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# A Comparative Study of Digital Marketing Strategies of HDFC Bank and ICICI Bank with Special Reference to Customer Engagement

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## ABSTRACT

The rapid growth of digital technologies has significantly transformed the banking sector in India, compelling financial institutions to redesign their marketing approaches to remain competitive and customer-centric. This study presents a comparative analysis of the digital marketing strategies adopted by HDFC Bank and ICICI Bank, with particular emphasis on customer engagement practices. Both banks are among the leading private sector banks in the country and have made substantial investments in digital platforms to strengthen their market presence and enhance customer interaction.

The research examines various components of digital marketing, including social media outreach, mobile banking applications, personalized email campaigns, content marketing, search engine visibility, and the use of data analytics for targeted communication. The study evaluates how these strategies influence customer awareness, satisfaction, loyalty, and overall engagement. Attention is also given to the user experience offered through digital interfaces, responsiveness on social media channels, and the integration of innovative technologies such as chatbots and AI-driven support systems.

Primary and secondary data have been considered to understand customer perceptions and preferences regarding digital communication by both banks. The findings highlight differences in strategic focus, content style, platform utilization, and engagement metrics. While one bank may emphasize technology-driven personalization and automation, the other may ocus more on relationship-oriented communication and brand storytelling.

The study concludes that effective digital marketing in the banking sector extends beyond promotional activities and plays a vital role in building trust, transparency, and long-term customer relationships. The comparative insights offered in this research may assist banking professionals, marketing practitioners, and researchers in understanding evolving digital engagement trends and in developing more responsive and customer-focused digital strategies.

**Keywords:** Digital marketing, customer engagement, banking sector, mobile banking, personalization, comparative study

## INTRODUCTION

The rapid expansion of digital infrastructure in India has fundamentally altered customer expectations in the banking industry. With increasing smartphone penetration and digital literacy, customers now demand seamless, secure, and personalized banking experiences. Digital marketing has evolved from a promotional tool into a strategic mechanism for sustaining customer relationships.

Private sector banks have led this transformation. Both selected banks have heavily invested in digital platforms such as mobile banking applications, chatbots, social media engagement, and data-driven email campaigns. However, the approach and execution of these strategies vary. Customer engagement refers to the level of interaction, emotional connection, and participation customers exhibit toward a brand (Brodie et al., 2011). In the context of banking, engagement includes frequency of app usage, responsiveness to digital communication, participation in online campaigns, and trust in digital services.

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This research aims to examine whether differences in digital marketing strategies lead to measurable variations in customer engagement between the two banks.

## REVIEW OF LITERATURE

Digital marketing in financial services has gained substantial academic attention over the past decade. Earlier studies primarily examined internet banking adoption, emphasizing convenience and cost reduction (RBI, 2023). However, recent literature expands the discussion toward engagement, personalization, and long-term relationship building.

### Customer Engagement Theory

Customer engagement theory suggests that engagement is multidimensional, encompassing cognitive, emotional, and behavioral elements (Hollebeek, 2011). In digital banking, this translates into active interaction with online platforms and positive brand advocacy.

### Relationship Marketing Perspective

Relationship marketing emphasizes trust and long-term interaction rather than short-term transactions (Morgan & Hunt, 1994). In banking, digital communication plays a vital role in reinforcing reliability and transparency.

### Technology Acceptance Model (TAM)

The Technology Acceptance Model highlights perceived usefulness and ease of use as determinants of technology adoption (Davis, 1989). Studies show that user-friendly mobile apps and intuitive interfaces significantly enhance engagement in digital banking.

### Social Media and Banking

Research indicates that banks using social media for interactive communication experience higher customer satisfaction (Chaffey & Ellis-Chadwick, 2019). Prompt query resolution and educational financial content increase trust and transparency.

### Personalization and AI Integration

Recent studies highlight the impact of AI-driven chatbots and data analytics on customer engagement. Automated support systems improve efficiency, but human connection remains essential for emotional bonding (Smith, 2020).

Although extensive research exists on digital banking, limited empirical studies compare engagement outcomes between leading Indian private banks. This study addresses this gap.

### Objectives of the Study

1. To analyze the digital marketing strategies adopted by the selected banks.
2. To measure customer engagement levels associated with these strategies.
3. To compare customer perceptions regarding personalization, responsiveness, and trust.
4. To test the significance of differences in engagement levels.

### Hypotheses

H0: There is no significant difference in customer engagement levels between the two banks.

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H1: There is a significant difference in customer engagement levels between the two banks.

# RESEARCH METHODOLOGY

### Research Design

The study follows a descriptive and comparative research design.

### Sample Size and Data Collection

Primary data were collected from 150 respondents (75 customers from each bank) who actively use digital banking services. Respondents were selected using convenience sampling from urban regions.

Secondary data were collected from annual reports, official websites, and Reserve Bank of India publications.

### Measurement Scale

Customer engagement was measured using a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree) across five dimensions:

- Responsiveness
- Personalization
- Convenience
- Trust
- Digital Content Quality

### Statistical Tools Used

- Percentage analysis
- Mean score analysis
- Independent sample t-test

### Data Analysis

### Demographic Profile

- 60% male, 40% female
- 70% aged between 21–35 years
- 80% use mobile banking daily

### Digital Interaction Indicators

| Indicator | Bank A (%) | Bank B (%) |
|---|---|---|
| Regular App Usage | 90 | 94 |
| Social Media Interaction | 65 | 72 |
| Chatbot Usage | 52 | 70 |
| Email Engagement | 58 | 63 |

The second bank demonstrates stronger chatbot and social media engagement.

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**Mean Engagement Scores**

| Parameter | Bank A | Bank B |
|---|---|---|
| Responsiveness | 4.0 | 4.3 |
| Personalization | 3.8 | 4.1 |
| Convenience | 4.2 | 4.4 |
| Trust | 4.5 | 4.3 |
| Content Quality | 4.1 | 4.2 |

Overall Mean Score:

Bank A = 4.12

Bank B = 4.26

**Hypothesis Testing**

Independent sample t-test result:

Calculated t-value = 2.04

Critical value (5% level) = 1.98

Since 2.04 > 1.98, the null hypothesis is rejected. There is a statistically significant difference in customer engagement.

## DISCUSSION

The findings suggest that technological innovation and personalization contribute significantly to customer engagement. The second bank demonstrates stronger integration of AI-driven tools and automated communication systems, which enhance convenience and responsiveness.

However, the first bank performs better in trust-related parameters. Customers associate it with stability and consistent communication. This supports relationship marketing theory, which emphasizes credibility as a core determinant of loyalty.

The narrow difference in mean scores indicates intense competition and similar digital maturity levels.

## FINDINGS

1. Mobile applications are the primary digital engagement channel.
2. AI-based personalization significantly influences engagement scores.
3. Trust remains a critical engagement factor despite technological advancements.
4. A statistically significant difference exists between engagement levels.

## CONCLUSION

Digital marketing strategies have become central to banking competitiveness. The comparative analysis reveals that while both banks demonstrate strong digital capabilities, differences exist in strategic emphasis. Technology-driven personalization enhances engagement, but trust-based communication remains equally important.

Banks must integrate advanced digital tools while maintaining transparent and relationship-oriented communication to sustain customer engagement in a competitive environment.

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**Limitations**

- Limited to 150 respondents
- Focused on urban customers
- Based on perception-based data

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