Full Length Research Paper

Survey on the effectiveness of promotional and communication strategies adopted by financial services

Farhad Sadeh*, Rosa H. Birjandi and Alireza Miremadi

Sharif University of Technology-International Campus, Iran.

High volume domestic and international trade and business and their risks, force companies and business people to use financial services such as banks and insurance companies much more than ever. However, heavy competition in this industry impels financial service managers to work hard on their marketing strategies and plans. Promotion and communication tools are one of the most important parts of each marketing campaign but they are usually very costly and marketing managers have to find and use more effective techniques to manage their budget limitation. Today financial service marketing is very important because of the heavy competition in this market so promotion and communication strategies are very important tools for success. The other problem is budget limitation; it forces the marketers to search for more effective promotion tools based on target market and product or service life cycle stage but there is very little research in this area. The purpose of this study is to identify the most important promotional and communication strategies in financial services industry and to investigate their effectiveness for some demographic segments. We started with an exploratory research on financial services marketing to discover promotional strategies adopted by them. The study gradually shifted from exploratory research to quantitative research. The research is applied, and survey method is used for data gathering. In addition to descriptive statistics, Friedman Test is used for finding the order of importance of the identified strategies. After prioritizing promotion and communication tools and strategies we investigated more detailed results by demographic and business type categories and provide the rank orders and introduce the most effective promotion and communication strategies for informing, persuading and reminding financial service customers.

Key words: Promotion, financial service, bank, insurance, marketing communication.

INTRODUCTION

The financial services such as banks and insurance companies are the most important part of business and trade. No one can do business without these kinds of services but there is heavy competition in these industries because there are so many financial institutions in the world and they produce a lot of services to absorb customers.

In traditional form of the financial services industry, customers do not have variety of options in terms of selecting financial services and channels. Inflexibility of financial service providers and cartels' operation forced

customers to accept financial services' price and style (Beckett et al., 2000).

In this competitive environment, marketing and especially promotional tools and plans are very important factors for success in the market. The competition between commercial banks as well as amongst financial institutes has forced them to devise strategic marketing plan and use research techniques (Kaynak and Whiteley, 1999). On the other hand, budget limitation forces these organizations and their marketing managers to find most effective promotional strategies to devise a productive and efficient strategic marketing plan. Brand manufacturers are facing intense competition from domestic and foreign brands, resulting in rising promotion costs and shrinking profit margins (Kotler and Keller, 2009).

---
*Corresponding author. E-mail: far_sad2@yahoo.com. Tel: +989133140173.

After a deep review of the related literature, we found a gap in investigating most effective promotion and communication tools. Prior researches either have focused on one or several tools but not all of the tools, or study promotion tools in other areas than financial services, or have considered the special conditions.

Clemesv et al. (2010) studied the customer switching behavior in the Chinese retail banking industry. The researchers in that study investigated the factors affecting consumer switching behavior. In another study, Lewis (1993) revealed that there are difficulties in attracting the youth population (for example college students) and the extent that bank advertising and promotions had little effect on college students' selection criteria of offerings (Blankson et al., 2007). Blankson et al. (2007) conducted a research on determinants of banks selection in USA, Taiwan and Ghana. Albers-Miller and Straughan (2000) studied financial services advertising in eight non-English speaking countries. They state that, there were some similarities between the countries, and there were also remarkable differences.

Some scholars have recommended aggressive promotion of financial services to impart information externally (Yavas et al., 1997). Corporate communication and advertising are defended as important ways to help reduce consumers' perceived risks (Albers-Miller and Straughan, 2000; Davies, 1996).

Other researchers also studied related subjects. Examples include: Measuring the effectiveness of interactive media by Stewart and Pavlou (2002), the influential role of marketing, sales, EDP/systems and operations by Papastathopoulou et al. (2006), and the effects of image and advertising efficiency on customer loyalty and antecedents of loyalty by Cengiz et al. (2007). However, to the best of our knowledge, there is no research investigating all promotion and communication tools that can be used in financial services and the order of their effectiveness.

LITERATURE REVIEW

Our review of the related literature identified a gap in investigating the most effective promotion and communication tools for the financial services industry. Prior researches have either focused on one or more tools but not all of the tools, or have studied promotion tools in other industries or special cases of financial services.

Michael et al. (2010) studied the customer switching behavior in the Chinese retail banking industry. The researchers in that study investigated the factors which affect consumer switching behavior. An example was the influence of promotion activity of the competing bank on decision to switch banks. In another study, Barbara (1993) revealed that there are difficulties in attracting the youth population (for example, college students) and to the extent that bank advertising and promotions had little

effect on college students' selection criteria of offerings (Blankson et al., 2007).

Charles et al. (2007) conducted a research on determinants of bank selection in USA, Taiwan and Ghana. They recommend that: Bank managers could pursue all or any of the four sets of constructs identified for industrialized and newly industrialized economies while three constructs may be employed in liberalized developing countries as benchmarks in their current and/or future marketing deliberations. These constructs are competence, recommendation by peers, free banking (no bank charges). Bank managers and advertising executives in liberalized developing economies may also include "convenience" as an important construct in their marketing strategies and tactics."

Nancy and Robert (2000) studied financial services advertising in eight non English speaking countries. The researchers imply that, there were some similarities between the countries, and there were also remarkable differences. For many of the countries, in financial services advertisements, the most commonly used were the appeals to service quality.

Some scholars have recommended aggressive promotion of financial services to impart information externally (Yavas et al., 1997). Corporate communication and advertising are defended as important ways to help reduce consumers' perceived risks (Albers-Miller and Straughan, 2000; Davies, 1996).

Other researchers also studied related subjects such as measuring the effectiveness of interactive media by Stewart and Pavlou (2002), the influential role of marketing, sales, EDP/systems and operations by Paulina et al. (2006), and the effects of image and advertising efficiency on customer loyalty and antecedents of loyalty by Cengiz et al. (2007). However, there is lack of investigation of all promotion and communication tools which can be used in financial services and the order of their effectiveness.

The marketers should plan for marketing activities as a complete integrated marketing program to create, communicate and deliver value to their customers. McCarthy formulized all forms of marketing activities as marketing mix of four broad kinds, which he called the four Ps of marketing: product, price, place and promotion (Kotler and Keller, 2009).

Kitchen and Pelsmacker (2004) say that, indicative of so many other marketing activities, IMC appears to be defined by those who are implementing it. Kaye (1999) argued that the generally accepted definition of IMC is self-limiting because its focus is on external, non-personal communications: Advertising, publicity, database and direct marketing and interactive media. There are so many different definitions and ideas of what IMC is about and what it entails, right through to its implementation. Thus, the conceptualization of IMC is still vague and uncertain. Yet, despite doubts and misgivings, IMC has become the dominant mode or paradigm for explaining how marketing communications works.

The elements of the promotional mix vary in their effectiveness as outlined by Fill (1995) who discussed the ability of each element to communicate, the likely overall costs, and the control maintained. Each element thus has a different capacity to communicate and to achieve different objectives (Kitchen and Pelsmacker, 2004).

Further challenges to advertising effectiveness have emerged in the last decade, particularly in relation to growing globalization of markets and the need to consider cross-cultural communication and to understand the extent to which advertising can be standardized across national borders versus being localized to meet the requirements and preferences of specific markets. Standardization of advertising can also assist in brand image consistency across markets (Kotabe and Helsen, 1998). It also offers considerable economies of scale.

However, even when similar campaigns are used across multiple countries, international differences in culture, legal and/or regulatory requirements may mean that one or more element of the advertisement may be required to be tailored to local conditions to be effective, or legal (Boyd et al., 1998).

Much of the value of producing a marketing communication plan will be wasted unless a very thorough system of measurement is installed. A good deal of the necessary evaluation can be done in-house and at little cost (Hart, 1999).

Financial services

Financial services refer to services provided by the finance industry. The finance industry encompasses a broad range of organizations that deal with the management of money. Among these organizations are credit unions, banks, credit card companies, insurance companies, consumer finance companies, stock brokerages, investment funds and some government sponsored enterprises (Wikipedia, 2010).

As of 2004, the financial services industry represented twenty percent of the market capitalization of the S and P 500 in the United States (ContraryInvestor, 2004). The financial services industry includes firms that deal with the management, investment, transfer, and lending of money.

Though every company handles money in the course of doing business, financial institutions actually make money their business; rather than selling a line of physical products, they offer customers their fiscal expertise. The industry itself is very large, encompassing everything from small, local banks to the multinational investment banks regularly featured in news headlines (wikiinvest, 2011).

Service marketing

Over the past two decades, the growth of interest in services marketing phenomena has risen significantly

(Bitner, 1997; Lovelock and Wright, 1999). A particular concern to both practitioners and scholars has been the determination of the most effective means to market service products (Berry and Parasuraman, 1993).

An exhaustive overview of the services advertising literature conducted several years ago highlighted the need for closer examination of message factors (for example, the structure and execution of advertisements) as one area in critical need of further explication (Tripp, 1997). In this light, the question has been raised, "are services advertisers using integrated marketing communications?" (Tripp, 1997)

Integrated marketing communication may take many forms (Cornelissen and Lock, 2000), yet in each case the underlying thrust is the coordination of various marketing communication devices (for example advertising, direct marketing, etc.) to create a unified message. Since integrated marketing communication (IMC) has the potential to produce a strong focus for an offering (Glen and Phelps, 1994; Schultz et al., 1993), IMC would seem to be a particularly attractive tool for advertisers to accommodate the intangibility present in services.

Yet, since some service offerings are more intangible than others (Shostack, 1977; Zeithaml, 1981), it is logical to expect some variation in the application of IMC to services. Nevertheless, consider the value added dimension that typically emerges for Southwest Airlines or Barnes and Noble's stores through their integration of sales promotion, brand advertising, and direct response features in a single advertisement; such an effort in clarity, consistency and maximum communication impact (Grove et al., 2002; Sirgy, 1998; Stone, 1994).

Financial service marketing

In the competitive environment of financial services, there is constant pressure to innovate and develop new ways to improve promotions and marketing communications and using most effective tools in this way.

According to Kaynak and Whiteley (1999) competition amongst commercial banks as well as between banks and other financial institute types forced them to introduce strategic marketing and research techniques and concepts. Many examples show that commercial banks become customer driven by focus on almost universal mission and becoming more market-oriented (Kaynak, 1986).

Kaynak and Whiteley (1999) claims that commercial banks should know customers' attitudes, perceptions, knowledge structures and behavioral tendencies extensively, if they made significant market program and plans and effective marketing strategies are to be developed and established. Also bank's target customers' image should be align with the services which the bank offers (Whiteley, 1999).

The needs of present and potential customers of the bank should be the most important concern of the bank

(Berry and Parasuraman, 1991). Commercial banks should apply the marketing concepts regarding customers perceived service quality, the service type which customers desire the most and especially the type of service delivery that customers wish, because marketing is a customer-oriented activity.

Earlier researches results, based on the same basic framework, have shown that customer directed banking is not always situated properly. So, commercial banks should try more to provide services they assumed their customers desired, or which their competitors provided (Kaynak and Yavas, 1985).

It is obvious that financial service providers have not been consider their customer needs and wants and their selected target market segment in the past (Kaynak and Kucukemiroglu, 1993). A commercial bank's marketing orientation is partially determined by the market segments in which it operates and performs, namely the security oriented, interaction oriented or task oriented segments (Peattie and Peattie, 1994).

RESEARCH METHODS

The purpose of this study is to find promotional and communication strategies adopted by financial services and their level of effectiveness in Iran. In other words, the objective is to answer the following research questions:

1. What are the most important promotional strategies in financial services industry?
2. How effective are the promotional strategies in financial services industry?
3. What is the order of importance of the strategies?

We started with conducting an exploratory research on financial services to determine the promotional strategies adopted by them. The research gradually shifted from exploratory research to quantitative research. According to Fisher (2007), a survey approach is suitable when the researcher is trying to obtain a broad and representative overview of a situation. In this research survey method was used for data gathering. In addition to descriptive statistics, Friedman Test was used to provide a rank order with respect to the importance of the identified strategies.

Variables and constructs

Through extensive literature review and conducting deep interviews with the experts, we identified five constructs and twenty three variables. Marketing thinkers have identified promotional mix and communication strategies in different ways and while there are similarities in their models there are some differences. We found five common strategies in the most credible contexts, advertising, publicity and public relation, personal selling, direct marketing and sales promotion. These are the five constructs used in this study. We also found some tools for each strategy, which we denote as variables in this study.

Sampling

In this research, a systematic probability sampling was selected as the sampling method. The customers of financial services in Iran were sampled to respond to the questionnaires. To achieve diverse response from a expand scope of ideas, age, education, income and type of financial services used, different places such a shopping center, club, university and some big companies were selected for distributing questionnaires. In these places from each five entrants, the first one was selected to fill out the questionnaire. The minimum required sample size was calculated using the following equation which is suggested by Hair et al. (2007):

Sample size = $[DC * TV / DP]^2$

Where DC is the number of standard errors corresponding to the level of confidence, TV is the standard deviation of the population, and DP, the desired precision.

The characteristics are measured using scale of 1through 7 and the estimated standard deviation would be (7-1)/4=1.5 based on the assumption that the distribution of the responses is normal. The normality test result is shown later. Business researchers typically use a confidence interval of plus or minus 2 standard errors (95%) in normal distribution (Hair et al., 2007). Consulting with some professionals, we determined the acceptable precision to be 0.2. Therefore, the minimum required sample size would be $[2 * 1.6 / 0.2]^2 = 225$

According to Fisher (2007) the number of distributed questionnaires will have to be larger than the minimum required and the response rate of 30% is considered very good. In this study 700 questionnaires were distributed and 340 questionnaires were returned providing a 48.5% response rate.

The result of our descriptive analysis about the participants in this study is provided in Table 1.

Data collection

Study focused on the promotion and communication strategies and tools used by financial services market. Information was gathered using both qualitative and quantitative methods from secondary data and primary data. We started with an exploratory research of existing literature on promotion and communication strategies that can be used in financial services industry in the marketing context.

We then continued with a qualitative research by conducting structured interview among financial service marketing professionals to confirm and validate the factors which had been extracted from previous literature or to determine the new approaches which can be used in this market. We conducted eight structured interviews with financial marketing professionals in state and private banks. The interviews were done exactly in the same way and the same sequence for all interviewees to prevent the probability of introducing biases that results the incompatibility of interviewing process. A list of factors which had been gathered from literature was prepared n advance and the interviewees explained their ideas about the factors and were asked to suggest new factors if they could.

After that we conducted a quantitative research by developing and administering structured questionnaire among financial services' customers in order to measure the effectiveness of the factors that had been determined in the previous steps. We used self completion method to complete the questionnaire. The questionnaire included a set of preordained questions to collect data from financial service customers.

The questionnaire was designed based on factors which were extracted from existing literature related to financial service marketing and promotional strategies contexts. The questionnaire was distributed between ten financial service customers to make sure that the questions are understandable and to revise and finalize the questionnaire.

For assuring the accuracy of collected data, we performed appropriate design, wording and validation of the questionnaire by pretest and also carrying method of administration.

Table 1. Demographic breakdown of the sample.

Gender		Frequency	Percent
	Men	213	62.6
Valid	Women	124	36.5
	Total	337	99.1
Missing system		3	0.9
Financial service type			
	Bank	241	70.9
Valid	Insurance	92	27.1
	Total	333	97.9
Missing system		7	2.1
Type of Institutes			
	Private	101	29.7
Valid	State	205	60.3
	Total	306	90.0
Missing system		34	10.0
Age			
	<20	17	5.0
	20-30	169	49.7
Valid	31-40	88	25.9
	41-50	35	10.3
	>50	30	8.8
	Total	339	99.7
Missing system		1	0.3
Income			
	<400000	74	21.8
	400000-600000	109	32.1
Valid	600000-800000	39	11.5
	800000-1000000	40	11.8
	>1000000	58	17.1
	Total	320	94.1
Missing System		20	5.9

Measurement

Our questionnaire is divided into four sections. In section one, individuals were asked to answer some descriptive information about themselves such as, education, gender, income range, and the financial service they had used. In section two and three, a set of questions were designed to evaluate variables related to our hypothesis. In this section all questions had seven point Likert scale responses. The respondents were asked to reflect the extent of influence of variables on the measured variable from very high to very low. In the last section, there were three multiple choice questions which respondents were asked to measure the effectiveness of promotion strategies related to their three expected results.

Evaluating measurement scale

Reliability of the questionnaire was examined by calculating the Cronbach's alpha. The total Cronbach's alpha of all 23 measures is 0.920 which is above the cut-off value (0.70) recommended by Nunnally and Bernstein (1994) and the reliability of the questionnaire is considered high (Hair et al., 2007). Table 2 shows that Cronbach's alpha for each of the 23 items is also more than 0.7. The Cronbach's alpha and statistics were calculated by SPSS 16 for the data in this research.

To illustrate content validity or face validity, we conducted eight interviews with financial marketing professionals in state and private banks and insurance companies to validate the items and variable which are extracted from related literature and to find new items that are used or can be use in Iran's market.

In addition, after collecting data from interviews, we consulted with two marketing professors to verify the factors and variables which are extracted. Then, questionnaire was prepared based on the gathered data and was distributed among 10 financial service customer to answer, after that their ideas and comments about the questions were collected. The construct validity was tested by factor

Table 2. All variable Cronbach alpha.

Variables	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's alpha if item deleted
TV and Radio	78.9607	590.347	0.242	0.923
Print Ads.	79.7770	584.305	0.401	0.919
Brochures	79.4393	574.510	0.508	0.917
Indoor posters	79.1213	578.482	0.457	0.918
Billboards	79.4295	578.239	0.478	0.918
Internet Ads.	79.3934	574.391	0.454	0.918
Post Ads.	79.3279	549.083	0.664	0.914
Telemarketing	79.7344	556.643	0.635	0.915
E-mail marketing	79.4262	556.824	0.600	0.916
Trade shows	79.5672	565.253	0.616	0.915
Gifts	79.1148	560.023	0.591	0.916
Contests	78.6590	558.772	0.565	0.916
Price-offs	78.0918	557.077	0.583	0.916
Cross-selling	78.8492	566.214	0.569	0.916
Seminars	79.5344	562.611	0.599	0.916
Customer sites	79.3508	554.025	0.669	0.914
News release	78.8393	578.366	0.439	0.919
Sponsoring	79.1934	564.591	0.579	0.916
Donation	79.0656	557.542	0.607	0.915
Press conferences	79.7180	566.611	0.626	0.915
Company magazine	79.4426	561.708	0.636	0.915
Opinion leaders	79.0852	555.651	0.659	0.914
Business press	79.4164	565.579	0.538	0.917

analysis which was done by SPSS 16.0.

DATA ANALYSES

Conceptual model

In this survey, respondents are asked to evaluate the effectiveness of promotional and communication tools and their effects on informing, persuading and reminding them to use the financial services. Advertising, sales promotion, publicity and public relation, personal selling and direct marketing are the main constructs that cause informing, persuading and reminding. These are the main purposes of promotional and communication strategies. Each of these constructs includes several tools as illustrated in Figure 1.

The main objective of this study is measuring the effectiveness of each promotional tool in financial service industries and analyzing their effect based on demographic characteristics of customers. The study presents a theoretical model of the factors involved and the relationship among these factors with the promotion results.

The questionnaire contains questions which ask about the amount of impact which these factors had on custo-mers. The factors are the promotion tools extracted from related literature review and modified by professionals in financial service marketing fields. Table 3 shows the source of scale items which is used in this study. The survey was conducted in July and August of 2011 and the participants were selected randomly from banks and insurance institutes in Esfahan City.

Statistical analysis

The first step of the analysis investigates the priority of the promotion tools and measuring the effectiveness ofthem in response to the research questions. Friedman test is used to test the hypothesis of mean equality of K related samples (promotion tools). Table 4 shows the results of Friedman test. It shows that the mean ranks of tools are different because the amount of Asymp. Sig. is 0.000. It is lower than 0.05 so the hypothesis of equal effectiveness is rejected.We were keen to know the status of current level and desired level of respondent satisfaction about promotional strategies. For this purpose, two statistical tests were used. The Friedman test was conducted to compare the effectiveness of the five constructs. Friedman test is used to test the hypothesis of equality of the five constructs which are the promotion tools. The lower mean ranks in Friedman test show the more important factors which are week and need more attention but in this study we asked the
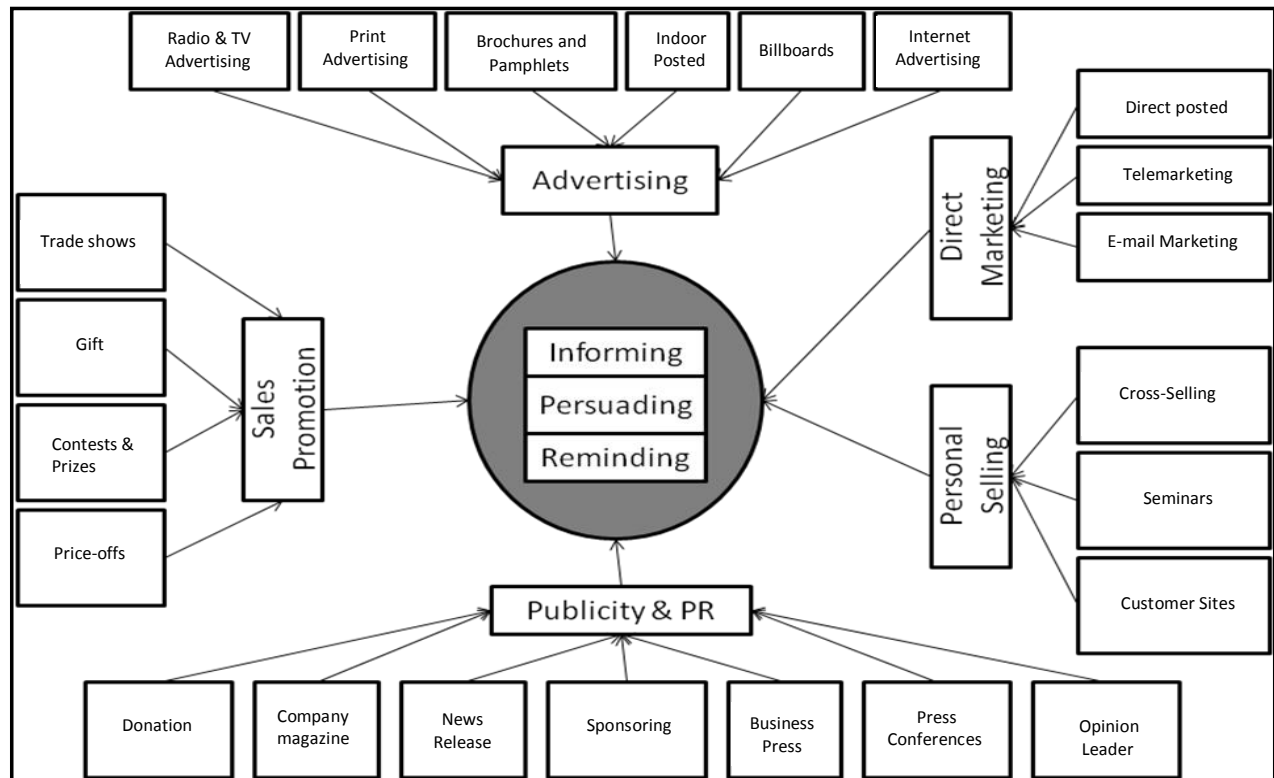
Figure 1. Structural model of the study.

Table 3. References of the selected promotion tools.

S/N	Factors	Reference(s)
1	Radio and TV advertising	Avlonitis and Papastathopoulou (2000)
2	Print advertising	Kotler and Keller (2009)
3	Brochures and pamphlets	Kaynak and Whiteley (1999)
4	Indoor posters	Avlonitis and Papastathopoulou (2000)
5	Billboards	Avlonitis and Papastathopoulou (2000)
6	Internet advertising	Kaynak and Whiteley (1999)
7	Direct posted brochures and pamphlets	Kotler and Keller (2009)
8	Telemarketing	Kotler and Keller (2009)
9	E-mail marketing	Kotler and Keller (2009)
10	Fair and tradeshows	Belch and Belch (2003)
11	The services was accompanied by low value gifts	Avlonitis and Papastathopoulou (2000)
12	Contests and Prizes	Belch and Belch (2003) and Peattie and Peattie (1994)
13	Price-offs (discount)	Kaynak and Whiteley (1999)
14	The sales force informed customers about the product through "cross-selling"	Avlonitis and Papastathopoulou (2000)
15	Sales presentation, seminars and meetings	McCreesh (2004)
16	The selling efforts were made at customer sites	Avlonitis and Papastathopoulou (2000)
17	News release	Kaynak and Whiteley (1999) and Perreault and McCarthy (2002)
18	Event sponsoring	Perreault and McCarthy (2002)
19	Articles about the product were written in the business press	Avlonitis and Papastathopoulou (2000)
20	Press conferences	Kotler and Keller (2009)
21	Company Magazine	Kotler and Keller (2009)
22	The product was supported-advertised by opinion leaders	Avlonitis and Papastathopoulou (2000)
23	Donation	Interviews

Table 4. Friedman tests resulted mean ranks and test statistics.

Factors	Mean rank	Test statistics	
TV and Radio	12.78	N	305
Print Ads.	9.80	Chi-Square	416.290
Brochures	11.22	Df	22
Indoor posters	12.69	Asymp. Sig.	0.000
Billboards	11.40		
Internet Ads.	11.55		
Post Ads.	11.60		
Telemarketing	9.86		
E-mail marketing	11.27		
Trade shows	10.78		
Gifts	12.39		
Contests	14.26		
Price-offs	16.67		
Cross-selling	13.83		
Seminars	10.68		
Customer sites	11.47		
News release	13.72		
Sponsoring	12.30		
Donation	12.57		
Press conferences	9.88		
Company magazine	11.12		
Opinion leaders	12.80		
Business press	11.35		
Constructs (Desired)			
Advertising	3.08	N	320
Publicity and PR	3.18	Chi-Square	22.078
Personal selling	2.84	Df	4
Sales promotion	3.14	Asymp. Sig.	0.000
Direct marketing	2.76		
Constructs (current)			
C Advertising	2.82	N	339
C Direct marketing	2.54	Chi-Square	98.464
C Sales promotion	3.67	Df	4
C Personal selling	2.92	Asymp. Sig.	0.000
C Publicity and PR	3.05		

respondents to rank the effectiveness of the tools. So higher mean ranks show the more effective tools.

We also wanted to compare two sets of similar constructs to see if there is a significant difference between them and to measure the correlation between them. For this purpose we used the paired sample T-Test. Next, we tried to measure the difference between the current level and desired level of promotional activities on the basis of gender, and public versus private financial institutions using independent sample T-test. We also applied analysis of variance to measure the respondent's attitudes among the different age groups, income levels and education levels. As can be seen in the tables, there are two sets of constructs. The first set are advertising, sales promotion, publicity and PR, direct marketing and personal selling. They show the idea and opinion of customers about the effectiveness of each promotional strategy separately. The second set are "C advertising", "C sales promotion", "C publicity and PR", "C direct marketing", and "C personal selling" which reveal the respondents idea about the current level of satisfaction from the activities that financial services are currently performing. This set is extracted directly from the completed questionnaires.

Table 4 contains the result of Friedman test on each constructs. The significance level is equal to 0.000

Table 5. Paired sample T-test results.

Pair	Paired constructs	Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. deviation	Std. error mean	95% Confidence interval of the difference				
					Lower	Upper			
1	Advertising - C Advertising	0.479	1.617	0.089	0.303	0.655	5.360	326	0.000
2	Publicity and PR - C Publicity and PR	0.389	1.682	0.092	0.207	0.571	4.216	330	0.000
3	Personal selling – C Personal selling	0.019	2.018	0.111	-0.199	0.238	0.173	328	0.863
4	Sales promotion – C Sales promotion	-0.108	1.977	0.109	-0.323	0.105	-0.998	327	0.319
5	Direct marketing - C Direct marketing	0.167	2.112	0.116	-0.061	0.397	1.438	327	0.151

Table 6. Independent sample test results.

Equal variances assumed	Levene's test for equality of variances		T-test for equality of means		
Constructs	F	Sig.	Sig. (2-tailed)	Mean difference	Std. error difference
Men Vs. women					
Advertising	0.004	0.949	0.738	-0.064	0.192
Publicity and PR	2.562	0.110	0.750	-0.060	0.189
Personal selling	0.462	0.497	0.235	-0.249	0.209
Sales promotion	1.788	0.182	0.332	-0.219	0.225
Direct marketing	0.770	0.381	0.682	0.091	0.223
Banks Vs. insurance					
Advertising	0.029	0.865	0.288	0.219	0.206
Publicity and PR	0.567	0.452	0.336	0.198	0.206
Personal selling	0.326	0.568	0.413	-0.189	0.230
Sales promotion	0.616	0.433	0.776	-0.070	0.247
Direct marketing	0.534	0.465	0.114	-0.384	0.242
State Vs. private					
Advertising	1.138	0.287	0.381	-0.177	0.202
Publicity and PR	1.778	0.183	0.126	-0.311	0.203
Personal selling	2.552	0.111	0.814	0.053	0.226
Sales promotion	0.351	0.554	0.852	0.045	0.241
Direct marketing	0.216	0.643	0.359	0.217	0.237

which is lower than 0.05 so the hypothesis of equal effectiveness is rejected and there is significant difference between the constructs' means for both the desired level and current level.

Table 5, contains the results of the paired sample T-test. It reveals that there is correlation between all pairs of constructs. It also shows that there is a significant difference between respondent's ideas about current conditions of advertising and publicity, and their desired condition and there is no significant difference for the other constructs.

Table 6 illustrates the results of compare means of men and women attitudes towards constructs. In that table all significance levels for test of equal variance are higher

than 0.05 so the assumption of equal variance is not rejected and we can continue with this assumption. Also, it shows that there is no statistically significant difference between men and women respondents in this regards because the assumed confidence level is 0.95 and all significant levels are higher than 0.05. The tables indicate the same results for banks and insurance companies' customers and the same results for state and private financial service industries.

Table 7 shows that, there is no significant difference corresponding to categorical variable such as age and income for all of the promotional activities since all significant levels are higher than 0.05. The table illustrates a significant difference between education

Table 7. ANOVA tests results for age, education and income segmentation.

	Age		Education		Income	
Constructs	F	Sig.	F	Sig.	F	Sig.
Advertising	1.934	0.105	0.951	0.448	0.690	0.600
Publicity and PR	0.461	0.765	0.179	0.970	0.935	0.444
Personal selling	1.125	0.345	2.465	0.033	0.576	0.680
Sales promotion	1.008	0.403	0.538	0.748	1.122	0.346
Direct marketing	0.980	0.418	0.785	0.561	2.070	0.085

Table 8. LSD Post-Hoc tests results for personal selling.

(I) (J)	Under diploma		Diploma		Associate degree		Bachelor		Master		PhD	
Education	M.D. (I-J)	Sig.	M.D. (I-J)	Sig.	M.D. (I-J)	Sig.	M.D. (I-J)	Sig.	M.D. (I-J)	Sig.	M.D. (I-J)	Sig.
Under diploma	0	-	0.449	0.42	-0.08	0.89	0.81	0.12	0.18	0.75	1.09	0.08
Diploma	-0.45	0.42	0	-	-0.53	0.21	0.36	0.19	-0.27	0.44	0.64	0.15
Associate degree	0.08	0.89	0.53	0.20	0	-	0.89*	0.02	0.26	0.55	1.17*	0.02
Bachelor	-0.81	0.12	-0.36	0.19	-0.89*	0.02	0	-	-0.63*	0.03	0.28	0.48
Master	-0.18	0.75	0.27	0.44	-0.26	0.55	0.63*	0.03	0	-	0.91*	0.04
PhD	-1.09	0.08	-0.64	0.15	-1.17*	0.02	-0.28	0.48	-0.91*	0.04	0	-

* The mean difference is significant at the 0.05 level.

Table 9. Frequency of selected promotion tools.

	Constructs	Informing		Persuading		Reminding	
		Frequency	Percent	Frequency	Percent	Frequency	Percent
Valid	Advertising	74	21.8	52	15.3	101	29.7
	Publicity and PR	85	25.0	63	18.5	79	23.2
	Personal selling	69	20.3	63	18.5	48	14.1
	Sales promotion	67	19.7	126	37.1	74	21.8
	Direct marketing	37	10.9	26	7.6	28	8.2
	Total	332	97.6	330	97.1	330	97.1
Missing	System	8	2.4	10	2.9	10	2.9
Total		340	100	340	100.0	340	100

segments only for personal selling. In other words respondents with different education level, have different attitudes towards personal selling techniques, which are considered as one of the most effective marketing techniques in financial services.

To find out the distinctive level, two Post-Hoc tests were conducted to determine which education levels are different. The first test was Tukey HSD which cannot provide the expected results because all significant levels are higher than 0.05. The second test was the LSD test. Table 8 demonstrates the result of the LSD test which shows that there is significant difference between associate degree holders with Bachelor and PhD degree

holders. Also, master degree holders attitudes are significantly different comparing to Bachelor and PhD degree holders.

The last section of the survey was measuring the impact of promotion on informing, reminding and persuading. For this purpose, cross tabulation of the frequency of responses was conducted and Table 9 shows the result. It highlights that the majority of respondents think publicity and PR has more power and effectiveness for informing customer about financial services. It also reveals that sales promotions persuade financial services customers more than other promotion and communication tools. Furthermore, it indicates that

Table 10. Categorized results based on Institute type (percentage).

Construct	Informing			Persuading			Reminding		
	Bank	**Ins.***	**Total**	**Bank**	**Ins.**	**Total**	**Bank**	**Ins.**	**Total**
Advertising	23.1	17.2	21.5	16.9	11.5	15.5	31.8	25.3	30.0
Publicity and PR	26.5	25.3	26.2	19.9	18.4	19.5	22.9	28.7	24.5
Personal Selling	19.7	23.0	20.6	16.9	23.0	18.6	14.0	14.9	14.2
Sales Promotion	20.6	19.5	20.3	39.0	37.9	38.7	22.5	23.0	22.6
Direct marketing	10.1	14.9	11.4	7.2	9.2	7.7	8.9	8.0	8.7

*: Insurance.

advertising is the vital tool of reminding for financial service customers. Finally, Table 10 demonstrates the importance of promotion and communication tools for banks and insurances separately.

CONCLUSION AND FUTURE RESEARCH DIRECTION

The most used promotion and communication tools in the financial services industries were gathered from related literature and interviews with financial service marketing professionals. Table 3 provided the factors and their references.

A questionnaire was designed based on these factors and was distributed among financial service customers and 340 respondents completed the questionnaire. Data was extracted from questionnaires and inputted to the SPSS software. The first analysis was Friedman test which was conducted on twenty three promotion tools and two sets of five promotion strategies. The results of the test which was presented in Table 4 demonstrated that there are significant differences between the means. So, the factors have different priority and effectiveness from the view point of respondents.

The result showed that, price-offs and contests have the first and second priority in the list. They are two tools of sales promotions strategy so the result was verified with the second test which was conducted on the first set of five promotion strategies. Table 4 shows that, sales promotion has the first priority among the promotion strategies. The second set of constructs was the attitudes of respondents about the current usage of promotion strategies by the financial service industry. The results in Table 4 demonstrate that currently financial service industries are doing a better job in sales promotion activities.

To have a better view of the gap between customer's expectation and the current status of promotion strategies applied in financial service marketing a paired sample T-test was conducted on the two sets of constructs. Table 5 shows the results of the paired sample T-test. It shows that for advertising and publicity there is a significant difference between current and expected status and the other three factors are not significantly different. So, it can be concluded that advertising and publicity need more attention in financial service marketing in Iran.

In the next step, Independent Samples T-test was conducted to compare respondents' ideas about promotion strategies among men and women, towards banks versus insurance companies, and towards private versus state institutes.

Table 6 shows there is no significant difference between men and women, bank and insurance, state and private financial institute. For other demographic segmentations of more than two groups, ANOVA test was conducted. We compared respondents' attitudes towards promotion strategies in different levels of income, age and education.

Table 7 shows the result for ANOVA test on different age groups of respondents. It demonstrated that there is not a significant difference in attitudes among various age groups. Table 7 also presents the results for respondents with different education levels. It shows that some respondents have distinctive attitudes towards personal selling. To determine which education levels are different, Post-Hoc tests was conducted.

Table 8 demonstrates the LSD test results. It shows that, there is significant difference between associate degree holders with Bachelor and PhD degree holders. Also, master degree holders attitudes are significantly different from the Bachelor and PhD degree holders. It can be concluded also that PhD and Bachelor degree holders assign higher importance to personal selling comparing to others.

The last demographic segmentation is based on income level. Table 7 presents the results of ANOVA test to compare respondent's attitudes with different level of income. It shows that there is no significant difference between people with various income levels regarding their ideas about effectiveness of promotion and communication strategies.

The main goals of promotion activities are informing, reminding, and persuading customers each are suitable for specific stage of product life cycle (Perreault and McCarthy, 2002). To find the most effective promotion strategies for each goal, Table 9 presents the frequency of responses for each of the goals. It demonstrates that publicity and PR are the best promotion strategies to

inform people about financial services.

Also, sales shows that promotion was the most effective strategy to persuade people and that advertising can remind financial services to people better than other promotion tools. These results can be very helpful for financial service marketers to apply suitable promotion and communication strategy for each stage of product or service life cycle.

Table 10 can present the data about priority of promotion strategy for banks and insurance companies. It includes the priority of each promotion strategy for achieving the targeted goals for banks and insurance companies separately. It shows that publicity and PR is the best promotion strategy for informing the bank customers and insurances. The second priority for insurance company's customers is personal selling while for banks customer it is advertising. Also, if the goal of the financial service marker is persuading customers, sales promotion is thebest strategy for both business types but the second priority is publicity and PR for bank and personal selling for insurances. Table 10 also demonstrates that for reminding customers to use special financial service advertising is the best strategy for banks but publicity and PR is the best strategy for insurance companies.

This research can guide financial service marketers to find most suitable promotion and communication strategies based on their target customers and the stage of their services life cycle. It can help in planning promotion budgets by focusing on most effective promotion tools and strategies.

The study shows that price-offs and contest are the highest ranking promotion tools generally but marketers can find better solution by putting constraints on their marketing goals and their target market. Between the five promotion strategies, publicity and PR is the most effective one from the view point of respondents, but currently sales promotion activities to be used to satisfy customers more than others.

From other tests, it was resulted that there is a gap between customer's expectation and current situation of advertising and publicity activities. So, financial service marketers should work on these more. It should be considered that, this result is dependent on location and time scope. Furthermore, there is no difference of attitude toward selecting the most effective promotion strategies among various genders, income and age levels and related to different business type, institute type. Only people with higher education level respond more to personal selling strategies.

The result of this research can also help the marketers select the best strategy based on their goal. Publicity and PR is shown to be the best promotion strategy for informing, sales promotion is the best for persuading and advertising is the best for reminding to use or purchase financial services. This result is general for both types of financial service providers.

The second priority is personal selling for insurance companies', and advertising for banks. If the goal of financial service marker is persuading customers, sales promotion in the best strategy for both business types but the second priority is publicity and PR for bank and personal selling for insurances. For reminding customers to use special financial service advertising is the best strategy for banks but publicity and PR is the best strategy for insurance companies.

The main limitations of the study are the limited time frame and geographical scope. The survey of the study was conducted in Iran in July and August of 2011. The other limitation is translating English questionnaire to Farsi. Some words do not have the exact Persian synonym or they are not understandable words or phrases for regular people if they contain specific marketing words. We tried to explain the question in very simple language but it is possible that some respondents did not get the exact meaning. The other limitation in this research is limited financial business types, because only two major type of financial service provider (bank and insurance) are considered in this study.

Today, financial service marketing is very important because of the heavy competition in this market so promotion and communication strategies are very important tools for success. The other problem is budget limitation; it forces the marketers to search for more effective promotion tools based on target market and product or service life cycle stage but there is very little research in this area.

This study has tried to find more important factors in general and investigate their effect on some demographic segments. Future research can be conducted on the other segmentation criteria or in other geographical areas. Also, new research can consider other financial service providers. Future studies can develop a framework for financial service marketers to determine the best promotion tools based on service characteristics such as life cycle stage, and target market.

REFERENCES

Albers-Miller ND, Straughan RD (2000). Financial services advertising in eight non-English speaking countries. [DOI: 10.1108/02652320010359561]. Int. J. Bank Mark. 18(7):347-358.

Avlonitis GJ, Papastathopoulou P (2000). Marketing communications and product performance:innovative vs non-innovative new retail financial products. Int. J. Bank Mark. 18(1):27-41.

Beckett A, Hewer P, Howcroft B (2000). An exposition of consumer behaviour in the financial services industry. [DOI: 10.1108/02652320010315325]. Int. J. Bank Mark. 18(1):15-26.

Belch GE, Belch MA (2003). Advertising and Promotion (6 ed.): The McGraw−Hill.

Berry LL, Parasuraman A (1991). Marketing services: competing through quality. New York: The Free Press.

Berry LL, Parasuraman A (1993). Building a new academic field—The case of services marketing. J. Retailing, 69(1): 13-60.

Bitner MJ (1997). Services Marketing: Perspectives on Service Excellence. J. Retailing 73(1):3-6.

Blankson C, Cheng JMS, Spears N (2007). Determinants of banks selection in USA, Taiwan and Ghana. [DOI: 10.1108/02652320710832621]. Int. J. Bank Mark. 25(7):469-489.

Boyd HW, Walker OC, Larréché JC (1998). Marketing management: A strategic approach with a global orientation (3 ed.). Boston: Irwin/McGraw-Hill.

Cengiz E, Ayyildiz H, Bünyamin E (2007). Effects of image and advertising efficiency on customer loyalty and antecedents of loyalty: turkish banks sample. Banks Bank Syst. 2(1):56-83.

Clemesv MD, Gan C, Zhang D (2010). Customer switching behaviour in the Chinese retail banking industry. [DOI: 10.1108/02652321011085185]. Int. J. Bank Mark. 28(7):519-546.

Contrary Investor (2004). The Mistakes Of Our Grandparents? Market Observation. Retrieved from http://www.contraryinvestor.com/2004archives/mofeb04.htm.

Cornelissen JP, Lock AR (2000). Theoretical concept or management fashion? Examining the significance of IMC. J. Advert. Res. 40(5):7-16.

Davies M (1996). Image problems with financial services: some considerations for improvement. [DOI: 10.1108/00251749610110355]. Manag. Decis. 34(2):64-71.

Fill C (1995). Marketing communications: frameworks, theories, and applications. Hertfordshire: Prentice Hall.

Fisher CM (2007). Researching and writing a dissertation: a guidebook for business students (Second ed.). Edinburgh Gate: Financial Times Prentice Hall.

Glen JN, Phelps J (1994). Conceptualizing the Integrated Marketing Communications' Phenomenon: An Examination of its Impact on Advertising Practices and its Implications for Advertising Research. J. Curr. Issue Res. Advert. 26(1):49-66, 26(1):49-66

Grove SJ, Carlson L, Dorsch MJ (2002). Addressing services' intangibility through integrated marketing communication: an exploratory study. [DOI: 10.1108/08876040210436876]. J. Serv. Mark. 16(5):393-411.

Hair JFJ, Money AH, Samouel P, Page M (2007). Research methods for business. West Sussex: John Wiley Sons, Limited.

Hart N (1999). Implementing an Integrated Marketing Communications Strategy. London: Thorogood.

Kaye RL (1999). Companies need to realise internal marketing's potential. Advert. Age's Bus. Mark. 84:7-13.

Kaynak E (1986). Globalisation of Banks: An Integrative Statement. [DOI: 10.1108/eb010779]. Int. J. Bank Mark. 4(3):3-8.

Kaynak E, Kucukemiroglu O (1993). Bank and Product Selection: Hong Kong. [DOI: 10.1108/02652329210007858]. Int. J. Bank Mark. 10(1):3-16.

Kaynak E, Whiteley A (1999). Retail bank marketing in Western Australia. [DOI: 10.1108/02652329910292693]. Int. J. Bank Mark. 17(5):221-233.

Kaynak E, Yavas U (1985). Segmenting the Banking Market by Account Usage. J. Prof. Serv. Mark. 1(1-2):177-188.

Kitchen PJ, Pelsmacker P (2004). Integrated marketing communications: a primer. Oxfordshire: Routledge.

Kotabe M, Helsen K (1998). Global marketing management. New York: J. Wiley.

Kotler P, Keller KL (2009). Marketing management (13 ed.): Pearson Prentice Hall.

Lewis BR (1993). Student Accounts — A Profitable Segment? [DOI: 10.1108/EUM0000000004839]. Eur. J. Mark. 16(3):63-72.

Lovelock CH, Wright L (1999). Principles of service marketing and management. Upper Saddle River: Prentice Hall.

McCreesh J (2004). Strategic Marketing Plan 2010 (5 ed.): OpenOffice.org Marketing.

Nunnally JC, Bernstein IH (1994). Psychometric theory: McGraw-Hill.

Papastathopoulou PG, Gounaris SP, Avlonitis GJ (2006). Successful new-to-the-market versus "me-too" retail financial services: The influential role of marketing, sales, EDP/systems and operations. [DOI: 10.1108/02652320610642344]. Int. J. Bank Mark. 24(1):53-70.

Peattie S, Peattie K (1994). Promoting Financial Services with Glittering Prizes. [DOI: 10.1108/02652329410063232]. Int. J. Bank Mark. 12(6):19-29.

Perreault WD, McCarthy EJ (2002). Basic marketing: A global-managerial approach (14 ed.): McGraw-Hill.

Schultz DE, Tannenbaum SI, Lauterborn RF (1993). Integrated marketing communications. Chicago: NTC Business Books.

Shostack GL (1977). Breaking Free from Product Marketing. J. Mark. 41(2):73-80.

Sirgy MJ (1998). Integrated marketing communications: a systems approach. Integrated Marketing Communication: A Systems Approach: Prentice Hall.

Stewart D, Pavlou P (2002). From consumer response to active consumer: Measuring the effectiveness of interactive media. J. Acad. Mark. Sci. 30(4):376-396.

Stone B (1994). Successful direct marketing methods (5 ed.). Lincolnwood: NTC Business Books.

Tripp C (1997). Services Advertising: An Overview and Summary of Research, 1980-1995. J. Advert. 26(4):21-38.

Whiteley A (1999). PATOP as a readiness for strategic decision making and change: an occasional paper for advanced theory in business seminar series.

Wikiinvest (2011). Financial Services. Retrieved 2011/08/26, 2011, from http://www.wikinvest.com/industry/Financial_Services.

Wikipedia (2010). Financial Services. Retrieved from http://en.wikipedia.org/wiki/Financial_services.

Yavas U, Bilgin Z, Shemwell DJ (1997). Service quality in the banking sector in an emerging economy: A consumer survey. [DOI: 10.1108/02652329710184442]. Int. J. Bank Mark. 15(6):217-223.

Zeithaml VA (1981). How consumer evaluation processes differ between goods and services. Retrieved from http://www2.fiu.edu/~ereserve/010019222-1.pdf.