

## Chapter 2

# Digital Marketing and Service Industry: Digital Marketing in the Banking Industry

**Ivana S. Domazet**

*Institute of Economic Sciences, Serbia*

**Sladjana Neogradi**

*Addiko Bank, Serbia*

### **ABSTRACT**

*The aim of this chapter is to investigate the impact of the implementation of digital sales channels on improving the bank's business performance (i.e., improving the market position of the bank). The authors look at different types of sales channels and their contribution to increasing the number of clients in the bank, and in particular, they focus on the advantages of the Viber Platform in reaching more clients. A survey on digitalization of the banking sector was conducted, that is, on the integration of digital communications and sales channels, that brings with it new elements and possibilities for expanding the portfolio of bank services, and thus new opportunities for increasing profits. Based on the results of the survey, it was concluded that banks use digital communications to improve and make more effective and efficient communication with clients, while trying to bring them closer to the offer. With this approach, banks will achieve greater satisfaction and consequently a greater loyalty of their clients.*

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## **INTRODUCTION**

The financial services market has undergone significant changes in recent years. Information technology, including models of modern information architecture, databases and data warehouses, data protection, data management, computer communication, modern statistical software and other IT tools, contributed to an enormous increase in the speed of data processing, the introduction of ATMs, the functioning and processing of various types of credit and payment cards and a like. This technology advancement enabled financial organizations to offer a wide range of quality products and services to the market. In addition, due to the exponential growth of digital communication channels, and in particular social networks, the role of digital marketing takes on an increasingly important item in determining the overall marketing budgets.

In order to be competitive, the financial organization must focus on fostering customer loyalty, integrating various communication channels, lowering operating costs and good risk management. Financial organizations (banks, insurance companies, leasing companies, investment and pension funds, etc.) strongly influence the flows of activities in the real economy. Such impact has been particularly noticeable in the last five years in Serbia, but also in the whole world. High degree of competitiveness of the financial services market is, among other things, conditioned by the fact that “production” and the provision of some financial services also involve certain non-financial organizations. Direct and “lateral” competition compel financial organizations to compete for the marketplace by developing innovative activities and offering a richer and more quality product and service range in comparison to the competition. Therefore, the primary activity of financial organizations must be the research of needs, preferences, habits, wishes and demands of present and potential clients and ways of their profitable satisfaction.

In order to identify, anticipate and profitably satisfy the requirements of its clients, and accordingly ensure continuous growth and development, it is necessary that the entire financial organization and the activity of all its employees (especially those who are in constant contact with clients), rely on the modern settings of financial services marketing (with special emphasis on digital marketing).

Some of the postulates of financial organizations’ modern marketing are:

- Assets of the organization / company are worth little without its clients;
- The task of managing the marketing of a financial organization is not only to attract new ones but also to retain existing clients;
- New customers can only be acquired by delivering superior value / offer;
- Only satisfied customers can be loyal to the given organization;

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