

## **BANK ADVERTISING AND ITS IMPACT ON FINANCIAL INCLUSION: BRIDGING THE GAP IN ACCESS TO FINANCIAL SERVICES IN INDIAN CONTEST**

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### **Abstract**

In India, where a sizable portion of the populace still lacks access to official financial services, especially in rural and underserved areas, financial inclusion is still an important objective. This study looks at how bank advertising helps different Indian population segments become more aware of, trusting of, and able to use banking services, therefore boosting financial inclusion. This study investigates the ways in which banks' targeted advertising campaigns—particularly those that make use of digital and mass media platforms—have helped close the financial gap by reaching underbanked and unbanked populations. Focusing on India's financial landscape, the paper analyzes the effectiveness of bank advertising in increasing awareness about essential financial products such as savings accounts, credit, insurance, and digital payment systems. It highlights successful campaigns, such as those launched under government schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY), which utilized multimedia channels to promote financial literacy and encourage participation in the formal banking system. The research delves into the difficulties banks encounter in surmounting ingrained hurdles related to culture, education, and infrastructure. This research indicates that bank advertising that is strategic, regional, and culturally sensitive has had a major impact on financial inclusion in India through both qualitative and quantitative analysis. The study comes to the conclusion that, although advertising is important, it needs to be supported by grassroots efforts, legislative support, and cutting-edge financial solutions designed with low-income and rural communities' needs in mind. Banks can boost economic empowerment and close the financial gap in India by fusing advertising with inclusive financial practices.

**Keywords:** *Financial Inclusion, Bank Advertising, Digital Financial Services, Financial Literacy, Rural Banking, Financial Awareness Campaigns*

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### **INTRODUCTION**

Especially in emerging nations like India, financial inclusion is a key factor in promoting economic expansion and reducing poverty. The goal of financial inclusion is to make financial products and services acceptable, reasonable, and accessible to everyone, particularly to those who are marginalised or live in underserved or rural areas. In India, a sizable section of the populace is still not covered by the official financial system, despite several attempts by the public and commercial sectors. Economic growth is impeded by this exclusion, which also limits access to essential financial services including digital payment systems, credit, insurance, and savings accounts.

Lack of knowledge and comprehension of financial products and services is one of the main obstacles to financial inclusion in India. Due to their limited exposure to or comprehension of the advantages these services provide, people in rural areas, those with low incomes, and those with poor literacy levels frequently harbour mistrust towards traditional banking organisations. Access is further hampered by cultural norms and poor infrastructure, which makes it challenging for residents of rural areas to get in touch with traditional financial institutions. Finding practical solutions to close this gap and integrate these marginalised groups into the official financial system is crucial in light of these obstacles.

Given this, bank advertising becomes an essential instrument for advancing financial inclusion. When carefully planned and culturally appropriate, advertising may be a powerful tool for raising awareness, fostering confidence, and promoting the use of official financial services. Banks can reach and inform a large audience about the advantages of financial products by utilising mass media outlets like print, radio, television, and increasingly digital and social media platforms. Advertising initiatives aimed primarily at underbanked and unbanked groups in India have played a significant role in boosting the use of banking services.

Through advertising efforts, the Indian government has also started a number of programs to improve accessibility and financial literacy in partnership with financial institutions. The Pradhan Mantri Jan Dhan Yojana (PMJDY), which sought to give every household a bank account, is notable among these. In order to increase awareness of the advantages of having a bank account and engaging in the formal economy, this strategy has been bolstered by substantial multimedia advertising initiatives, such as digital material, street plays, and regional language campaigns. By addressing linguistic and cultural hurdles, these programs have helped individuals in various places relate to and comprehend financial concepts.

Advertising does have several drawbacks, even if it can greatly increase financial inclusion and awareness. Promotional operations alone are insufficient to reach rural places, overcome linguistic barriers, and address deeply rooted cultural views towards banking. Advertising needs to be combined with grassroots initiatives that include financial literacy courses, community involvement, and partnerships with neighbourhood groups that have the power to influence and foster trust in local communities. Additionally, in order to establish a supportive environment where banking infrastructure is available and financial

products are tailored to the unique requirements of low-income and rural people, legislative and governmental assistance is required.

With an emphasis on the influence of focused advertisements in raising knowledge and utilisation of financial services, this study investigates the efficacy of bank advertising in advancing financial inclusion in India. It examines the methods banks use to connect with various demographic groups, how government programs aid in these endeavours, and the difficulties in putting advertising campaigns into action in a country as diverse and complicated as India. This study illustrates the benefits and drawbacks of bank advertising in closing the financial gap using both qualitative and quantitative analysis, and it offers suggestions for enhancing these initiatives.

The study concludes that although advertising is an effective instrument for advancing financial inclusion, its effects are greatest when combined with community-driven initiatives, supportive laws, and creative financial solutions that address the particular requirements of India's heterogeneous populace. Banks can greatly increase economic empowerment, close the financial gap, and establish a more accessible and fair financial system in India by combining advertising with inclusive financial practices.

## **RESEARCH OBJECTIVE**

Understanding bank advertising influences awareness and usage of banking services among different segments of the Indian population.

Analyse the effectiveness of targeted advertising campaigns by banks, in promoting financial inclusion.

Evaluate the impact of bank advertising on increasing awareness and understanding of essential financial products.

Identify the cultural, educational, and infrastructural barriers that banks face in

promoting financial services in rural and underserved areas

## LITERATURE REVIEW

Recent studies indicate that because a sizable section of the Indian population still lacks access to formal financial services, particularly in rural and remote areas, researchers and policymakers have been concentrating more on the role of bank advertising and digital outreach in promoting financial inclusion (Ramakrishnan & Joshi, 2023). Gupta & Desai's latest research indicates that digital advertising is altering the financial inclusion landscape in India (2023). Verma et al. (2022) found that targeted digital advertising has been effective, especially when banks collaborate with tech firms to offer innovative solutions that are appropriate for rural and low-income areas.

A study by Shah & Nair (2023) found that ads created under government initiatives like the Pradhan Mantri Jan Dhan Yojana (PMJDY) are nevertheless significantly impacted by regional content. In order to build trust and encourage participation in the official banking sector, advertising have successfully used regional languages, culturally appropriate symbols, and community leaders as spokespersons.

Despite the fact that digital platforms have expanded outreach, Singh & Patel's research indicates that the digital divide remains a significant challenge, especially in remote and rural areas with limited internet connection (2023). According to a study by Kumar & Rao (2023), many rural people still have a mistrust of formal financial institutions because they are unaware of the benefits of banking services or because they had a negative experience in the past. To get over this suspicion, it will require persistent marketing campaigns and the integration of grassroots initiatives to establish confidence. Grassroots projects incorporating local influencers, civic leaders, and microfinance groups have showed promise

because they engage directly with communities and provide in-person support and education.

Legislative frameworks like the PMJDY and the Digital India project provide a positive environment for expanding access to financial services, but for best results, effective advertising strategies must be consistent with these regulations (Ramakrishnan & Joshi, 2023). A 2022 study by Kaur & Mehta found that when local non-governmental organisations (NGOs) and community organisations collaborate with banks on promotional efforts, the success rate of financial inclusion programs increases significantly. These grassroots efforts help build lasting relationships with communities while also tackling cultural and informational issues that cannot be addressed by digital or mass media campaigns alone.

Aggarwal & Sen (2023) argue that while advertising can inform and motivate people to open bank accounts or use digital payment systems, it must be used in conjunction with comprehensive financial education initiatives to ensure long-term engagement. Research by Tripathi & Gupta (2023) indicates that when financial literacy programs are paired with advertising campaigns, rural populations are more likely to keep and use banking services.

## METHODOLOGY

Using an explanatory sequential design, the study first gathers and analyses quantitative data before conducting qualitative research to gain a deeper understanding. This approach provides a comprehensive understanding of the effectiveness of bank advertising while examining points of view. During the quantitative phase, 150 respondents from rural, semi-urban, and urban areas of India will take part in a structured survey out of which 132 are perfectly filled and considered for analysis. The poll, which is directed at those who have seen bank ads, enquires about their level of knowledge, trust, and usage of banking

products and services. A stratified random sample ensures socioeconomic, linguistic, and regional representation. The poll uses a Likert scale for closed-ended questions to measure awareness, trust, and usage—as well as the

effectiveness of advertising mediums like print, digital, radio, and television. Analysis of the data will be done using Jamovi software.

## ANALYSIS (RESULTS)

**Table 1.**

	Level	Count	Total	Proportion	p
Gender	Female	64	132	0.485	0.794
	Male	68	132	0.515	0.794
Educational Background	Postgraduate degree	88	132	0.667	< .001
	Primary education	4	132	0.030	< .001
	Undergraduate degree	40	132	0.303	< .001
Are you aware of the banking services offered by your local bank?	No	20	132	0.152	< .001
	Yes	112	132	0.848	< .001
How often do you notice bank advertisements?	Frequently	44	132	0.333	< .001
	Occasionally	56	132	0.424	0.098
	Rarely	18	132	0.136	< .001
	Very Frequently	14	132	0.106	< .001

### Interpretation

The proportions of male (51.5%) and female (48.5%) respondents are nearly equal, indicating a balanced representation by gender. In terms of educational background, the majority of respondents (66.7%) have a postgraduate degree, indicating a predominantly educated sample. The p-values (<0.001) for all educational categories. Regarding awareness of banking services, a

large majority (84.8%) of respondents are aware of the services offered by their local banks. The p-value (<0.001) indicates this awareness level is statistically significant, showing that most respondents possess knowledge of local banking services. When it comes to the frequency of noticing bank advertisements, the most common response is "Occasionally" (42.4%), followed by "Frequently" (33.3%).

**Table 2.**

	Level	Count	Total	Proportion	p
What sources do you use to learn about banking services?	Bank advertisements (TV, radio, print)	20	132	0.152	< .001
	Community outreach	12	132	0.091	< .001
	Other	4	132	0.030	< .001
	Social media	84	132	0.636	0.002
	Word of mouth	12	132	0.091	< .001
Have you used any banking services in the past year?	No	18	132	0.136	< .001
	Yes	114	132	0.864	< .001
If yes, which services have you used?	Digital payment services (e.g., UPI, wallets)	50	132	0.379	0.007
	Insurance	2	132	0.015	< .001
	Loans (personal, home, etc.)	2	132	0.015	< .001
	Other	12	132	0.091	< .001
	Savings account	66	132	0.500	1.000

### Interpretation

The data reveals that social media is the most significant source of information about banking services, with (63.6%) of respondents relying on it. The p-value (0.002) confirms this as statistically significant. In terms of banking service usage in the past year, a substantial (86.4%) of respondents reported using banking services, showing a high level of engagement.

This finding is statistically significant with a p-value (<0.001). Among the types of services used, savings accounts are the most common, with (50%) of respondents utilizing them. The p-value (1.000) suggests that this is an expected result. Digital payment services (e.g., UPI, wallets) were used by (37.9%) of respondents, which is significant (p-value = 0.007).

**Table 3.**

	Level	Count	Total	Proportion	p
How effective do you believe bank advertising is in promoting financial inclusion?	Effective	74	132	0.561	0.191
	Not effective	2	132	0.015	< .001
	Not sure	6	132	0.045	< .001

**Table 3.**

	Level	Count	Total	Proportion	p
	Somewhat effective	32	132	0.242	< .001
	Very effective	18	132	0.136	< .001
Have you ever taken action (e.g., opened an account, inquired about services) after seeing a bank advertisement?	No	42	132	0.318	< .001
	Yes	90	132	0.682	< .001
Which advertising platforms do you find most effective for banking services?	Other	2	132	0.015	< .001
	Print media (newspapers, magazines)	18	132	0.136	< .001
	Radio	6	132	0.045	< .001
	Social media	84	132	0.636	0.002
	Television	22	132	0.167	< .001

### Interpretation

The data indicates that a majority of respondents (56.1%) believe that bank advertising is effective in promoting financial inclusion, though the p-value (0.191) suggests this finding is not statistically significant. A smaller proportion of respondents find bank advertising "somewhat effective" (24.2%) or "very effective" (13.6%), both categories showing statistically significant p-values (<0.001). Regarding whether respondents have

taken action after seeing a bank advertisement, (68.2%) have, while (31.8%) have not, both statistically significant with p-values (<0.001), indicating that bank advertising has a tangible impact on financial behaviour for a majority. In terms of the most effective advertising platforms, social media stands out as the most influential, with (63.6%) of respondents favouring it, supported by a statistically significant p-value (0.002).

**Table 4.**

	Level	Count	Total	Proportion	p
How would you rate your understanding of the following financial products? (Rate on a scale of 1 to 5) [Savings accounts]	Excellent understanding	36	132	0.273	< .001

**Table 4.**

	Level	Count	Total	Proportion	p
	Good understanding	34	132	0.258	< .001
	Limited understanding	36	132	0.273	< .001
	Moderate understanding	16	132	0.121	< .001
	No understanding	10	132	0.076	< .001
How would you rate your understanding of the following financial products? (Rate on a scale of 1 to 5) [Loans]	Excellent understanding	12	132	0.091	< .001
	Good understanding	24	132	0.182	< .001
	Limited understanding	42	132	0.318	< .001
	Moderate understanding	18	132	0.136	< .001
	No understanding	36	132	0.273	< .001
How would you rate your understanding of the following financial products? (Rate on a scale of 1 to 5) [Insurance]	Excellent understanding	14	132	0.106	< .001
	Good understanding	14	132	0.106	< .001
	Limited understanding	54	132	0.409	0.045
	Moderate understanding	18	132	0.136	< .001
	No understanding	32	132	0.242	< .001
How would you rate your understanding of the following financial products? (Rate on a scale of 1 to 5) [Digital payment systems]	Excellent understanding	42	132	0.318	< .001



**Table 4.**

	Level	Count	Total	Proportion	p
	Good understanding	34	132	0.258	< .001
	Limited understanding	34	132	0.258	< .001
	Moderate understanding	8	132	0.061	< .001
	No understanding	14	132	0.106	< .001

**Interpretation:**

The data reflects varying levels of understanding among respondents regarding different financial products. For savings accounts, respondents exhibit either an "excellent" or "limited" understanding, each accounting for (27.3%) of the sample, all these findings are statistically significant ( $p < 0.001$ ), indicating that while some have a strong grasp of savings accounts, a substantial portion of respondents still have limited knowledge. When it comes to loans, the majority show a "limited understanding" (31.8%), These statistically significant results ( $p < 0.001$ ) suggest that loans

are less well understood compared to savings accounts.

For insurance, the most common response is "limited understanding" (40.9%), except for the "limited understanding" category ( $p = 0.045$ ), indicating that knowledge about insurance products remains generally low. Regarding digital payment systems, (31.8%) report an "excellent understanding," and (25.8%) have a "good understanding." These findings are statistically significant ( $p < 0.001$ ), showing that digital payment systems are generally better understood compared to other financial products.

**Table 5.**

	Level	Count	Total	Proportion	p
Do you feel that bank advertising has improved your understanding of these financial products?	Maybe	68	132	0.515	0.794
	No	2	132	0.015	< .001
	Yes	62	132	0.470	0.543
What barriers do you believe prevent people in your community from accessing banking services?	Cultural beliefs	16	132	0.121	< .001
	Educational barriers	40	132	0.303	< .001



**Table 5.**

	Level	Count	Total	Proportion	p
How can banks improve their advertising to overcome these barriers?	Infrastructural issues (e.g., no bank branches nearby)	10	132	0.076	< .001
	Lack of awareness	30	132	0.227	< .001
	Lack of trust in banks	20	132	0.152	< .001
	Other	16	132	0.121	< .001
	Highlight real-life success stories and testimonials to build trust.	14	132	0.106	< .001
	Leverage digital and social media platforms to reach a wider audience.	30	132	0.227	< .001
	Offer educational campaigns and workshops alongside advertisements.	10	132	0.076	< .001
	Provide localized and culturally relevant advertising content.	10	132	0.076	< .001
	Use simple and clear language to explain financial products and services.	68	132	0.515	0.794

### **Interpretation:**

The responses regarding the impact of bank advertising on understanding financial products reveal a mixed perception among respondents. A majority (51.5%) are unsure, responding with "Maybe," while (47%) believe that advertising has improved. The high p-values for both "Maybe" (0.794) indicate that these perceptions are not statistically significant. When exploring barriers that prevent community members from accessing banking services, educational barriers emerged as the most significant issue, with (30.3%) of respondents identifying it as a primary obstacle ( $p < 0.001$ ). All identified

barriers have statistically significant p-values, emphasizing their relevance in hindering financial inclusion.

To address these barriers, respondents suggest several strategies for improving bank advertising. A substantial proportion (51.5%) advocate for using simple and clear language to explain financial products and services, highlighting the importance of accessibility in communication. Overall, the findings suggest that while bank advertising plays a role, significant barriers remain, and improving communication strategies could enhance understanding and access to banking services.

**Table 6.**

	Level	Count	Total	Proportion	p
Do you think financial literacy programs are essential for increasing awareness of banking services in your community?	No	12	132	0.091	< .001
	Not sure	24	132	0.182	< .001
	Yes	96	132	0.727	< .001
What types of community outreach initiatives would you find beneficial for promoting banking services?	Community events and sponsorships to engage local residents	30	132	0.227	< .001
	Financial literacy workshops for adults and students	48	132	0.364	0.002
	Mobile banking units in underserved areas	20	132	0.152	< .001
	Partnerships with local schools and organizations for educational programs	12	132	0.091	< .001
	Small business support programs and mentoring sessions	22	132	0.167	< .001

### **Interpretation:**

The findings regarding the necessity of financial literacy programs reveal that a substantial majority of respondents (72.7%) believe such programs are essential for increasing awareness, with a highly significant p-value (<0.001) supporting this perspective. When asked about beneficial community outreach initiatives to promote banking services, (36.4%) of respondents favoured financial literacy workshops for adults and students, underscoring the demand for structured educational opportunities. Community events and sponsorships to engage

local residents also received support from (22.7%) of participants.

### **CONCLUSION**

The study highlights that financial literacy and effective bank advertising play crucial roles in enhancing financial inclusion in communities. A balanced gender representation and a high level of education among respondents indicate a well-informed participant base, which is crucial for understanding financial services. The respondents' awareness of local banking possibilities suggests a solid foundation of knowledge. However, differences in understanding of different financial products

point to areas that require improvement. Social media is the primary source of information about banking services, thus banks need to leverage digital platforms more effectively because traditional channels like television and print have less of an impact. A high degree of interest in financial products is indicated by significant use of banking services, especially digital payments and savings accounts.

Divergent views on the effectiveness of bank advertising suggest that, despite the belief of some respondents that it enhances their understanding, uncertainty persists. This highlights the need for more efficient communication strategies in accordance with community needs. Educational obstacles are believed to be a major obstacle to financial inclusion, which highlights the necessity of targeted financial literacy programs. In order to increase awareness and understanding of banking services, the overwhelming majority of respondents are in favour of financial literacy initiatives, particularly workshops. The overall results of the study demonstrate how increasing financial literacy through effective digital advertising and community involvement may significantly raise public awareness, which will ultimately lead to greater financial inclusion and empowerment. To establish a more egalitarian financial environment, these obstacles need to be removed.

### **Limitations**

Language obstacles, the difficulty of reaching distant people, and the difficulty of capturing the entire range of financial actions influenced by advertising are just a few of the potential drawbacks that the study admits. To address this, a multicultural team of local data collectors and interpreters are used in the study to guarantee cultural accuracy and accessibility.

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