

# Study on the Optimization of Online Marketing Model of Commercial Banks

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**Abstract**—With the increasing popularity of the Internet and the rapid development of Internet finance, the business development of commercial banks has gradually become digitalized. In this context, how to optimize online marketing of commercial banks has become necessary to improve effectiveness and achieve sustainable development. In this regard, this article explores how commercial banks can optimize online marketing alongside the circumstantial of the introduction of the characteristic and principles of online marketing.

**Keywords**—online marketing, commercial bank, optimization path

## I. INTRODUCTION

Nowadays, in this developed network society, people's information dissemination methods and shopping habits gradually rely increasingly on the Internet. In this context, the traditional banking model that relies on business halls, or even the bank sales model that simply promotes through the Internet, is not enough to meet the requirements of the times. On this basis, the state has also liberalized the sales authority of many financial products, and more qualified enterprises can also sell financial products and seize more business with banks. New media communication methods such as short video and live broadcast also provide new opportunities for banks to further increase their market share. Therefore, it is of practical significance to study how banks can optimize their online marketing methods in the new media era. Fig. 1 demonstrates the numbers of internet users and year-year change in millions.

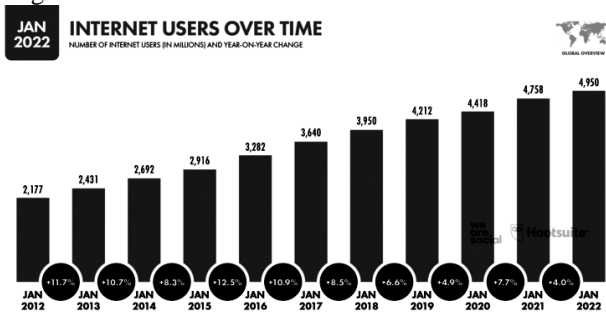


Fig. 1. Numbers of internet users (in millions) and year-on-year change

## II. BASICS AND CHARACTERS OF ONLINE MARKETING

Online marketing is marketing based on the internet using some online tools to serve the customers and achieve a better service for pre-sales, post-sales, and after-sales sections. Fig. 2 illustrates the retail e-commerce sales worldwide from 2014 to 2025 in billion U.S. dollars.

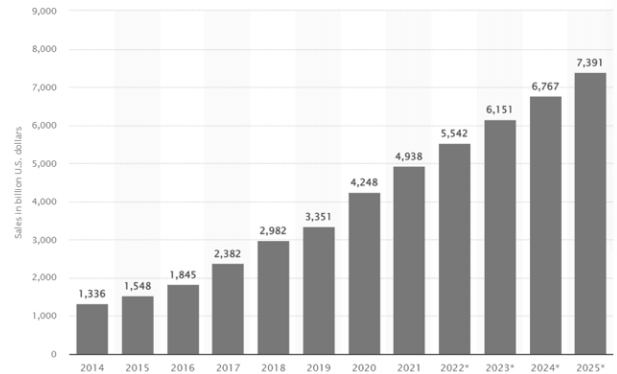


Fig. 2. Retail e-commerce sales worldwide from 2014 to 2025 (in billion U.S. dollars)

### A. Basics of Online Marketing

Online marketing is a marketing process transfer from offline to online to succeed promotion without physical interaction. Bai (2021) believed that there are two basic points needed for online marketing, a developed customer database and a complete customer service system. Since online marketing break the restricting of physical distance, it requires the marketers' expertise and a developed customer database to identify target customers with the help of data mining technic. And only under the support of a complete customer service system, can the company achieve several functions, like display and put notification of the product, establishment of the order, completion of the contracts and provident of after-sales service.

### B. Characters of Online Marketing

There are two characters for online marketing. Firstly, it can improve efficiency and reduce marketing costs. Wang (2023) claimed that compared to traditional marketing, online marketing can save production transportation costs of marketing materials and bulk orders can be completed. Moreover, it can help to form a good corporate reputation. By online advertising, company can increase the cover area of customers, point-point marketing the potential customers, enhance the frequency of marketing and help company build a reliable brand image.

## III. FEATURES OF ONLINE MARKETING

### A. Low Cost

Thanks to the characteristics and advantages of the Internet, the use of online technologies and platforms to conduct marketing activities can significantly reduce marketing costs for businesses and extend the scope of marketing. Zhang (2023) argued that in the past, traditional marketing often

relied on physical stores, which require exceedingly high investments to set up, whereas online marketing relies on marketing websites and costs almost nil to open an online store, which significantly reduces the costs for the company. And the implementation of marketing strategies does not require the investment in advertising, staff costs, etc. like what traditional marketing does, which expressively reduces costs.

### *B. Interactivity*

According to Fan and Liu (2023), online marketing is an interaction activity between consumers and businesses that takes place via specific platforms on the Internet. With the help of online technologies, the interaction between consumers and businesses is heightened, so that not only consumers can evaluate businesses, but also businesses can choose consumers, which improves the quality and efficiency of marketing.

### *C. Privacy*

Due to the features of information exchanging in internet, online marketing does not require face-to-face contacts between consumers and dealers as in traditional marketing. Therefore, the online marketing is more private for both parties. For this reason, many consumers prefer to spend through online and are more willing to express their needs about products that affect their privacy, which will incite consumption.

### *D. Diversity of Choice*

On the internet, retailers can differentiate the products they sell on an internet platform without limited by the size of their store, which is a huge improvement compared to traditional marketing. At the meantime, customers can have a relatively wider choice of products available to them through the online network.

## IV. THE NECESSITY FOR ONLINE MARKETING FOR COMMERCIAL BANK

### *A. The Variation of General Nationwide Atmosphere*

Feng (2022) deemed that the overall political situation in China has entered a golden age of digital economic development. In the context of the new era, the People's Bank of China, China Banking, and Insurance Regulatory Commission have called on commercial banks to actively imply online marketing. The digital economy has even been given great attention nationwide and several relevant policies have been published. Thus, commercial banks need to change their business philosophy so to respond positively to the policies adopted by the government, carry out digital transformation, and detection new philosophies for the online business.

Conferring by Lu (2023), based on their own development vision, resource endowment and market positioning, banks should formulate an enterprise-level digital transformation strategy in accordance with the requirements of the Financial Technology Development Plan (2022-2025) and the Guidance on Digital Transformation in the Banking and Insurance Industry, and specify the planning and strategies of digital marketing in the strategy, including the composition of digital marketing system, digital marketing platform

construction, digital operation team. The strategy should include the composition of digital marketing system, construction of digital marketing platform, digital operation team, financial resources investment and key marketing activities plan, etc. At the same time, data governance should be carried out comprehensively to improve basic user information and integrate data inside and outside the bank to create the necessary conditions for digital marketing.

### *B. The Alteration of Customer Demand in the Market*

In the new era, various new services, new industries, and new business models have emerged, a variety of online and contactless services gradually becoming the standard subsequently bank customers' claim for financial services is becoming increasingly digital, remote, and online. Han (2020) believed that especially in the current development mode of 5G technology, digital online intelligence has changed the social service chain, industrial chain, transaction chain and other economic relationship chains, which clearly shows that commercial banks need to follow the development trend of customers and implement the development trend of online marketing.

### *C. The Change of The Standard Services of Banks*

Under the new epoch, customer needs have changed resulting the changes in service strategies for commercial banks. Hence, commercial banks need to diversify their marketing channels and systematically integrate various online and offline channels such as online banking, mobile banking applications, retail stores, public institutions, and small programs. What is more, commercial banks need to invent intelligence service. Huang (2022) assumed that service intelligence will largely manifest itself in differentiated customer needs, enactment of responsive services, and systematic integration and transformation of financial services which will promote "one-stop shopping" for financial and non-financial services in commercial banks. Linking promotion, that is, precisely grasp the behavior habits of customer groups to design targeted promotional content, maximize the existing advantages of online platforms, and obtain quantitative values to realize closed-loop marketing.

### *D. The Impulse of The Benefits from Online Marketing*

With the developing of the interest rate market and the proliferation of new online technologies, major financial institutions are increasingly focusing on online technologies, which has led to increased competition in the financial market. Traditional commercial banking services are limited by bank outlets' location, cost, and local financial policies. Correspondingly, online marketing has the advantage of not being restricted by time and space and has become the first choice of many commercial banks in the process of business development. Online marketing can use the Internet's big data technology to collect, store and analyze data such as customer preferences, displayed product details, which effectively improves the data analysis capabilities of commercial banks and makes it easier for banks to conduct accurate online marketing while at the meantime greatly reduce the operating costs of bank branches.

## V. REGULAR ONLINE MARKETING TYPES FOR BANK

### A. Marketing on WeChat

WeChat has become the most important electronic communication tool in modern society with its target customers through entire user network. From the study of Chen (2021), marketing on WeChat is widely used in various marketing activities of banks due to its various advertising effects. Currently, the main forms of advertising on WeChat by banks are as follows: (a) sending product information to circles of friends; (b) Creation of exclusive customer support groups on WeChat for bank staff, such as VIP customer support group, fund customer support group, etc. to explanation and propaganda products; (c) point-to-point promotion of the product for target customers.

The pros of advertising on WeChat are: (a) compliance of the propaganda content with no false and over-advertising; (b) superb content avoiding irregular content created by different staff, which will affect the image of the bank; (c) wide range of customers covering, extensive range of influence, obvious impact without sundry marketing costs.

### B. Marketing on Short Video Platform

In recent years, the rapid growth of short video platform such as TikTok has enabled many short video producers to increase sales combined with live broadcast. Promoting transactions through the medium of short videos is also currently a hot topic among banks.

### C. Marketing on Live Streaming Platform

Marketing by live streaming relies on the flexibility and the ability of controlling field of the staff. The main method of live broadcast is to first create a WeChat group with relevant parties, and then provide a link to the WeChat group during the live broadcast, so that users and host can communicate in real time, which can motivate customers to participate in the live broadcast. Fig. 3 shows the top six livestream platform.

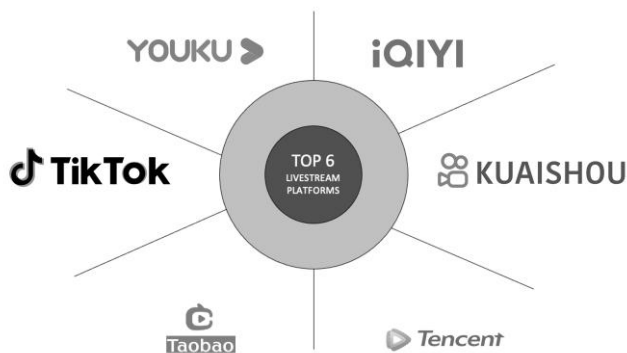


Fig. 3. Top six livestream platforms in China

### D. Marketing on Bank Terminal

Bank's mobile banks can directly participate in terminal marketing activities such as mobile banking lotteries, point exchanges, live broadcasts, and product exhibitions. Studied by Peng (2018), the main marketing activity is to attract customers and encourage online transactions, thereby improving customers' understanding of online business.

According to the announcement of JD, the digital RMB red envelope will be issued in Beijing from January 19 to February 2, 2023, and all official users of Bank of Beijing's

mobile app and customers in Beijing who are associated with ICBC's digital RMB personal wallet and bound to Bank of Beijing's debit card can participate in this activity. Bank of China Bo Branch will also issue 50,000 bonus packs to users who have opened their personal RMB wallets for public transportation and subway.

Postbank officially released the latest version of Mobile Bank on January 31, and launched the bank's first digital collection. China UnionPay launched the "Use UnionPay to get a hundred fortunes" series of digital collectibles (the third issue), with a total of one million copies of each fortune issued. China Merchants Bank launched a limited-edition "Xiaozhao Meow" digital collection, and ICBC launched the "Jade Rabbit Welcomes New Year-Sweep New Fortune" digital collection New Year campaign.

## VI. OPTIMIZATION PRINCIPLES FOR ONLINE MARKETING

### A. Principle of Innovation

The online marketing model must be based on a full understanding of customers and opponents, and banks' key needs is to expand its business services and acquire more customer sources. Led by the principle of innovation, the online marketing process can ensure product differentiation and customization, meet the real wishes of customers, promote products with stronger features, rise product competitiveness, guarantee the effectiveness of online marketing, and improve the rate of the Bank's services.

### B. Principle of Profitability

Banks should base online marketing on the principle of profitability, as the basic goal of business service running is to obtain more economic benefits. Hence, the implementation of online marketing should enhance the rational allocation of resources, improve the efficiency of resource utilization, obtain more benefits, and reduce costs at the same time.

### C. Principle of operability

Operability is the nucleus of the online marketing strategy. If the marketing strategy lacks operability, it is difficult to make sure the efficiency of marketing in reality and present the most adequate customer service.

### D. Principle of cooperativity

Compared with offline platforms, online platforms have a certain cooperation effect, which can effectively integrate the advantages of e-commerce and improve the marketing effect of various enterprises by integrating more resources to cooperate and communicate with multiple platforms and taking advantage of the synergy effect of the Internet to improve the quality and efficiency of services resulting better customers experience in transaction processing.

## VII. OPTIMIZATION PATH FOR ONLINE MARKETING

### A. Optimization of Product Strategy

#### (a) Increase investing for technological support

As information technology continues to develop, banks are in the need of using latest information technologies to improve the quality and efficiency of their services and enhancing their integration with the Internet, replacing traditional business processes with electronic marketing

through automated terminals on mobile phones, and gradually moving towards the Internet. Banks need to seize the opportunities provided by the development of the Internet to acquire scientific and logical innovations in financial products, encourage the optimization and improvement of the bank's financial products, implement the Internet model, and use Internet thinking to increase user satisfaction and faithfulness to financial products. In this process, banks should make better use of information technology and actively introduce latest information technology to gain stronger competitive advantage in information technology. By enhance the bank's info strength, sponsor the gradual application of information technology in the marketing process, rise the cooperation of software and hardware companies, fill the info technology gaps of enterprises, and establish the bank's competitive advantage in the info field.

(b) Understanding customer needs

When bank develops new categories of financial products, they need to certify that the financial products designed meet the needs of different customer groups, thereby enhancing customer confidence. Therefore, when the Bank designs a product, it is not wise to launch the product on all major platforms first before pilot tests. If the pilot situation is excellent, the product can be launched; if the pilot test result is poor, it is necessary to investigate and obtain relevant opinions from the participants in the pilot test and optimize and improve the product according to the content of the opinions to ensure that the product is optimized and improved. Product design should pay special attention to customer needs, anticipate changes in the market and develop products according to customer requirements. Nowadays, the financial sector is developing very fast, and products are being updated at a great pace, so investor education is an issue that needs to be continued achieved. Firstly, bank need livelier, and more interesting activities to increase customers' motivation to participation. The activities should not only be related to the sale of financial products, but also to life issues of interest to customers such as fun quizzes, prizes, and other bonds to increase customer engagement and interaction. Additional, reduce product marketing features. By promoting information and perception into customer wealth distribution, customers will buy more suitable products. Merchants are not just product sellers, but family investment advisors who supply products from an authority perspective, increasing customer ratification and product sales.

(c) Design of financial products client-driven

By using of big data to streamline the approval process, make business processes more efficient, improve user experience and drive online product conversions. Developing new financial products that focus on customer can improve the customer experience, leading to greater customer loyalty. Only by designing the right products can bank truly attracts and retains customers and increase customer value.

(d) Optimize the product mix

The bank can use big data technology to tag each deposit customer based on the large amount of customer information collected, and by matching the bank's products to different customer tags, identify product combinations suitable for online marketing and recommend them to a group of customers with a need. Chen (2023) debated big data technologies can also improve the marketing performance of

online banking employees, as they can develop exclusive bank financial products suitable for online marketing. Fig. 4 clarifies the construction of data, traffic, strategy three centers to achieve the whole area marketing.

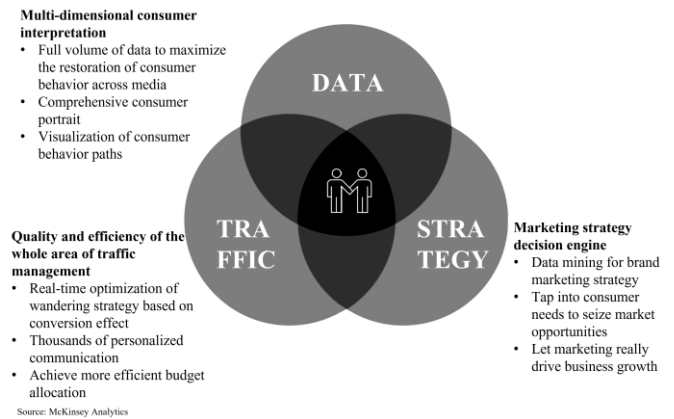


Fig. 4. Construction of data, traffic, strategy three centers to achieve the whole area marketing

B. Optimization of Pricing Strategy

(a) Use big data to distinguish pricing for target customers

Banks should increasingly use Big Data technologies to differentiate pricing by target customer to ensure that customer needs are met. Use Big Data to analyze data information in complexity to ensure that the value of the information can be maximized. Use of Big Data technology to fully classify customers, develop appropriate marketing strategies for different customers to ensure that the psychological needs of customers are met so that customers can increase their level of funding, which is very important for the development of banks.

(b) Offer singular discount fitting to the part of customers

Bank should provide different discount offers according to customers' investment in products and offer relating benefits to customs to enhance their loyalty to the bank. As, customers who purchase online financial products or log on to bank's online system will receive a certain number of bonus points or coupons that can be redeemed for special gifts in the bank.

C. Optimization of Channel Strategy

(a) Create a marketing channel for online information

Increase the use of different marketing channels and create a full-bodied advertising channel arrangement. Reinforce communication and cooperation with customers to inform online customers about the latest financial products, streamline the product purchase process and ensure business continuity. banks should also create online platforms where customers can customize to meet their needs and publish suggestions about banking products and services. In addition to expanding the use of various traditional channels, banks need to combine various new channels to attract more customers and meanwhile simplify procedures for customers and improving their transaction processing experience.

(b) Expand collaboration channels

Promote diversification of marketing channels and use multiple resources to expand customer base. Collaborate with influential businesses and help raise the shape of bank. It is also a good customer acquisition channel for the bank, which can offer free financial services to these business clients and turn them into bank clients. Cross-industry partnerships

expand online customer channels, raise the bank's profile, and lay the underpinning for future marketing. Fig. 5 demonstrates the banking ecosystems extend out from the core business into three levels.

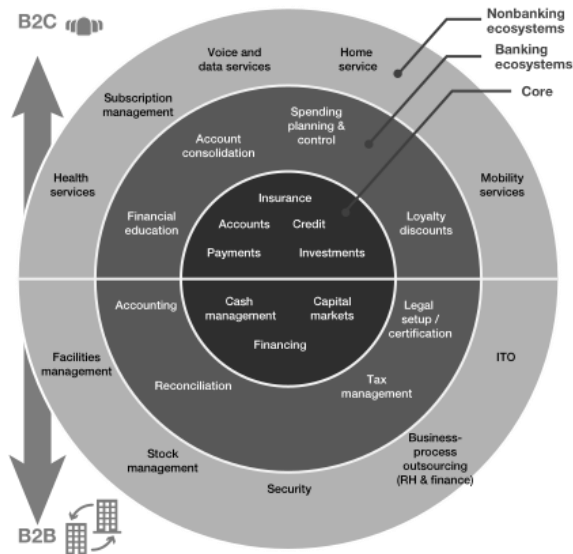


Fig. 5. Banking ecosystems extend out from the core business into three levels

#### D. Optimization of Promotion Strategy

##### (a) Strengthen online promotion

While the financial industry matures, the financial products offered by major financial institutions are gradually becoming more homogeneous. Competition in the financial industry is gradually increasing, which leads to the outcome that traditional marketing can no longer meet the substantial needs of the modern customers. So, bank must follow the development trend of the Internet era and actively create golden financial products on the internet. With the help of the online marketing platform, the preferential efforts of the Internet marketing platform are strengthened so that more customers can know the bank's Internet products which can not only generate revenue for customers, but also enable banks to gain more online customers.

##### (b) Simultaneous update for online business

Increasing the capacity of online financial services is a necessary way for banks to continue their long-term development. To improve the ability to manage online business, it is necessary to ensure that the level of information technology meets the corresponding standards. Currently, the number of IT specialists in banks is very low and it is difficult to manage IT in a timely once it is out of place. In addition, communication and cooperation between the different banks' online marketing channels is weak, making it difficult to integrate and use information in a timely manner, and there may even be problems of mutual competition of internal resources. Since banks face the phenomenon of gradual homogenization of offline products, they should promote the optimization of online products, develop scientific standards and reasonable innovations, improve and optimize online financial products and actively promote online financial products based on the Internet platform. Pay attention to the joint improvement of online and offline services to improve the capacity and efficiency of banking services.

##### (c) Good PR marketing and alliance with various sectors

Banks also need to strengthen their PR marketing activities. Bank should reinforce its relationship with local government departments, enhance interaction and cooperation with local firms, actively establish long-term strategic joint contacts with local enterprises. In addition, the bank needs to initiate activities that give back to its customers based on their real needs, position itself accurately, be proactive in public relations, and coordinate relationships among all parties to ensure the effectiveness of the bank's marketing.

## VIII. CONCLUSION

In the perspective of rapid digital enlargement, commercial banks need to explore new online marketing pathways in order to have more sustainable development forecasts. Commercial banks need to optimize their online sales strategies through several perspectives of products, prices, channels, and promotions in order to achieve a new landscape of customer adhesiveness, resource incorporation, and multifaceted development of online and offline integration, and to dominate a constructive position in competition with other financial institutions.

## CONFLICT OF INTEREST

The authors declare no conflict of interest.

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