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STUDY OF BRANDING AND ADVERTISING OF FINANCIAL SERVICES IN INDIA

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ABSTRACT:
In this paper, we propose a new conceptual model of branding in financial services. Now the researcher discusses on important part of the study connected with branding and advertising aspects of marketing of financial services. Branding and advertisement are two very important interconnected issues. An important part of product management is branding which involves researching, developing and implementing brand name, brand marks, trade characters and trade-marks. A brand is the name, term, sign, symbol as design or a combination of them which is intended to identify the goods or service of one seller or group of sellers and to differentiate them from those of competitors. The researcher has discussed the various aspect of branding and financial advertising with special reference to Indian marketing scenario.
Key words : Advertisement, Indian Marketing

INTRODUCTION:

The financial services sector worldwide continues to resonate from the global financial crisis of 2008 after which major brands suffered severe damage to their reputations. If the reckless lending practices of well-known brands were not enough, further revelations about money laundering, rate fixing and mis-selling continue to emerge. The news of these misdeeds has led to high levels of distrust amongst stakeholders of financial institutions. Financial products or instruments are basically documents evidencing transfer of funds from the saving community, i.e., investors to the business community, where it can be gainfully employed on certain predetermined terms and conditions such as rate of return, repayment schedule, liquidity, and benefits etc. Since these terms and conditions are very crucial to investment decision- making, companies and banking/insurance institutions dealing in financial products must consciously endeavor to highlight them in order to win the confidence of investors. This is where the concepts of marketing come in a number of factors can be identified, which have necessitated the adoption of an aggressive marketing strategy for such products.

- Growing investor awareness,
- Growing number of companies/institutions turning to capital market for funds,
- Liberalization of economy,
- Recent credit squeeze and freezing of interest rates,
- Stagnant saving level as a percentage of GNP,
- Sudden explosion of Mutual Funds' activates,
- Even-increasing popularity of equity stock and bonds.

Although service product-innovations are critical to better customer services, what is more important is the urgent need for communicating core benefits of the service to the prospective customer in order to convince him that his hard earned money is in safe hand and will fetch him good returns. In this regard, banding and effective advertising are two strategies which can play a decisive role. While branding helps the investor distinguish one product from another, advertising enables the market to communicate the basic information that an investor requires in selecting a particular product.

BRANDING FINANCIAL SERVICE:

Branding, which is a major input in the marketing strategy of commercial products, can be successfully used in the marketing of financial services too. Brand is a broad term that includes practically all means of identifying a product e.g., the LIC logo, Citibank's "City" schemes, Canara Bank's, "Can" Schemes. Brand name is that part of the brand which can be verbalized e.g., Citihome, Canstar etc. Brand mark is that part of the brand which can be recognized but is not utterable, e.g., the LIC folded hand symbol, Citibank's distinctive lettering etc. These constitute the logo of the company.

Branding is of two types – individual branding which is one-time affair like the Reliance Public Issue "Khazana" of umbrella branding the practice of labelliy more than the product which is single brand name, e.g. Citibank's "Cityhome", "Citymobile", and LIC " Jeeven Dhara" & " Jeevan Akshay" etc.

The concept of branding of financial product offers several advantages. Brands command customer loyalty for the product. Each brand has a consumer franchise which can be used to its advantage. Financial products aim to attract the investor to bring his savings into the market.

This is quite a delicate task because the investor money is involved. Most of the financial instruments are very similar. This is where the advantages of barding can be exploited. Branding can help in creating differentiation between the various financial products. It can help create a distinctive identify for the various financial products. It can help create a distinctive identify for the financial product or public issue. Branding can also help to create some insulation from the competitor's promotional strategy.

A successful brand will be demanded by a customer even if the price is slightly higher and a substitute refused. Trust is the key element if people are expected to part with their money. A good name evokes that trust and gives the investors' confidence that their money will be safe, Branding, especially umbrella branding, helps the consumers to decide whether to buy a product when the new product quality cannot be determined prior to purchase. Another strong' advantage of branding is that good brands help to built the company's corporate image.

In umbrella branding, the advertising and promotion costs of subsequent products can be reduced considerably. This is because the brand-name recognition and preference is already there. For Instance if Indian Bank comes out with another scheme in its "Indsagar". "Indmoti" series, it does not have to start advertising from scratch to popularize it. Investors will know that this scheme is from Indian Bank and the overall thrust and confidence which had been built-up for the previous schemes will be extended to this too.

Branding of financial products has come to India in a big way. The first example of the handling of a public issue was when NTPC came out with its "Power Bonds" in 1986, Since then, the investor have seen Reliance Petro-Chemical's "Khazana", Deepak Fertilizers "Mahadhan" and others. Most of the major issues of 1989 were branded - Bindal Agro's "Goldmine", Usha Rectigier's "Usha Lakshmi". Essar's "Steel Bonds" and Larsen and Tourbo's "L&T Vision". Banks too have gone in for umbrella branding in a big way.

For instance, we have a series of Canara Bank's schemes like "Canpep", "Canstar" and "Canstock" or, the· series of Citibank's schemes -"Citione", "Citihome", "Citimobile", Even institutions like LIC have jumped on to the branding bandwagon with their schemes like "Jeevan Dhara" and "Jeevan Akshay".

The importance of brand name is crucial in the branding exercise,The brand name should not be a casual after thought but in initial reinforcer of the product concept, First, it should suggest something about the product's benefits and qualities e.g., Bindal Agro's "Goldmine". Second, it should be easy to pronounce recognize and remember, e.g., Citibank's "Citihome" and "Citimobile". Third, it should be distinctive, e.g., Larsen and Tourbo's "L&T Vision".

There are a couple of things to be careful about while using umbrella branding Spillovers occur when information about one product, affects the demand for other products with the same brand name. Spillovers can be positive or negative. All products under the umbrella contribute to the brand's reputation. This joint estimate of quality is used to evaluate each product. The company cannot control all the information revealed about its, product, nor can it precisely, determine how information will be shared by its umbrella- branded products. For instance, if customers are dissatisfied by "Citimobile" this dissatisfaction can spillover to "Citihome" and other Citi schemes. Thus, it is imperative to maintain the quality of all the products under the umbrella brand, all the time.

A brand line should not be extended indiscriminately. Rise and Trout have called it the line extension trap when the new products added to the brand does more damage to the previous products than good. Any new product should be consistent with the established line. A "fit" is said to occur, when a consumer accepts the new product as logical and would expect it from the brand. The company should know when to draw the line about introducing new products with the same brand name. In other words, brand name should not be over-used. For instance, if Canara Bank introduces fifteen more "Can" schemes, the investors will not only get confused but also begin to doubt the quality of the previous schemes.

Developing a brand requires a great deal of long-term investment especially advertising, promotion etc. It is quite an expensive proposition and hence is worthwhile mostly for large public issues or long term plans like a bank's schemes. Nonetheless, the advantage of branding can easily be exploited by the marketers of financial products. With a little bit of caution and planning, branding can be as successful for public issue as it is for toothpaste or cigarettes.

FINANCIAL ADVERTISING:

Financial advertisement is a very useful tool for promotion of financial products and services. Financial advertising is big business today. The middle class, flush with funds, has entered the stock market in a big way over the last decade by virtue of which India is emerging as one of the largest stock markets in the world. Financial advertising has also grown in India over the last decade to cater to the upcoming market.

The aim of financial advertising is to promote financial products so as to persuade the new breed of investors to put their money into the market. In India, as the investor is still new to the gamut of financial products and services being offered to him, the task of promotion thus, become much more challenging and exciting.

The financial products being offered today are very similar in various aspects. Examples are SBI Magnum Express. SBI Magnum Triple Plus, Canstar etc. This leaves the investor very confused, unable to decide which one to go for. This sort of situation calls for financial advertising which can distinguish, the financial products of the company from those of its competitors. Mutual funds in the market today indulge too much in the 'me too' type of advertising and have created a very confusing scenario.

When promoting financial products, it is important to see that people get all the facts in front of them unlike the advertisements of consumer non-durables like cigarettes, soaps, etc a financial product can't be explained using smart one liners. Instead the copy needs to bring out all the features of the financial product. The intangible financial service has to be tangibilised through the medium of the advertisement. A person interested in investing his money is bound to go through each and every detail of such advertisements. The advertisement should be in concordance with people's emotions, speak their language and reflect their trust.

Testimonial advertising although acceptable as a method of making the advertisement memorable, must be used with caution. Presenting film stars and sportsmen in such advertisements might actually backfire. Visual symbols, emblems and catchy slogans can be attached while promoting financial products. A humor is another device which must be used with great discretion. Decisions involving financial products are serious in nature and the humors used should not go to the extent of trivializing the product offered.

Developing the profile of targeted segments is very important before formulation of a promotion package for a financial product. Advertisements are more effective when the prospective customers are identified and targeted as then an effective communication channel develops.

In a scenario where new financial products are arriving in the market, and differentiation has become a difficult task, promoting financial products to specific customer groups shall prove to be an effective strategy. We can substantiate this by looking at the success of UTI and LIC schemes targeted at retires and working women, etc.

As financial products cannot be tested in the market before their launch, there is no room for mistakes while formulating an effective promotion straggles for them.

FINANCIAL ADVERTISING IN INDIA:

Since 1985-86 a new era of financial advertising has emerged in India, something that was seldom seen before. This is however inextricably linked to a new culture of saving and investment being witnessed these days. The culture was nurtured by a virtuous circle of higher savings fuelled by newer avenues of investment and reinforced by better returns. The year 1985-86 was a watershed year when shares and debentures market experienced a boom. The progress slowed down with world recession and the stock market crash in 1987 worldwide however, the recovery was swift and strong and the years, 1988 and 1989 will go down in history of corporate investment in India as the best years, in which several major issues of shares and debentures, were announced and subscribed to by the eager investors.

Financial advertising refers to the advertisements of “financial instruments such as shares debentures bonds, bank deposits, saving schemes, units, mutual funds, etc.”

In many ways, financial advertising is akin to consumer advertising. Financial instruments are similar to consumer products although they engage higher customer involvement, commitments and risk Thus, all marketing mix elements are of as much significance in financial products as they are in consumer products.

Two differences, however, are notable in comparing financial advertising with consumer advertising. Firstly, financial advertising is “one time” i.e., related to a particular event. Thereafter, it is forgotten. Consumer advertising on the other hand is continual in nature. Secondly, the target audience in financial advertising is more “limited” and “identifiable” than is consumer advertising. Thus, media choice is more precise in financial advertising.

Financial product advertising is different from corporate advertising. While the former is primarily to persuade the existing and potential investors to the financial products, the latter deals with the task of building corporate image of the advertiser. Usually, financial advertising is preceded by corporate advertising. So if a Larsen and Tourbo mega debentures issue is to be sold, L&T would usually start with describing all that the company had been doing and accomplishing and planning for the future. Then in the subsequent advertising, it will issue details of the debenture issues like the amount to be raised, the conversion terms, and future profitability and investors benefits.

Following are some major features of financial advertising in India:

- There are now several ad agencies in India which deal exclusively with financial advertising. The first of the financial advertising agencies the Pressmen was established in 1964 – about 30 years ago, Besides Pressmen, now there are Sobhagya Advertising, Service, Clea Advertising, Concept Advertising etc, exclusively dealing with marketing of financial products.
- The financial advertising accounts for less than 10% of the total advertising. Thus, if the advertising industry is· worth Rs 1000 crores today, financial advertising's share is less than Rs. 100 crores.
- The growth of financial advertising, as is natural, is linked to growth of capital markets.Thus, in 1985-1986 the first capital market boom, Rs. 814.6 crores were raised. In 1987-88 the figure was almost Rs. 5,000 crores. Future indications too auger well for the capital markets. Financial advertising, therefore, is expected to show similar growth trends.
- Financial advertising is not rated at par with consumer advertising on 'creativity'. This criticism is nevertheless not very serious because financial advertising is about products marked by 'seriousness' and 'facts', so no-frills advertising in financial matters is a attractive as an emotional appeal in consumer products.
- Many companies have begun branding the financial products. For instance, Reliance 'Khazana', Deepak 'Mahadhan', Apollo tyres 'Swarna Ganga'. Such branding had however been limited to mega-capital issues only.
- Financial advertising uses a variety of media, with more emphasis on print media. Although TV has been used, it only arouses the initial interest and persuades the potential investors to look for facts in the print media.
- From the advertiser and user perspectives, trend towards cluttering of financial advertisers has been noticed. This becomes, inescapable when several companies raise resources simultaneously, because the 'going' is good. This obstructs the full appreciation of facts by investors.
- Finally, since the financial advertising is “contextual” rather than “perpetual” and agencies have to search unfailingly for new advertisers and companies, there is no 'durable' relationship between the client and the advertiser. This affects involvement of agencies in financial products, unlike the involvement seen in consumer products where agencies and advertiser both work together to build a product. Finally, the business of financial advertising is more 'cyclical' or 'seasonal' than 'regular' for agencies dealing in financial advertising.

CONCLUSION:

Thus, we see that various concepts of marketing can be directly applied to financial products to gain a competitive edge in the market place. In fact, as illustrated above, quite a few players in the financial market have already used these basic concepts successfully. This trend along with the recent changes in the economic system will prompt more and more companies to follow suit in future. However, a word of caution: Since more often than not, investment in financial products is a one- time decision and a customer's need for reliable and valid information is very high, the focus of the entire marketing effort must not deviate from providing these basic information to the investor. This is perhaps the most secure way of ensuring success in marketing of financial products and services.

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