

Digital Marketing of Mutual Funds: A Demographic Approach

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Abstract:

The technological innovations have blurred many obstacles in the way of business not only for the companies but also for the consumers in making their shopping experience much smoother. The advent of digital marketing in financial service industries has made it easier for the mutual fund firms to reach a larger investor base and also made it very handy for the prospective investors with regard to information availability. With this backdrop the main objective of this paper is to understand the role of Digital Marketing in Mutual Fund Investment Decisions of the investors and thereby identify the most important demographic factors which influence online investments.

Keywords: *Digital Marketing, Consumer Behaviour, Mutual Fund Investments*

Introduction:

The rapid technological advancements have geared up the digital space for almost all the industries and financial service industry is no exception to this. It is imperative for a mutual fund industry to go digital in order to gain edge over its competitors. With customer retention being the key of every business, it becomes very much necessary to give smooth and hassle free service by providing valuable information with just a click of a button. The mutual fund firms have to leverage the digital media marketing in promoting its financial products through content marketing on social media sites like face book, tweeter, Google plus etc in order

to have real time marketing with reduced cost and time.

Review of Literature on Digital Marketing:

The significance of internet technology for marketing of products or services largely depends on the nature of business carried on by the organization and its target market. But in the recent times digital media is being preferred by almost all product and service categories especially the financial services. Even though online channel is not suitable to sell a particular product it is largely used to create awareness and brand building through third-party sites. Applications based on internet technology is considered to be the most important channel for marketing and distribution of products and services (Kotzab & Madlberger, 2006). "The term 'Internet Marketing' is used to refer to the external perspective of how the Internet can be used in conjunction with traditional media to acquire and deliver services to customers" (Chaffey & Chadwick, 2006). Alternatively, e-marketing or electronic marketing can be used to refer to a broader perspective including digital media like e-mail, web etc., (Chaffey & Chadwick, 2006).

The e-marketers uses a wide range of access platforms like PCs, PDAs, mobile phones and interactive digital TV etc., and communications tools such as web sites, portals, search engines, blogs, e-mail, SMS etc., to communicate with its customers according to customers' preferences (Svennevig, 2004); (Chaffey & Chadwick,

2006). Internet market differs significantly from traditional marketing and (McDonald and Wilson, 1999) has identified 6I's of e-marketing mix namely *Interactivity, Intelligence, Individualization, Integration, Industry restructuring and Independence of location* as a strategic analysis tool to analyze the practical aspects like personalization, direct response and marketing research and also to address the strategic issues of industry restructuring and integrated channel communications (Chaffey & Chadwick, 2006). It is said that increased levels of interactivity may allow consumers using an online shopping environment to gain greater control of their shopping experience (Ballantine, 2005).

Studies reveal that search engine optimization is gaining considerable attention as it is more concerned with its usage rather than technology itself (Thakor, Borsuk, & Kalamas, 2004). In their study explored that search engines with their "favorite bars" are very significant in understanding the searching behavior of a customer particularly experiential searches. The marketer can improve the web design in order to coordinate text search and display ads (Richardson, 2007) and also enhance the visitation to the online store of the retailer as a result of search engine optimization (Papatla & Liu, 2009)

The social media like Facebook, YouTube, LinkedIn, Instagram and Twitter are considered as the most effective marketing tools and the e-retailers are developing strategies to reach their target customers by focusing mainly on these social media tools. These tools are also helping consumers to reform their beliefs, attitudes, and perception through dynamic interactions (Saravanakumar.M & SuganthaLakshmi.T, 2012).

Due to the gaining importance of social media consumers are positively influenced and motivated with the presence of large number of social groups (Assaad, Gómez, & Ossietzky, 2011) and this shift in the digital

revolution has brought in new dimensions and has led to greater reliance on opinion leaders, social interactions, reference groups in making a purchase decision.

Objectives of the Study:

1. To understand the role of Digital Marketing in Mutual Fund Investment Decisions.
2. To explore the Demographic Factors Influencing Online Mutual Fund Investments.

Research Methodology:

The detailed questionnaire on Demographic Approach towards Digital Marketing of Mutual Funds was administered to a total of 100 respondents from Dakshina Kannada district based on convenience sampling method. Of the 100 responses only 94 were completely filled by the respondents. The statistical techniques such as ANOVA and descriptive analysis are used to analyze the responses.

Results and Analysis:

The responses of the respondents are analyzed based on the descriptive techniques and also with the help of ANOVA to understand if demographic profile of the respondents influences the online mutual fund buying behavior. The results and analysis of the tests are shown below:

The table 1.1 shows the demographics of the respondents from Dakshina Kannada district namely gender, age, marital status, income, occupation, qualification and the number of earning members in the family. The data showed that majority of the respondents are male i.e. 67% and females are only 33% of which nearly 62% are single and 36 are married. Majority of the responses are from young respondents within the age group of 20 yrs to 30 yrs i.e., 53% and 27% within the age bracket of 40 yrs. Almost 35% of the respondents earn up to Rs.40, 000 p.m,

28% up to Rs.20, 000 and 20% up to Rs.60, 000. Majority of the respondents were post graduates employed under private sector having at least two earning members in the family.

ANOVA Test:

The ANOVA Test for the statements on Ease of Use, Online Trust, Information Efficiency, E-Reviews, Information Accuracy, Social Media Marketing, E-Mail Marketing, Mobile Apps, Blogs and Online Investment Decision as against demographic factors like Gender, Occupation, Marital Status, Educational Qualification and Income revealed a significant difference for statements mentioned in the table 1.2. It is clear from the result that there is significant impact of Occupation and Marital Status on Online Mutual Fund Investment.

Conclusion:

The advent of digital marketing has taken competition in mutual fund industry to a different level. So it becomes very much necessary for the marketer to understand the factors influencing the online investment behavior of the investors/ prospective investors when floating their schemes on digital space. The analysis of data has indicated that the Occupation and Marital Status of the respondents has a significant effect on Online Mutual Fund Investment Behaviour of the individual. So it becomes important for the marketer to keep in mind the demographic profile of the investor/ prospective investors before framing a digital marketing strategy in order to be successful.

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Table No: 1.1 Showing the Demographic Profile of the Respondents

Demographics		Respondents	Percentage (%)	Demographics		Respondents	Percentage (%)
Gender	Male	63	67.0	Occupation	Professional	11	11.7
	Female	31	33.0		Business	8	8.5
Age	Less than 20	5	5.3		Government Service	5	5.3
	20-30	50	53.2		Private Service	55	58.5
	30-40	26	27.7		Unemployed	7	7.4
	40-50	6	6.4		Retired	3	3.2
	50-60	6	6.4		Others	5	5.3
	Above 60	1	1.1	Educational Qualification	School Level	1	1.1
Marital Status	Single	58	61.7		PU Level	1	1.1
	Married	34	36.2		Graduate	30	31.9
	Divorced	1	1.1		Post Graduate	56	59.6
	Separated	1	1.1		Others	6	6.4
Monthly Income	Less than Rs. 20,000	26	27.7	Earning Members	1	15	16.0
	Rs. 20,000 - Rs. 40,000	33	35.1		2	50	53.2
	Rs. 40,000 - Rs. 60,000	19	20.2		3	20	21.3
	Rs. 60,000 - Rs. 80,000	3	3.2		4 and More	9	9.6
	Rs. 80,000 - Rs. 1,00,000	6	6.4				
	Above Rs. 1,00,000	7	7.4				

Table No: 1.2 Showing Results of ANOVA Test

	F	Sig.
Marital Status		
Online user reviews on Mutual Fund help in taking quick and appropriate decisions	2.689	0.048
Income		
Websites of Mutual Funds do not provide accurate information and are inappropriate	3.059	0.014
I actively look out for mutual fund ads online	4.636	0.001
Occupation		
I consider investing in funds which I find in my e-mail	5.287	0.000
I go through Mutual Fund information available on Facebook and other Social Networks	4.686	0.001
I will recommend people in my network to invest in Mutual Funds Online	2.635	0.030
Educational Qualification		
I go through Mutual Fund information available on Facebook and other Social Networks	5.484	0.024
I will recommend people in my network to invest in Mutual Funds Online	10.07	0.003