, LINE, Google Assistant, Kaskus Chat, and Facebook Messenger.

Not only communication through online communication media and advertising promotions, Bank XYZ also holds various kinds of events and activities intended for customers ranging from small to large scale. These activities include XYZ Expo which is held every year 2 times, Gathering at branches, Personal Customer Activity & Engagement and Webinars. Activities and services provided to customers are not just to establish business relationships, but to establish personal relationships and provide a positive experience for customers. Some events will be tailored to the customer's profile and hobbies that the customer has.

Although there are communication parts that are not all handled by the marketing communication division such as Public Relations. However, the marketing communication division's programs and campaigns remain the main foundation of the communication division that handles public relations activities and program. Everything is sustainable but still on one main goal, program, campaign and form of communication. Communication within banks, especially private banks such as bank XYZ, will involve not only one division but is continuous and continuous to all divisions and parts of the company, both central and branch. Optimization of communication strategy is implemented as a form of Integrated Marketing Communication at bank XYZ.

Discussion

As the largest private bank in Indonesia, bank XYZ applies an integrated marketing communication (IMC) approach to build, interweave, maintain and develop relationships with customers and all stakeholders. According to Isasi et.al (2020) in their article, the advantages of using IMC include, all target audiences are considered; Individual communication is fostered, and through IMC three types of benefits can be achieved at once, namely competitive, effectiveness and financial. This implementation of marketing communication approach, in line with what Rehman et.al (2022) said which defines IMC to deliver good results for companies in creating brand appeal, brand equity and brand performance in a company.

In banking industry, marketing communications must be able to make customers aware, understand, accept and use the products as a solution they needed. Marketing communication must be continuous with business strategies to increase company profits and make IMC one of the processes to be able to manage relationships with stakeholders, content, channels, and results of communication programs strategically (Anabila, 2019). Bank XYZ also pointed out and emphasized that the communication implemented must create sustainable communication and create long-term relationships. All of that is built when customers have trust in companies that will also want satisfaction and the creation of brand loyalty (Surjana & Purba, 2021).

Bank XYZ runs five aspects of marketing from Integrated Marketing Communication (IMC), namely advertising, sales promotion, public relations, events & experiences, and direct marketing / selling (Juska, 2022) which are combined into a management strategy to build relationships and maintain the reputation of bank XYZ (Anabila, 2019).

CONCLUSION

As the largest private bank in Indonesia, Bank XYZ implements Integrated Marketing Communication (IMC) as a marketing communication approach within the company. The approach includes five aspects of IMC. Advertising is applied and becomes one of the main communication media to disseminate information about the company, products, services and solutions offered by bank XYZ to customers. Every year there will be new campaigns that are all continuous and packaged subtly and touch the emotional recipient of the message.

Media used as a means of communication are conventional media such as television, radio, billboards, and using online media such as Instagram, Facebook, Website, Youtube, WhatsApp and mobile applications.

The Indonesian banking industry as seen from bank XYZ, aspects of sales promotion, public relations, event & experience and direct marketing are applied through various campaign programs, procurement of PIC relationships for customers, digitalization using Artificial Intelligence (AI), Virtual Assistant Chat Banking (VIRA), mobile applications and the creation of personalized banking transaction experiences. These five aspects are applied and continuous with each other and in each period periodic evaluations will be carried out so that the communication approach carried out can continue to be developed and create new communication innovation solutions. Bank XYZ's communication approach aims to create customer satisfaction, increase customer trust, customer loyalty, long-term relationships, continuous communication and new banking business innovations.

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