

Improving Customer Experience in Retail Banking: Modeling Contemporary Marketing with Ubiquitous Technology

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Purpose

Retail banking has considerably evolved since the early 2000s. With the expansion of Internet usage, smartphones and the introduction of radio-frequency identification (Bluetooth, beacons and NFC) used in services, new and diverse forms of e-banking and m-banking have appeared. Ubiquitous technology enables the remote identification and geolocation of objects and consumers using radio waves. In the banking sector, it is mostly used for security and control purposes. It reduces the amount of manual work performed by employees, facilitates tracking and tracing of sensitive objects, and aids in the fight against fraud. The banking sector also benefits from this technology by identifying the client, by issuing contactless credit cards, and by offering a more personalised service.

In contrast to the more conservative banking sector, the retail and entertainment industries use ubiquitous technology mostly to improve the customer experience. Through marketing strategies such as interactive and proximity marketing that use pervasive and ubiquitous applications, retail and entertainment firms are increasing the connectivity with their clients. These technological applications allow companies to instantly obtain client opinion and purchase data, transmit contextualised promotions, provide additional relevant information to clients and better personalise their offers while continuously improving the client experience.

Despite the strong recommendation and desire to improve its customer experience, the banking sector underuses the immense power of ubiquitous technology. This project aims to fill this gap by providing a tool that will enable financial institutions to integrate ubiquitous technologies in contemporary marketing strategies.

Methodology/Approach/Findings

To attain this objective, (1) we identified thirteen cases of marketing using ubiquitous technology in retail, entertainment and banking industries. We then analysed these cases using a theoretical framework constituted of the seven principal concepts of customer experience: *Think, Act, Feel, Socialize, Surround, Impress, and Situate*. (2) We conducted two focus groups to explore the opinion of banking clients related to the use of these ubiquitous technologies.

Based on the results of these two first steps and a literature review, we built a theoretical model of consumer reaction to marketing using ubiquitous technology, and adapted it to the specific context of the financial industry. The next step in our study will confirm the model for North American banking consumers using a structural equation modeling with Mplus.

Originality/Value

We expect that the results will confirm a new theoretical model of consumer reaction adapted to the contemporary context of interactive marketing and proximity marketing in retail banking. It

will integrate the most important factors that affect consumer reaction with the new emerging factor of Connective Proximity known for its effect in interactive marketing and proximity marketing. The model should provide a tool that will more accurately capture the optimal settings of technology use in marketing and enable banks to efficiently predict consumer reaction to the technology, handily design implementation, better target consumers, increase the consumers' propensity to accept personalized content, and provide an improved customer experience in banking.