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GOOGLE-MARKETING OF SELECTED ONLINE SERVICES OF POLISH BANKS

Summary

In this paper the results of the survey on the Google search engine marketing of selected phrases (key-words) for basic banking products for retail customers and small and medium-sized enterprises in Poland were discussed. The research was done in November 2012, concerning seven phrases covering deposit, savings and loan services. The recent statistics (from the 1st quarter of 2010 up to 2nd quarter of 2012) for online banking in Poland, as well as for Internet marketing market were also presented. In conclusion, the recommendations for the application of Google-marketing in retail banking were formulated.

Key words: modern marketing, Internet banking, Search Engine Optimization, Search Engine Marketing

1. Introduction

In the middle of 2012, 43 commercial banks and 573 cooperative banks operated in Poland. They were operating in more than 7.3 thousand branches and nearly 6.3 thousand customer service points [PFSA data, 09/2012]. Polish banks' assets exceeded the value of 1.3 bn zlotys, with more than 91.7% of this amount was accounted for commercial banks. The importance of traditional marketing and customer support for some specified groups of banks' customers, however, gradually decreases. The recently published results of *Gemius* survey indicate that online banking is used by the vast majority of people aged 18-34 [czasnafinanse.pl, access: 20.02.2013]. This is the so-called Generation Y, for which the use of the Internet and its advantages are quite natural. In the era of widespread use of the Internet in everyday activities, the primary communication channel between bank and such group of customers is to communicate electronically. In parallel, the role of proper presentation of the offer gradually increases – not only in order to allow complete and understandable presentation, but most of all – easy findable on the network. This raises the question of how do the Polish deal with that task? The main aim of this study is to show how search engine optimization and search engine marketing are used by Polish banks for promotion of the selected on-line services. The secondary aim of the paper is to confirm the hypothesis that the smaller banks, that

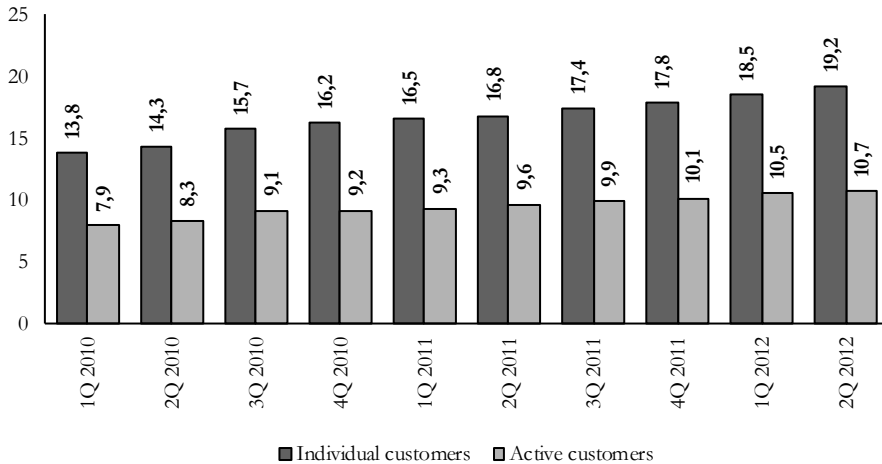
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started the so-called ‘technological race’ with some delay, are often at the forefront of market innovators today.

2. Online banking sector in Poland – the size and growth prospects

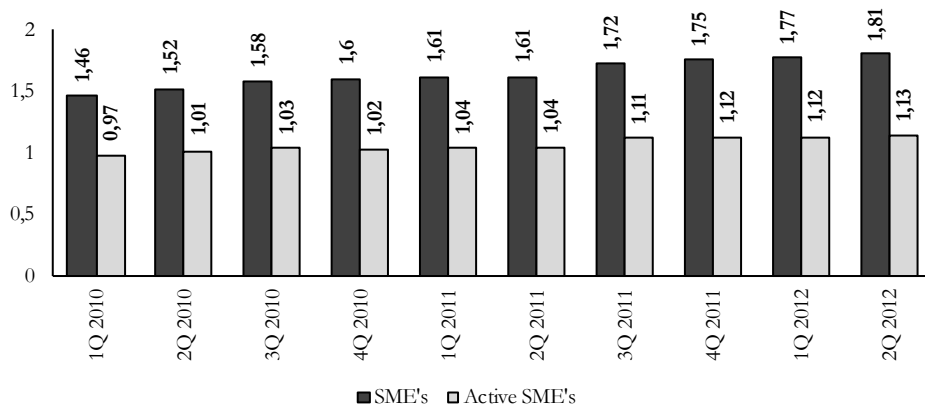
Individual customers increasingly appreciate the benefits of online banking services. Online banking primarily saves time and money and allows customers to access the services without having to visit a bank branch. Number of bank accounts with Internet access conducted by Polish commercial banks continues to increase (see Figures 1., 2.), and in the 2nd quarter of 2012 exceeded 21 million accounts. More than 90% of them (19.2 million) were owned by individual customers. Statistics show that new customers are active, and banks offering electronic transaction support agreements not only trying to improve their performance, but actually properly identify customers' needs and are able to encourage them to use services via Internet.

FIGURE 1.
Number of individuals active and having a signed contract for online banking services in Poland (1Q2010-2Q2012) (mln customers)



Source: own calculations based on: [Raport NETB@NK..., 2012a, p. 6; Raport NETB@NK..., 2012b, p. 6; Raport NETB@NK..., 2011a, p. 5].

FIGURE 2.
Number of small and medium-sized enterprises active and having a signed contract for online banking services Poland (1Q2010-2Q2012, in mln)



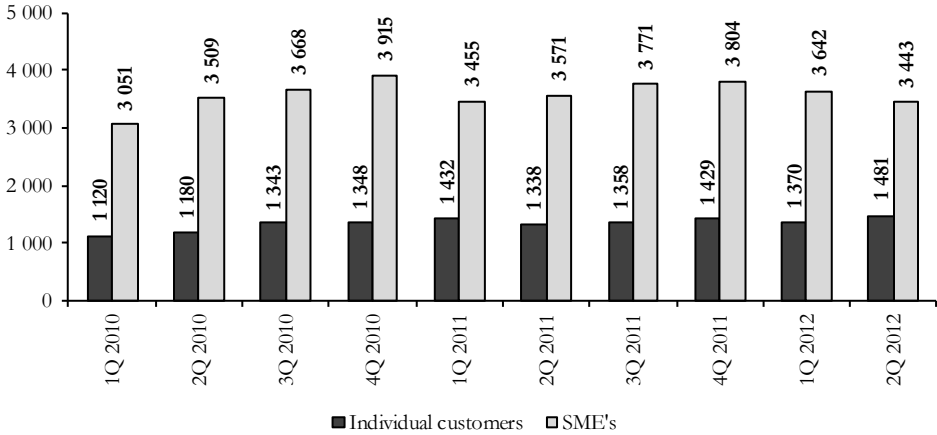
Source: own calculations based on: [Raport NETB@NK..., 2012a, p. 8; Raport NETB@NK..., 2011b, p. 8; Raport NETB@NK..., 2010, p. 8].

However, customers are still relatively not too active² when it comes to making transactions over the Internet. The activity of individual customers, which remains at about 55% during the analysed period remained relatively stable, despite the dynamic growth of the number of customers. The number of small and medium-sized enterprises (SME) that have access to online banking and the level of activity of these customers increase proportionally in a similar rate. The ratio of active SME's accounts remains constant at about 62% of the total number of accounts with online access.

The increase in the number of customers who have access to online banking and continuous increase of their activity results in growth of the average transfer's value made by single customer, and the average value of settlements (Figure 3., 4.). In the case of SMEs, these values are – when compared to generated by individual customers – many times higher. There are some seasonal effects clearly visible in the data. The steady increase in the number of customers also naturally impacts the volatility of these values. New users are less confident, at least initially. They need more time to get used to the constant use of Internet banking. In addition, apart from young people entering the market for retail banking services, there is a group of new users who for various reasons have not yet felt the need or had no knowledge how to access their account on-line. Therefore, the activity of these people is expressed naturally in lower amounts than the others.

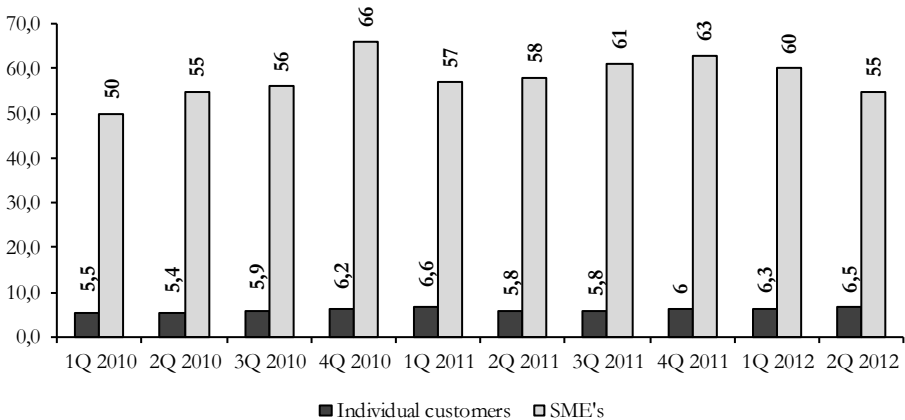
² Active customer logs in to the service at least once a month. A measure of its activity is the number of transfers carried out in the analysed period.

FIGURE 3.
The average value of transfers made by individuals and SMEs with Internet banking systems in Poland (1Q2010-2Q2012) (in PLN)



Source: own calculations based on: [Raport NETB@NK..., 2012a, p. 7; Raport NETB@NK..., 2011a, op. cit., p. 7.

FIGURE 4.
The average value of settlements made by the individual and SME customers using online banking systems in Poland (1Q2010-2Q2012) (in thousands PLN)



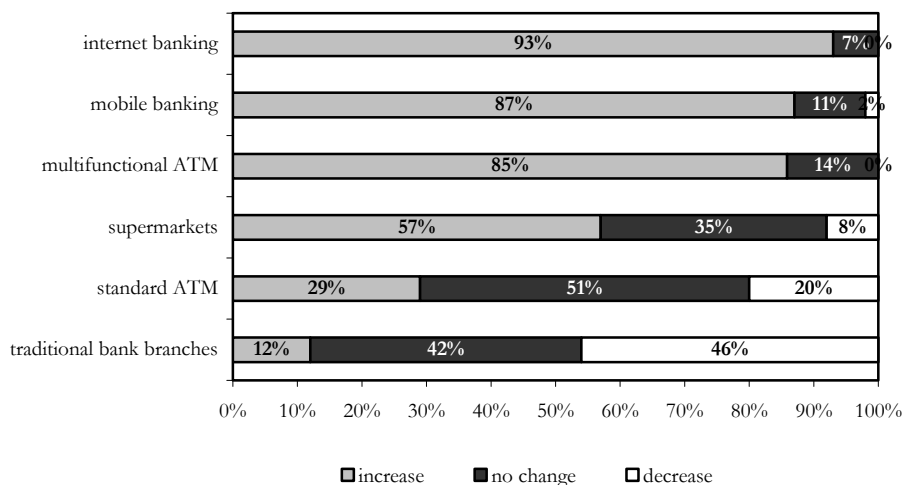
Source: own calculations based on: [Raport NETB@NK..., 2012a, p. 9; Raport NETB@NK..., 2011a, p. 9].

Despite the crisis in the international financial markets, confidence in both the SME sector and individual customers to the banks and banking sector still remains high. It is worth mentioning that the activity in the SME sector is often associated with a full, personal responsibility property. So naturally, there is the willingness to maintain control over finances by the SME's owner. An increasing number of SME customers recognize, however, that they have such a control thanks to the use of on-line banking services. Therefore, access to online banking is a natural component of the business, especially for small and medium-sized enterprises, where the owner is also often an active customer of these services.

Most experts assessing the prospects for banking sector shares the opinion that the importance of Internet banking, mobile and self-service banking will continue to grow in the next 5 years (Figure 5). On the other hand, the role of traditional bank branches and single-function ATMs will, according to the experts, rather decrease. These statements seem to be fully justified, taking into account the broadening Internet access. According to the forecasts of the Ministry of Administration and Digitization, in 2012 there was about 2/3 of the population with Internet access in Poland, and more than 90% of the companies [Społeczeństwo informacyjne..., pp. 13-29]. The development of mobile devices and the development of infrastructure providing access to broadband Internet services can have a significant impact to the on-line banking sector. Undoubtedly, the work carried out by banks to improve IT systems and to build customer-friendly applications, easily understandable by individuals and SME's are also an important aspect.

FIGURE 5.

Possible changes in the use of different banking services distribution channels in the 5-year perspective



Source: own calculations based on: [Monitor Banków Polskich..., 2012, p. 6].

According to a comprehensive study on small and medium-sized companies habits connected with banking services, carried out by CBM INDICATOR and The Warsaw Banking Institute in early 2012 [*Male firmy...*, 2012; *Średnie firmy*, 2012], the Internet was the basic channel of contact with the bank to nearly 90% of micro and small enterprises and 95% of medium-sized companies. What's more, entrepreneurs agree that, ahead of factors such as the amount of commissions and fees or range and speed of offered settlements, the possibility of on-line access to the services is the primary determining factor when choosing a bank.

What is more important, the Internet is a leading source of information on banking products and services for more than 40% of small business owners and for 44.4% of medium-sized companies. They are not only looking for information, when needed, but also regularly visit a banking websites in the network. According to that study, until the last year, a visit to a branch of the bank was the primary source of information about the offer. Today, this form of benefit is still important for medium-sized companies. However, in the case of small businesses, the owners of small enterprises prefer to visit a website, rather than going to bank branch or count on friend's opinions.

For the vast majority of Internet users, the Google search engine is a natural "gateway" to the world wide web resources [Fox, 2012, pp. 1-24]³. Therefore, the efficient search engine optimization of Internet banks' offer should become an integral component of their marketing strategy.

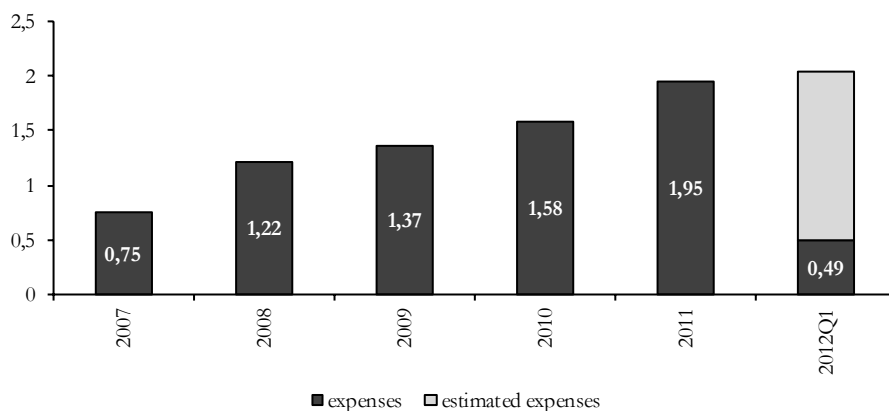
3. Search Engine Marketing and Search Engine Optimization as tools of a modern marketing

The on-line advertising market in Poland is growing rapidly. The latest AdEx data (estimates of the *Interactive Agency Bureau* and *PwC Poland*), published in the second half of 2012, show that the first three months of 2012 years have brought the sector growth of just over 9 per cent on an annual basis (Figure 6). This gives the Polish advertising market 11th place among European economies (taking into account the value of advertising), while 6th in terms of growth of this market.

³ According to the recent studies [Fox, 2012, pp. 1], about 92 percent of Americans use search engines and nearly 60 percent do it every day. In Poland, according to NetTrack survey, made continuously by MillwardBrown SMG/KRC, 61.2% of Internet users recognize Google as the most popular website, and about 90.4% of them regularly used Google [<http://www.wirtualnemedi.pl/artukul/450-tys-polskich-internautow-wiecej-niz-przed-rokiem-58-proc-z-5-letnim-stazem>], access: 2012.12.22].

FIGURE 6.

Online advertising expenses in Poland (2007-1Q2012)



Source: own calculations based on: [Reklama w Internecie..., 2012, p. 7].

Among the companies that spend most on on-line marketing of their businesses there are companies from the automotive sector (over 16% of total spending) and finance and banking (almost 1/8 of the market share, Table 1).

TABLE 1.

The structure of spending on online advertising in Poland (2012) by sectors of the economy

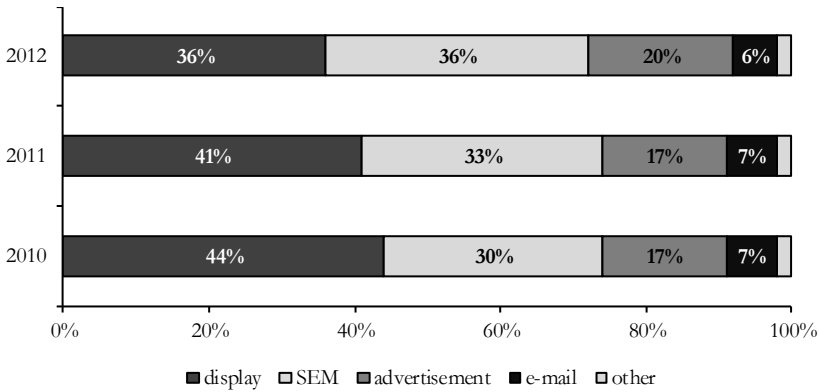
Sektor	Market share
Automotive	16.4%
Finance and banking	12.4%
Telecommunication	9.7%
Trade	9.3%
Real estate	9.3%
Media, books, CD, DVD	6.8%
Free time	6.1%
Health and care	5.2%
Food	4.9%
Tourism	3.5%
Other	16.4%

Source: own calculations based on: [Reklama w Internecie..., 2012, p. 7].

At the same time, some significant changes in the structure of expenditures should be noticed, when various forms (types) of on-line marketing are concerned. The previously unquestionable leader, which for several years was a display advertising (banners, billboards, etc.) begins to give way to Search Engine Marketing, i.e. advertisements associated with the search results. This is in line with forecasts of advertising industry experts, who were predicting that more and more marketing budgets will be spent on SEM.

FIGURE 7.

The structure of Internet marketing expenses in Poland (2010-2012) by the type of advertising



Source: own calculations based on: [Reklama w Internecie..., 2012, p. 7].

The term SEM (Search Engine Marketing) is generally understood as promotional activities (sponsored links campaigns, and web optimization) that aim to achieve the best position in the search results for the selected word / keyword phrases typed by the user in the query to the search engine (eg. Google) [Lantz, 2009, pp. 146-148]. Search Engine Marketing is the wider discipline that incorporates Search Engine Optimization. SEM includes both paid search results (generated by tools like Google AdWords) and organic search results (SEO) [Ledford, 2009, pp. 18-23].

SEO is an important part of wider internet marketing. Search Engine Optimization (also known as positioning) are all the activities leading to the achievement the top position in the *organic* search engine results for specific key-words or phrases by the website (resulting from the construction of the website and its content payload). Search Engine Optimization is based on the well-known elements of the search algorithm, constantly exploring new algorithms and verifying the existing ones.

Search Engine Optimization is a long-term process, and sometimes the first results of SEO are visible after a few weeks or months. The largest disadvantage of SEO is the lack of clear standards on the Google search and indexing algorithm, which causes a number of ambiguities in the subject of permitted and effective practices.

The leading search engine, that is Google, use crawler (Googlebot) to find websites for its algorithmic search results. Googlebot processes each of the pages it crawls in order to compile a massive index of all the words it sees and their location on each page. In addition, Google process information included in key content tags and attributes, eg. title tags and ALT⁴ attributes. When a user enters a query, Google searches the index for matching web-pages and returns the results that are the most relevant to the user.

⁴ The alt attribute provides alternative information for an image if a user for some reason cannot view it (because of slow connection, an error in the source (src) attribute, etc.) [http://www.w3schools.com/tags/att_img_alt.asp, access: 21.03.2013].

Relevancy is determined by over 200 factors, one of which is the the measure of the importance of a page based on the incoming links from other pages (PageRank) [support.google.com; Access: 2012.11.10].

The Search Engine Optimization of the web-site can be divided into activities related to the modification of the content on the site (in terms of phrases, which intends to lead the campaign), and the code changes, which do not have direct impact on the appearance of the service [Bailyn, Bailyn, 2012, s. 31-52].

The optimization of content includes, among other things:

- matching the title-tag to the of the page,
- placement, arrangement or creation of the keywords in the existing text content (SEO copywriting),
- selection of adequate headlines,
- appropriate arrangement of menu content and the other elements comprising the internal linking of the service,
- setting alternative texts for graphics and other objects that can't be properly recognized by crawlers (eg. Flash).

There are also some actions that are largely invisible to the average website user, but are equally important. These are mainly efforts to clean up the code and structure of the website that have an impact on its classification and indexing in search engines. Among other things there should be mentioned:

- adaptation to the standards of the W3C⁵,
- separation of the document logical structure layer from the presentation layer (eg. through the use of CSS⁶),
- improvement of page load time,
- use clean and search engine friendly URLs,
- provide an alternative version of the webpage for browsers not supporting for Flash technology (including the internet search engine crawlers).

Regardless of all the above methods, it is also possible to purchase paid search engine advertising campaigns, resulting in an indication of a hyperlink to the advertiser's web-site in the group of sponsored links located above the organic search results. Most Internet users aware of these indications, ignores them and goes to one of the web-sites appearing on the first or – less often – the following pages of the search. What's more, blocking annoying advertisements by the web browser (including sponsored links) is relatively easy using software such as AdBlock. However, this software does not affect the structure of the organic search results. That is why, website owners should pay particular attention to the quality of Search Engine Optimization of their websites. This statement particularly applies to bank websites, that, according to many researches, are one of the most important sources of information about banks' offer for more and more customers [Matuszewski, 2008, p. 15; *Finanse i plany finansowe...*, 2013].

⁵ The World Wide Web Consortium (W3C) is an international community responsible for the development of WWW standards, [http://www.w3.org/standards/, access: 21.03.2013].

⁶ CSS – Cascading Style Sheets Defie define how to display Web-site's HTML elements [http://www.w3schools.com/css/css_intro.asp, access: 21.03.2013].

4. Google-positioning of selected Polish banking products

In this paper we present the results of the survey on the Google search engine marketing of selected phrases (keywords) for basic banking products for retail customers and small and medium-sized enterprises in Poland. There were seven keywords (key phrases) selected to the comparison, ie.: transfer, bank deposit, bank account, savings account, bank loan, mortgage, cash loan. Such a keywords selection was made on the assumption that the positioning of these terms in the search results of Google search engine should naturally be in the interest of the specialists on the marketing of banks.

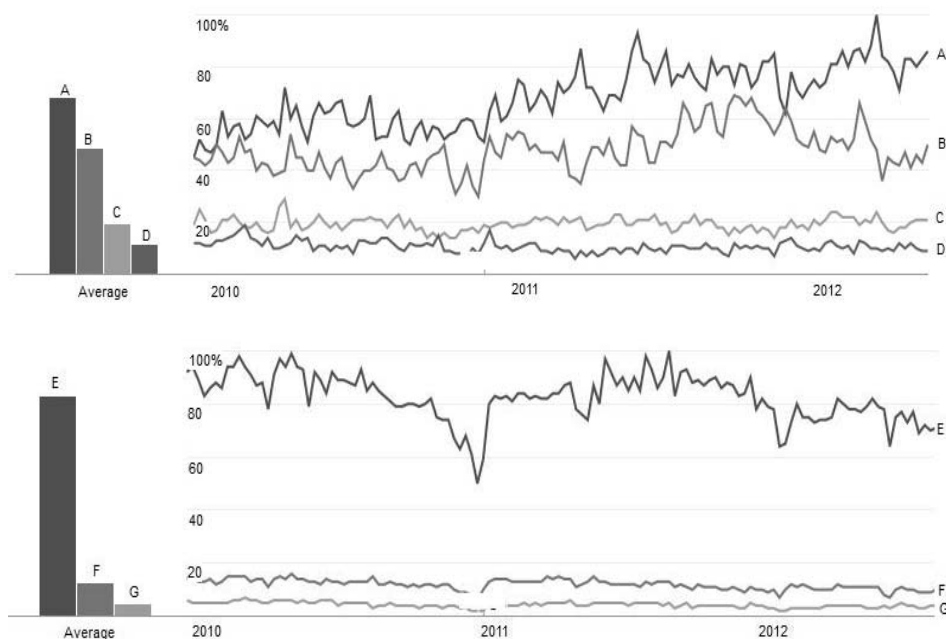
The Google Trends tool was used to assess the popularity of searches of the selected phrases in Google. The queries were territorially limited to Poland only. The analysis covered period from the beginning of 2010 to the end of June 2012.

According to the research mentioned above, in the first group, covering deposit and savings phrases, the biggest (and steadily increasing) popularity among the specified queries attracted keyword *transfer*. Google users were also frequently searching for information on deposits (although from the beginning of 2012 there can be seen a slow decline in interest in that phrase). Information about bank accounts and savings accounts was searched much less frequently. The most popular phrase among the loan products was *bank loan*. Mortgage and the cash loan were queried several times rarely. This is naturally due to the narrowing of the query. However, the decreasing number of queries can be observed for all terms from the second group of key phrases. The main reasons of such state are probably the general market conditions. There is an overall quality of positioning of the selected phrases in Google at the beginning of November 2012 shown in Table 2.

In accordance with the results of the study, it can be concluded that marketing strategies based on modern communication channels are much more often used by rather small banks, or banking sector start-ups. On the first page of organic search results, among all the banks with Internet offer, usually appear *BZ WBK* (5 phrases), *Bank Poczty* (3 phrases) and *Santander Consumer Bank* (2 phrases). What is interesting, the offer of a significantly lower institution, that is *Kasa Stefczyka*, is relatively well-positioned when compared to the others. Taking into account the first and the second page of search results (20 items), the most visible is the offer of *BZ WBK* (7 results), *Bank Poczty* (6 results), and *Bank Millennium* (4 results). In this ranking surprisingly weak positions are occupied by banks that take the longest experience in the Internet: *mBank* (3 indications, including one on the first page of the search) and *Inteligo* (3 indications, including one on the first page of the search). Similar results are achieved by banks operating in the market much shorter, but at the same time much more focused on the use of on-line services like *Alior Bank* or *Credit Agricole*.

When the number of personal accounts held in commercial banks in Poland is concerned, among the top 5 market players (running about 60% of all accounts [Boczoń, 2012]) the offer of *BZ WBK* was the most present in the organic search engine results by far. *PKO BP*, *mBank* and *ING* were much worse in that ranking. In addition, the offer of *PEKAO SA* – the second largest bank serving retail customers, was not present on the first either on the second page of search results.

FIGURE 8.
Popularity of the Google search of selected phrases in Poland (1Q2010-2Q2012)



- A – przelew (transfer)
- B – lokata (bank deposit)
- C – konto bankowe (bank account)
- D – konto oszczędnościowe (savings account)
- E – kredyt (bank loan)
- F – kredyt hipoteczny (mortgage)
- G – kredyt gotówkowy (cash loan)

Source: own calculation based on: [<http://www.google.com/trends/explore>, access: 2012.11.01-2012.11.10].

The analysis of paid search results leads to a little different conclusions. The first position in this ranking is held by the unquestionable leader in the number of individual bank accounts in Poland – *PKO BP*. The offer is assigned to 4 out of 7 analysed phrases. All but two banks (*Polbank* and *Ideabank*) that belong to the group of advertisers were also present in the organic search results, but often on distant positions (such as the Internet only *BGŻ Optima*).

TABLE 2.

Google-positioning of the banks in Poland by the selected phrases

Key word (phrase)	Organic results				Paid results	
	1st page		2nd page		Bank	Position
	Bank	Position	Bank	Position		
<i>przelew</i> (transfer)	BPH	9	Alior Bank mBank Inteligo CitiBank	13 15 18 19	-	-
<i>lokata</i> (bank deposit)	BZ WBK Kasa Stefczyka Noble Bank PKO BP Santander Consumer	3 4 6 7 8	Deutsche Bank Getin Bank Meritum Bank Bank Pocztowy Reiffeisen Bank BGŻ Optima	11 12, 13 14 16 18 20	Ideabank Noble Bank	2 3
<i>konto</i> <i>bankowe</i> (bank account)	Inteligo mBank Nordea BZ WBK	3 4 5 9	Bank Millennium Credit Agricole Bank Pocztowy	17 19 20	Credit Agricole PKO BP BZ WBK	1 2 3
<i>konto</i> <i>oszczęd-</i> <i>nościowe</i> (savings account)	Bank Millennium BZ WBK Alior Bank Deutsche Bank Bank Pocztowy Meritum Bank	4 5 6 7 9 10	Reiffeisen Bank Toyota Bank Kredyt Bank PKO BP ING Inteligo mBank	13 14 15 16 17 18 20	PKO BP BGŻ Optima Ideabank	1 2 3
<i>kredyt</i> (bank loan)	Kredyt Bank BZ WBK Kasa Stefczyka Getin Bank Eurobank Bank Pocztowy	2 4 5 7 8 10	Millennium Bank Bank Pocztowy Credit Agricole BZ WBK Alior Bank	11 13 14 17 20	PKO BP Alior Bank	2 3
<i>kredyt</i> hipoteczny (mortgage)	-	-	Nordea Bank Millennium BZ WBK	13 14 15, 16	Getin Bank	3
<i>kredyt</i> <i>gotówkowy</i> (cash loan)	BZ WBK Credit Agricole Bank Pocztowy Santander Consumer	5 8 9 10	Bank Millennium Deutsche Bank	12 17	PKO BP Polbank Deutsche Bank	1 2 3

Source: own calculation, research period: 1-10.11.2012.

5. Conclusions

The results of desk research presented in that paper, concerning development trends of the online banking sector in Poland lead to the conclusion that the Internet is becoming one of the most important communication channel with customers. This applies both to issues related to the actual delivering of services (such as access to a bank

account, making transfers, etc.), but also – and above all – issues concerning the presentation of the bank's offer. The Internet, for the vast part of the customers, is a fundamental and natural source of information about banking products. Therefore, banks should take the utmost care of marketing communication in the network. Therefore, it seems that Search Engine Optimization of websites should be an integral part of the banks' marketing strategy. For the most of Internet users Google is an essential tool used for searching for information. Thus, the presence of the bank in the organic search results based on the selected keywords may decide to offer customers an effective presentation. As it was shown by the results of the study, the best in that task are relatively small banks, operating in the market for rather a short period of time. Much worse position is shared by the biggest, traditional banks, that are focused primarily on paid campaigns.

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