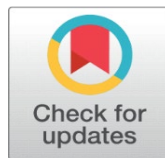
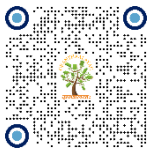


ADOPTION OF STRATEGIC APPROACHES AND INDUSTRY 4.0 TOOLS IN THE MARKETING OF FINANCIAL PRODUCTS AND SERVICES

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ABSTRACT

Customer expectations are evolving rapidly, and their requirements are becoming increasingly diverse. Simultaneously, significant technological innovations are enabling better understanding of these needs and the delivery of tailored products and services. Strategic marketing approaches, such as neo marketing and digital marketing, combined with advanced Industry 4.0 technologies like artificial intelligence, big data analytics, robotics, and chatbots, play a crucial role in promoting financial products and services. Neo banks, the digital only banks and fintech, which are transforming the banking paradigm, represent the future of the financial industry. Their success heavily relies on neo marketing, digital marketing, and Industry 4.0 tools to attract customers and establish strong brands.

Keywords: Neo Marketing, Digital Marketing, Industry 4.0, Artificial Intelligence, Big Data, Fintech, Neobanks

1. INTRODUCTION

As the competition in every industry is increasing, it is essential to be innovative and strategic to thrive in the market. Industry 4.0 is witnessed by various digital revolutions and integration of advanced technologies like the Internet of things (IOT), Artificial Intelligence (AI), robotics, bigdata analysis, cyber security, etc.

In today's volatile market, customer expectations are evolving rapidly, leaning towards greater sophistication. Industries are striving to meet the demands of tech-savvy Gen Z, whose needs differ significantly from previous generations. Bridging the gap between diverse customer requirements has become crucial. Financial institutions also face similar challenges, and this paper examines how they are leveraging advancements in technology to adapt their marketing strategies effectively.

2. OBJECTIVES OF THE PAPER

This is a descriptive paper and focuses on the following areas:

- 1) Understanding the role of neo-marketing in financial institutions.
- 2) Exploring the use of Industry 4.0 tools in marketing financial products and services.
- 3) Examining the emerging dimensions of banking through neo-banks and fintech.

3. COMPARISON OF TRADITIONAL MARKETING, DIGITAL MARKETING AND NEO MARKETING

Marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Digital marketing refers to the use of online platforms, digital technologies, and electronic media to promote products, services, and brands whereas Neo-marketing refers to an advanced approach to marketing that combines cutting-edge technology, neuroscience, and psychology to understand and influence customer behaviour on a deeper level. Neo marketing offers digital innovations to connect with and engage customers appropriately [Nanee \(2023\)](#). Neo-marketing sets itself apart from traditional marketing and digital marketing by emphasizing customer-centricity, employing advanced methods for deriving insights, prioritizing personalization, integrating modern technologies, and fostering interactive communication with customers. The following table compares traditional marketing, digital marketing and neo marketing.

Table 1

Table 1 Comparison of Traditional Marketing, Digital Marketing and Neo Marketing			
S.No	Traditional marketing	Digital marketing	Neo marketing
1	Focuses on products, services and their features	Focuses on customer	Focuses on emotions and behaviour of customer
2	Market research is done through traditional surveys and demographic analysis	Market research is done through online surveys and feedback forms	Market research is done through advanced technologies like big data analytics, neuroscience tools and AI
3	Targets larger audience	Targets both individual customers and mass customers	Targets individual customer
4	Generalized products and services	Both generalized products and customized products	Customized products and services
5	Use TV, print media and radio for reaching customers	Uses websites, search engines, social media, email, mobile apps, and online ads.	Uses digital platforms like augmented reality (AR), Virtual Reality (VR) and Artificial Intelligence (AI)

6	One way communication and mostly no or delayed feedback from customers	Interactive communication with both one-way and two-way elements.	Highly interactive in real time through live chats in social media and through the use of Robots and chatbots
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4. THE ROLE OF NEO MARKETING IN THE FINANCIAL SECTOR

By making use of the neuroscience principles and advanced technologies, neo marketing allows businesses in financial sectors achieve better results. The application of neo marketing offers several advantages including

- 1) Accurate targeting of customers and delivering the most suitable products to them.
- 2) Enhanced personalization tailored to individual customer needs with lucrative offers and discounts to attract customers thereby generating prospective leads to the banks and other financial institutions [Seth et al. \(2023\)](#)
- 3) Improved customer interaction and engagement.
- 4) Cost efficiency by promoting the right products to the right customers through digital channels, ensuring a guaranteed return on investment.

5. INDUSTRY 4.0 TOOLS IN MARKETING OF FINANCIAL PRODUCTS AND SERVICES

The marketing of financial products and services has been transformed by Industry 4.0 tools, which utilize advanced technologies to improve efficiency, deliver personalized experiences, and foster stronger customer engagement. This discussion highlights the roles of big data, artificial intelligence, and robots and chatbots in modern marketing.

5.1. BIG DATA

Big data refers to extremely large, complex data sets that traditional data processing tools cannot efficiently manage or analyse. These data sets may be structured, unstructured, or semi-structured. Big data can be from

- 1) the social media platforms like facebook, twitter and Instagram which is obtained through posts, likes, shares, interactions, etc.,
- 2) financial transactions of customers in various banking and payment platforms including daily transactions, credit and debit card usage and stock market activities,
- 3) e-commerce websites like amazon and flipkart like customer purchasing, and browsing behaviour
- 4) health care records generated by e-health records, wearables, etc.,
- 5) telecommunication data like call records, internet usage data, etc.,

In banking and financial sector big data helps to offer customized and tailored products to customer needs and requirements. Big data enables the development of alternative credit scoring methods for low-income customers who face challenges in securing traditional credit ratings. Many fintech companies like Lenddo and Tala make use of big data for this. [World Bank \(n.d.\)](#). This capability allows banks and financial institutions to identify and cater to genuine customers lacking a clear credit history, thereby expanding their customer base. It also promotes financial inclusion by reaching eligible yet underserved individuals. Big data analytics enables financial

institutions to guide customers on investments and savings plans, helping them understand future financial requirements and encouraging them to save accordingly.

5.1.1. SOCIAL MEDIA MARKETING IN FINANCIAL INSTITUTIONS

Social media platforms produce vast amounts of data every day, encompassing posts, likes, comments, shares, and user interactions, all of which fall under the category of big data. Also, social media marketing closely aligns with the principles of neuroscience marketing as it takes insights from customer behaviour analytics. It is also a powerful marketing platform, and financial institutions are harnessing its potential effectively. It allows them to gather genuine and valuable feedback from customers, promoting transparency and accountability while strengthening their public image. [Singh and Attarwala \(2018\)](#). According to the research findings of [Teshome et al. \(2024\)](#), it is found that social media marketing has a significant effect on the customer intention to engage in transactions with the bank

5.2. ARTIFICIAL INTELLIGENCE

Artificial intelligence (AI) has the potential to revolutionize marketing of various products and services of banks and other financial institutions. AI can analyse customer data and suggest financial products like credit cards, investment plans and risk coverage plans. AI can cluster the customers based on their demographics, behaviour and preferences and can provide more focused and relevant financial products and services. Apart from these AI can create marketing contents such as personalized emails and advertisements without much of human intervention. [Ooi et al. \(2023\)](#) mentions in their paper that Generative AI applies machine learning, neural networks, and other techniques to generate new content such as text, images, or music by identifying patterns and extracting information from training data. This versatility allows it to be used in various applications, including the creation of personalized content. Hence generative AI or Gen AI is capable of mimicking humans and create human like contents for marketing various financial products. Traditional AI on the other hand is based on set of pre-defined rules or patterns which enables it to analyse data, solve problems and decision making.

5.3. ROBOTS AND CHATBOTS

Chatbots introduce a novel form of interaction, enabling financial institutions to enhance customer value creation by providing them with additional resources and support. [Riikkinen et al. \(2018\)](#). Hence chatbots can provide 24/7 customer support by answering queries about various products like loans, insurance and credit cards. They interact with potential customers and can assess their suitability as leads and direct them to appropriate financial products. Almost all the banks and financial institutions have made use of chatbots. ICICI bank's AskPal, HDFC Bank's ASK EVA and SBI Card's ASK ILA are few examples.

6. EMERGING DIMENSIONS OF BANKING

6.1. NEO BANKS

Neo banks are recent developments and are evolving rapidly. Neo banks are similar to traditional banks but with digital presence. They do not have a physical branch and offers banking services through digital platforms. Neo banks operate similar to traditional banks and hence they do not rely on linking external bank accounts [Shabu and Ramankutty \(2022\)](#). As banking is moving towards complete digitalization, neo banks are the future. As digital-only entities, neo banks depend exclusively on digital and neo-marketing techniques to acquire customers and build brand recognition. These approaches enable personalized customer engagement and real-time communication through the use of digital platforms and advanced technologies.

6.2. FINTECHS

Financial technology or Fintech is the combination of two terms finance and technology. Fintech comprises of digital payments like UPI apps, lending platforms like Cred, Lendingkart etc., robo advisors, block chain and cryptocurrencies, Insuretechs like Acko and Policybazar, RegTechs, and wealth techs like Zerodha. Fintech is creating a paradigm change in banking. There are also some bigtechs like Amazon, Alibaba, Google, Meta, Apple, etc., entering fintech. These BigTech companies already possess extensive customer data and leverage big data analytics, enabling them to accurately predict customer behavior and preferences.

7. CONCLUSION

While technological advancements offer numerous benefits, they also come with significant drawbacks. Data privacy and security are critical challenges, requiring responsible data management to ensure personalization. Additionally, cybersecurity poses a major concern. According to [Wube et al. \(2022\)](#), it is essential to evaluate and address the security and privacy vulnerabilities of chatbots in the financial sector prior to their deployment. Adapting to the ever-changing needs of customers such as Gen Z and the upcoming Gen Alpha demands ongoing innovation and a customer centric strategy. Excessive exposure to advertisements may also cause customers to lose interest, making it increasingly important to foster genuine, trust-based relationships.

CONFLICT OF INTERESTS

None.

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