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## **Development of Electronic Communications in the Financial Market-Based System**

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**Abstract:**

**Purpose:** The article aims at revealing opportunities for forming long-term effective partnership communication with the consumer in the financial market. It elicits prospects for the development of communications in the financial market, considers reactions as responsive behavioral switching nodes evolving in the course of interaction and defines opportunities for forming long-term effective partnerships with consumers.

**Design / Methodology / Approach:** To provide information for marketing communications in the financial market and ensure security, it is necessary: first, to study possible risks of communication and problems which are likely to happen in the course and as a result of interaction and counteraction to hostile manipulations in the information network; second, to provide protection of consumers and target groups' rights and cooperation with public authorities in the field of information and communication security; third, to monitor staff activities; fourth, to entail market research and analysis of new segments, market stakeholders of traditional and innovative services.

**Findings:** To enhance effectiveness of electronic communications in the financial market-based system, a set of measures for information support of marketing communications in the financial market has been elaborated to further ensure security. The technique of modern PR-communications in business is a universal tool of marketing technologies designed to create favorable public opinion and a positive perception of a certain economic entity. At the same time, maximum coverage implies forecasting the future development of the market situation in the financial market and establishing contact with the interested audience.

**Practical implications:** The results of the study can be introduced into management practice to adapt the existing system of banking products distribution to innovative market demands and indicators of hidden and unmet demand and to develop and ideally implement innovative banking services.

**Originality/Value:** The major contribution of this research is to identify prospects for communications development in the financial market and form reactions as response behavioral switching nodes arising in the course of interaction.

**Keywords:** Marketing, financial market, communications, e-commerce.

**JEL Code:** M30, D59.

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## 1. Introduction

The author understands financial marketing as a science and art of management aimed to adapt the core activities of the financial investment process actor (the actor of business marketing, a package of insurance services, a securities market, investment activity) to changing exogenous and endogenous conditions of the financial environment. Information and intellectual saturation demonstrate growing importance of communication in dynamically developing socio-economic systems. This is two-way communication between the communicator and the recipient, which is implemented through communication channels as mechanisms ensuring the transfer of the message within a well-established communication process.

## 2. Theoretical, Informational, Empirical and Methodological Grounds

Financial marketing organizes the communication space. The scientific approach to interpretation of modern financial marketing in theory and practice assumes that it is considered in the context of communicative science as a science about the forms and laws of the formation of communication, exploring standard and innovative patterns and features of the formation and development of contacting, communication and professional interaction of people. The development of socio-economic systems has resulted in the highest relevance of interpreting communication in financial marketing to understand postmodernism. It means that communication in financial marketing is viewed in the context of a holistic process of interaction as a phenomenon endowed with peculiarities, a final meaning, which can initially be uncertain for one of the parties, but eventually become holistic two-way performance movement (Rupeika-Apoga *et al.*, 2019).

It should be noted that the development of information technologies and the Internet with undoubted progress bear a typical range of threats since accessibility implies the need to ensure protection from emerging threats. Computer information of users, which is personal and personalized, combines the level of technical literacy and material equipment, which is especially important for financial marketing. The information form as an ecosystem is necessary for the general public regardless of the population of the territory, outside of any other possible framework. Thus, a modern financial market participant should not focus so much on the beautiful appearance of their institution's facade, but rather on the need to apply a preventive approach to managing the website or portal as equivalent parameters of the image characteristics in the virtual network (Thalassinos & Thalassinos, 2018).

## 3. Results

To understand the consumer's role in financial marketing as active consciousness in terms of information, it is necessary to refer to the principle of recognizing the value of the individual. It is the dominant basis of marketing management in general and the study of consumer behavior. But at the same time, control over disseminated

information is often lost as a result of communicative or manipulative actions intended to ensure realizing value orientations, interests, requests and preferences by the consumer. The ethical component named after the same kind of marketing being very popular lately, should be primarily respected. It presupposes personal freedom and self-expression of consumers, this is part of the image and business reputation of the company, which significantly affects the consumer environment.

It should be noted that the reaction of the recipient as part of the communication process previously planned by the actor consistently undergoes three stages, namely a cognitive, emotional and behavioral stage.

These stages form reactions in the established sequence as response behavioral switching nodes. In this area, the formation of interaction with the consumer is envisaged within the framework of communication integration. The integration in its turn results in the need to form a hybrid partnership-behavioral model endowed with the properties of strategic communication aimed at long-term cooperation in the implementation of bilateral requests. The electronic format of interaction in marketing in general and in banking has a number of peculiarities.

Naturally, the implementation of long-term effective partner communication with the consumer in the financial market implies the participation of two nominally equal partners. These partners are a collective entity, which is a manufacturing company or a financial trading institution that is directly interested in selling the product, and a potential consumer who is likely or unlikely to be a real buyer. Consumer's loyalty and choice is the dominant goal, according to which the most significant elements of the information and communication partner model are built on verbal and non-verbal channels of information transfer, signal encryption, correction and, if possible, leveling communicative barriers that may hamper the result.

Information encryption that firms distribute by address through verbal and non-verbal channels is implemented in the format of allegations, statements encouraging appeals when it comes to verbal appeal aimed at attracting consumer attention to a specific financial product (Polyakova *et al.*, 2019). In case of non-verbal coding, visual information dissemination symbols are applied.

At the same time, non-verbal signals act as an accompaniment of verbal information and are intended to form an emotional background that has a positive effect on a potential client. The multi-sensor nature and relative independence of non-verbal information from the formation of verbal discourses implies the perception of a message by all sensory channels, that is, hearing, eyesight, smell, taste, and even tactile sensations can be involved at the same time. There is also a point of view according to which the society is inclined to "myths", preferring stories and facts, the authenticity of which can be called into question as opposed to relevant sources.

Thus, readers are more inclined to believe stories with a certain part of the negative, whether they are true or not. It is known to be dictated by mythological perception.

Traditional mechanisms and technologies of influence on consumer activity, methods of its initiation and revealing the hidden motives of financial services clients have been properly implemented in the Russian practice of the banking sector over the past decades. The competition among banking institutions discharged by the Central Bank in connection with the revocation of a license of a significant number of financial institutions, the appearance of the last crisis, begins to escalate again with each passing year. An orientation towards mass demand in the financial product sales market leads to an increase in the role of financial marketing.

Thus, contributing to the increase in consumer interest, financial marketing is aimed at obtaining quantitative and qualitative, proportionally increasing dividends focused on direct profit, but mainly aimed at the formation of a stable customer base, reasonable scientifically based market segmentation, identifying the most promising market niches for activities.

There is a variety of strategies and methods of financial marketing, but they all aim at the development of innovative products that can become a kind of base for the development of stability programs in an unstable economic environment.

Financial marketing is not only a comprehensive toolkit for managing consumer loyalty in the banking services market, but also the art of identifying promising innovative solutions that can ensure steady sales growth in the form of high volumes and the formation of highly competitive offers.

Strategies and forms of price competition consider the latest research developments, which show that more than 85% of the population in the world are already directly involved in the banking sector acting, on the one hand, as investors, and on the other hand as borrowers of funds.

Managing marketing activities within the financial sector is a kind of effective business philosophy. Therefore, it is necessary to consider not only real and potential incomes, but also cost items arising in the process of bringing the banking product to real consumers.

Thus, one of the main goals of financial marketing is market research and analysis of new segments, parts of the market, interested in traditional and innovative services. Even at the same time a subject can act as a seller and as a buyer in the financial market, as evidenced by the extensive practice of implementing a systematic approach to financial asset management.

The areas of marketing activity in the financial market imply knowledge of its laws, trends and development factors, as well as a multilateral analysis of liquidity

indicators, profitability of monetary resources, levels and degrees of risk. The study of indicators of demand, the state and trends in the development of the endogenous and exogenous environment of the financial market leads us to a reasonable opinion, in favor of analyzing certain types of demand: hidden, impulsive and stable.

Depending on the type of demand, similar enforcement actions as well as tools of advertising activity adapted to the needs of the psycho-physiological reactions of the target segments can be applied to certain groups of consumers.

Financial marketing based on forecasting the banking environment and scenario development projects is focused on stabilizing demand, which implies targeting specific, model groups. Further, in the course of marketing analysis of the market environment and the classification of demand, it is necessary to determine the target characteristics to get the highest dividends and highlight the parameters of unsatisfied demand. The above indicated three parameters should be supplemented by the parameters of demand for financial products that the buyer needs, but which are under-represented or unrepresented in the market.

Thus, development, creation and ideological implementation of innovative banking services is initiated. It should also be noted that the existing system of distribution of banking products should be adapted to the innovative demands of the market and the indicators of hidden and unmet demand. If this is not possible, additional sales channels should be organized, adapting them to zones of concentration of potential buyers.

Flexible adaptation to market demands involves the effective implementation of financial assets. Showing creative initiative, the most prominent representatives of the banking sector come to the conclusion that it is necessary to expand the range of financial services, classifying them into ordinary and privileged segments, which in fact is not an innovative solution, but at the same time, such events, endowed with innovative advertising solutions, can significantly increase sales of financial services and assets.

It should be noted that in terms of this direction it is necessary to consider a clear sequence of stages in the life cycle of a financial product. Based on the life cycle, it is needed to develop and launch new offers on the market when the demand for already existing ones has not significantly decreased. Thus, financial marketing will allow not only saving the maximum level of abstracted capital, but also increasing its turnover and, accordingly, the characteristics of cumulative income.

#### **4. Conclusions and Recommendations**

Considering the market of both financial and other products, each subject is characterized by a certain position and reputation, defining it in a specific economic, territorial aspect. From the point of view of socio-ethical marketing, organizations

bear definite responsibility to the society when performing the role of a link between the economic system and consumers. Thus, generating a desired and real image (looking at how effectively the team of professional marketers and PR-managers acts) in its vision, each organization forms an image of consumer interpretation, which is a dominant factor in choosing products and services.

At the same time, the socio-ethical image of the organization and its products may be different, but most likely even a new product presented by the company on the market will have positive characteristics due to its holistic image and brand loyalty. The modern world community is developing rapidly, and the main reason for the increased dynamics of economic growth is scientific progress, which provided opportunities for information technology to reach a new level, determining the availability of information to “all and everyone.”

At the current moment, the following credible statement can be done: a certain part of the information is contained in public and private data banks distributed throughout the world, while being even outside the user website, at a certain stage it is no longer possible to remove it from the Internet.

It should be noted that the direction of modern PR communications in business is a reliable tool for marketing technologies, creating favorable public opinion and a positive perception of a certain economic entity. At the same time, the maximum coverage implies forecasting the future development of the market situation in the financial market and establishing contact with the interested audience regardless of the time in case resources are reasonably used. Information support as part of marketing communications is characterized by the highest degree of penetration to the public consciousness, long-term relationships, brand loyalty.

But at the same time communications in the financial market as a reliable tool of marketing technologies are designed to effectively use market changes and consumer behavior. However, it should be recognized that the ideal and most effective communication and marketing tool does not exist. A certain theoretical and methodological toolkit as the content of the directions of modern interpretation of financial marketing has its advantages and disadvantages. Information support as part of marketing communications has distinct advantages, but there are also certain inaccuracies. For example, promotional activities and direct marketing can be most effective and viable for a specific target group, but they are absolutely useless in other segments.

It should be noted that to effectively integrate communication tools, significant financial resources are usually required, but the dissemination of information through the Internet and the mobilization of public relations does not require a significant amount of communication (compared to traditional tools). Measures for the information support of marketing communications in the financial market to ensure security can be presented by:

- the study of possible risks of communication and problems that may arise in the course and as a result of interaction;
- monitoring of corporate resources on the Internet;
- counteraction to hostile manipulations in the information network (considering the principle of publicity and freedom of speech);
- control over the spread of rumors and other types of informal communication;
- protection of the rights of consumers and target groups of the public;
- cooperation in the field of information and communication security with public authorities;
- monitoring staff activities.

Official data shows an increase in the number of active Internet users daily, with almost 60% of adult users accessing the network, which corresponds to approximately 68 million people. This percentage refers to the everyday manner. And the total number of adult visitors of the network is more than 90 million people, showing an annual growth by 6-8%. Moreover, in accordance with expert estimates, the share of user activity among the adult population of the country has gradually increased over the past years, and currently (2018) is 79% of Russians.

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