

CHARACTERISTICS OF ROMANIAN BANKS' ONLINE MARKETING

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Abstract: Globalization and the use of internet for business purposes have an important impact on the offline and online activities of banks. Taking in view the different changes in the marketing environment Romanian banks try to develop and implement appropriate marketing strategies and marketing mix, in order to obtain competitive advantage and assure their long term success. The results of the secondary research indicate that online banking services, online payment systems are several examples of how banks in Romania integrate the internet and the internet technology in their business models, marketing strategies and daily operations. The results of the primary research present how the analysed Romanian banks (members of the Romanian Banks' Association) using a combination of online marketing tools try to offer value for their customers, adapting their activities to the needs of the national market, how they try to face the challenges of globalization and global competition, how they try to facilitate the development of the Romanian Information Society.

Key-words: globalization, localization, online bank marketing, online banking services, online payment systems

1. ASPECTS OF ONLINE AND OFFLINE ENVIRONMENT OF ROMANIAN BANKS

The present paper focuses on the main characteristics of online marketing in case of Romanian banks. Banks can facilitate the consumer and business adoption of the internet, by encouraging their customers to use the internet for communicating with their bank, for searching information about banking and financial services, for using internet banking services and mobile banking services etc.

It is important for the banks to be informed about the characteristics, the level of development, the development tendencies of the Information Society of the country, and it is important to analyse how it integrates in the global Information Society. Romanian banks, besides other influencing factors, play important role in the development of the Information Society in Romania, being an important actor on the market with a wide sphere of action.

This article presents shortly the Romanian banking system and its main characteristics, especially related to the online presence of the Romanian banks. Romanian banks should develop and implement appropriate marketing strategies and marketing-mix, both online and offline, and should try to integrate offline and online marketing tools in order to create and offer value for their customers, and to face the increasing competition in the banking industry (Connor et al., 2004).

For marketing purposes banks can use different online tools, like: banners, interstitials, buttons, pop-up windows, web-pages, e-mail, social media, search engines, cloud computing services etc.

Through the Internet banks can offer different services for their customers. Among these services we can mention the Internet banking services, which can be considered as services in the cloud. From cloud computing perspective Internet banking services can be defined as applications which can be used by the customers of a bank in order to make online payments, viewing online information, making deposits (Frăţilă et al., 2013). The main challenge for banks is to assure secure online payments, avoiding or reducing the possibility of online frauds.

In order to analyse the characteristics of Romanian banks' online marketing, first of all I studied several secondary information sources related to the situation of the Romanian banking system, the specifics of the offline and online environment of banks in Romania.

The Economist Intelligence Unit in cooperation with IBM published for several years a report called "e-Readiness Rankings", which was renamed in 2010 "Digital Economy Rankings", regarding the main characteristics of the Information Society in different countries. The main objective was to assess how different countries "*harness the Internet's potential to spur business efficiency, improve the provision of public services and encourage integration with the global economy*" (EIU, 2002), how they succeed to "*absorb information and communication technology (ICT) and use IT for economic and social benefit.*" (EIU, 2010). Unfortunately in 2010 they published the last report. In 2010 there were assessed 70 countries from all over the world, and Romania was situated in the 47th place, having a very low degree in connectivity (4.75 from total of 10) and in consumer and business adoption (3.38).

The number of internet users presents an increasing tendency worldwide, and different generations use the internet for different purposes. This is the situation in Romania, too, but the "digital natives" (Nemeslaki, 2008) who are getting used to the different digital equipment and internet technologies since their childhood, use it in their everyday life as a routine, in a natural way.

In Romania the number of the internet users presented an increasing tendency during the several last years. While in 2000 the number of the internet users in Romania was approximately 800,000, in June 2010 was 7,786,700, which represented a 35.5% internet penetration rate (the total number of population being 21,904,551) (www.internetworldstats.com/stats9.htm). We can mention that the number of Facebook users in Romania on 30th June 2011 was 3,424,100, which means a penetration rate of 15.6% (<http://www.internetworldstats.com/europa.htm#ro>). The number of Romanian internet users in 2012 was 9,642,383, which means a 44.1% penetration rate; in the same year the number of Facebook subscribers was 5,374,980, and this means 24.6% penetration rate (<http://www.internetworldstats.com/europa.htm#ro>).

The average income level of Romanians is low, as a result the affordability rate of internet accession for citizens and small businesses is also low. But generally internet, and especially broadband internet access is increasing in Romania. We can mention that the Broadband download speed in Romania in March 2014 was 24.51 Mbps (<http://www.internetworldstats.com/europa.htm#ro>). The penetration rate of mobile phones is high in Romania. In order to make the population aware of the benefits of using the internet, and different online services (for example e-administration or e-government services) it was included a Training, Education and Public Awareness Program in the National Action Plan.

Romania is recognized for producing well trained ICT specialists, but unfortunately most of them leave the country to work abroad or work in the urban areas. A lot of small companies develop successfully different software in Romania.

The Romanian Government facilitated the adoption of internet by educational institutes, public administration, and healthcare institutions, but there are still more to be done in this direction. It should be improved the connection of local databases with national ones in a secure way.

In Romania the penetration rate of computers and internet in businesses are acceptable. A lot of businesses have websites, use the internet to communicate and interact with business partners, clients, etc. Some firms offer the possibility for their customers to make online orders, but only a few accept online payments, generally online purchases are followed by traditional payment methods. But there was introduced in Romania the 3D

Secure System, and since then the number of businesses accepting online payments have been increased.

The banking industry faced fast and rapid changes, especially in the last years, due to different reasons, among which we can mention the use of the internet in business purposes, too.

The base of the appearance for a business on the web is the appropriate e-business model, which can create and offer value for the customers. These models need appropriate infrastructural services, among which the critical one is the necessary online payment solutions, which must offer security for the buyers and the sellers, too. (Nemeslaki, et al., 2008)

As a result banks play an important role in creating safe payment systems, which can facilitate the development of the e-commerce, e-business and Information Society of a country.

The appearance of online consumers represented a business opportunity for banks, too. The online consumer navigates on the internet, searches information about products and services, compares the different offers of competitors, in order to choose the best offer. Generally the online consumer wants personalized offer, including not just the product/service, but also the price, place and promotion. The online consumer wants experience which makes him/her satisfied. The online consumer is well informed, initiates the interactions with different organizations, and among them banks, too, and is used to have bidirectional communication with these organizations. These have an important impact on the industry of banking and financial services, too. (Mohammed et al., 2004)

Today financial services are offered not just by banks, brokerage houses, assurance companies, which generally used to dictate the conditions for their customers, but also by other organizations, and customers started to have greater control on the transactions. These organizations have to offer for their customers integrated financial experiences instead of individual financial services packages. (Friedman, 2007)

The Romanian Banking Association is a non-profit organization established in 1991 by 14 commercial banks, having the mission of representing and defending the interests of member banks, of promoting the principles of banking policy in domains of general interest and cooperation among banks and other national or international banks and banking associations, of exchanging experience and common practices across the banking system, of training experts in the field of banking, of communicating with the mass media. It has different specialized commissions which are looking for solutions to different problems which appear in different segments of banking activity, are enforcing the National Bank of Romania's norms and working regulations with international rules and practices. Specialists have also the task to make proposals regarding the improvement of legal framework of the banking system, to facilitate the uniform way of providing banking services and products. We can mention the importance of facilitating cooperation with different institutions from the banking industry, such as the National Bank of Romania, the Commissions for Budget, Finance, Banks of the two Chambers of Parliament, the Ministry of Finance and other national and international organizations. The different programs regarding the training of experts, the participation at seminars and conferences have a great importance from the point of view of human resources management and of assuring the quality of banking services and products. (www.arb.ro/index.php).

The Romanian Banking Association has (www.arb.ro/structura_organizatorica.php): a management body called the General Meeting, formed by representatives of all its members; a Board of Directors which is its deliberative and decisional body; an Executive Management in charge of executing the decisions of the Board of Directors, of material and financial

management of the Association; an Internal Auditor which represents the internal financial control unit.

The Romanian Banking Association was implied in several projects: SEPA / Single Euro Payments Area, Implementation of the Provisions of the New Capital Accord – Basel II, Rationalizing and Simplifying Credit Institutions' Reporting System to the National Bank of Romania, Electronic Payment System Developments, The Convergence Group (www.arb.ro/proiecte.php). The Electronic Payment System Development project was very important from the point of view of facilitating the use of the internet by population and by organizations for business purposes in different industries.

2. METHODOLOGY AND RESULTS OF THE RESEARCH

As primary research method I chose to use observation, based on an observation form developed by me. I analysed the most important aspects related to the characteristics of the online marketing of banks, and I included them as items in the observation form, because I considered relevant and important to be observed during the primary research activity.

In order to analyse how can be characterised the online marketing activity of different Romanian banks I established several criteria which should be taken in view on the websites of those banks which are members of the Romanian Banking Association. I chose the members of this important organization because the Romanian Banking Association's activity is trend setting in the bank industry of Romania.

I conducted the research in 2012, when the Romanian Banking Association had 40 members, but I analysed only the websites of 39 banks because one bank had no webpage in Romanian language, and for my research activity I decided to reveal aspects related to Romanian internet users, so I considered important for a website to be in Romanian language, too.

Both individuals and organizations need to be a client of at least a bank in order to have the possibility to make payments and to receive money for the offered products and services. For this reason I analysed if the Romanian banks offer the possibility for the visitors of their website to register on that site. A registered customer permits for the bank to gather different information about this client and to personalize its offers and the bidirectional communication with that customer. The results of the research revealed that only 41% of the analysed banks offer this possibility for visitors, 59% has a lack regarding this aspect.

Generally customers want to be informed periodically by banks in newsletters, so I analysed if the banks offer newsletters for the visitors of their websites. Banks can send newsletters for their registered customers, and/or can offer the possibility to subscribe to their newsletter for those visitors of their websites who are not yet their customers. Only 36% of the banks offer newsletters for the visitors, 64% do not offer this possibility.

It would be important for the banks to offer a news/events section on their website, where visitors are informed about the latest events in which they can be interested. The majority of the banks (77%), realized the importance of this online marketing tool, and has a news/events section on the website.

As communication with customers have impact on customer satisfaction, Romanian banks should pay attention to online communication management, and use varied online communication tools as: social network sites, blogs, web-sites, content communities etc. (Kirakosyan and Dănaiață, 2014). Internet users search information on the internet using online searching engines (like Google, which is the most popular searching engine in Romania), visit websites of organizations, banks and other firms, blogs, forums and online community sites (like Facebook, which is the most popular in Romania) in order to become better informed, to compare the different offers, prices and other aspects, to read opinions,

experiences of other internet users etc. For this reason I analysed if the banks have forums, blogs and accounts on Facebook. It was very surprising for me to discover that the analysed banks have neither a forum nor a blog, which from online marketing point of view are very important tools. 59% of the banks have an account on Facebook, so they consider important to be present on the websites of online communities, and are conscious of the power of online communities. I also analysed if banks consider important searching marketing and optimize their websites for the main online search engines, so I checked with different keywords if the websites of the banks appear in the top ten results of the searches in Google, which is the mostly used search engine by Romanian internet users. At the beginning I have typed the keyword “bank” and I was amazed that only 3% of the banks appeared in the top ten results. For the keyword “commercial bank” 10% of the banks’ websites appeared in the top ten of the results. This is a serious lack because these results show us that Romanian banks are not conscious of the importance of being find easily on the internet, and do not optimize their sites for searching engines. If their site does not appear in the first page of results the probability to be accessed by internet users decreases significantly. I have checked several other keywords and the results were the following: for the keyword “credits” only 15% of the banks appeared in the top ten results, for the keyword “debits” only 5% of the banks appeared in the top ten results, for the keyword “internet banking” only 13% of the banks appeared in the top ten results, for the keyword “cards” only 3% of the banks appeared in the top ten results.

The number of internet users and mobile phone users is increasing worldwide and of course in Romania, too. More and more customers use online payment possibilities in order to pay for their bills, for their purchasing. As a result it should be important for banks to offer internet banking services and also mobile banking services. Checking these aspects on the websites of Romanian banks I found that 90% offer internet services on the bank’s site, and 31% offer mobile banking services.

The major concern regarding transactions made through the internet regards the security of the online payment systems. Unfortunately Romania is “famous” about the frauds made on the internet, so this fear is understandable. Romanian banks offer different cards for their customers, but generally these are used by customers for retrieving money from the ATMs. Romanian citizens need education in how and for what purposes to use cards, online payment systems, especially secured online payment systems in order to develop their culture of using the internet for payment purposes. In consequence I wanted to know if Romanian banks offer information related to online payment systems, and I found that only 15% of them offer on their website information regarding this issue.

Internet users can be interested also in the location of the bank branches and ATMs, so I considered important to analyse if Romanian banks offer this information on their websites. 74% of the analysed websites offer information about the location of the branches and 56% about the location of the banks’ ATMs.

3. CONCLUSION

The present paper has the main objective to present the results of a primary research regarding the characteristics of online marketing of Romanian banks. Romanian banks can offer possibilities for the development of the Information Society in Romania, and because the internet is intensely used both by individuals and organizations, banks can facilitate the use of the internet in private and business life.

The Web presence, the Web sites and e-readiness of different Romanian banks, the way how Romanian banks manage the Web technology, how do they integrate the internet in their marketing strategy, how do they use different online marketing tools, how do they offer

online payment possibilities for their customers, all these aspects contribute to obtaining increased competitiveness by banks.

Most of the analysed Romanian banks are conscious of this, and integrate the internet in their strategies, marketing strategies and daily operations. Of course, as the results of the primary research show, there are a lot of aspects, which should be improved but, we consider that the analysed Romanian banks can adapt their activities to the challenges of the digital era.

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