AUGMENTED MARKETING COMMUNICATIONS: AR-BASED MARKETING IN THE BANKING WORLD

Tito Wira Eka Suryawijaya [1*], Zora Calista Susilo [2], Masitha Fahmi Wardhani [3]

[1,3] Department of Management, Universitas Dian Nuswantoro, Indonesia
[2] Department of Communication, Universitas Airlangga, Indonesia

[*]Corresponding Author: 211202080011@mhs.dinus.ac.id

ABSTRACT

In line with technological developments that continue to advance, companies need to continue to adapt in order to survive. Permata Bank as part of the banking industry must also adapt to establish communication in the digital realm with its consumers by carrying out product branding and marketing. Permata Bank's Choice of Augmented Reality is a mini game in the form of an Instagram filter. The purpose of this research is to see the effectiveness of AR mini games which play a role in increasing awareness of Permata Bank banking products or services to increase customer interest, engagement, and loyalty. This study uses the SEM-PLS method. The data was obtained through observation and online studies with customers to find out the activities of respondents with Augmented Reality by distributing online questionnaires with a sample of 100 respondents to find out the relationship between user experience, customer satisfaction, customer involvement and customer loyalty. This research uncovers the development of marketing techniques, which incorporate Augmented Reality (AR) technology to enhance consumer experience and increase their interaction with products or services. These techniques have an impact on increasing brand awareness, product understanding, and customer engagement with services. Through the use of AR technology, new marketing techniques have been discovered. Augmented Marketing Communications. The limitations of this study are limited to marketing communications in the banking sector. There has been a lot of research done to discuss augmented reality. However, there is not much research that addresses the banking sector specifically.

Keywords: Augmented Reality, Banking, Marketing Communication

ABSTRAK

Sejalan dengan perkembangan teknologi yang terus maju, perusahaan perlu terus beradaptasi agar dapat bertahan. Bank Permata sebagai bagian dari industri perbankan juga harus beradaptasi untuk menjalin komunikasi di ranah digital dengan konsumennya dengan melakukan branding dan pemasaran produk. Pilihan Augmented Reality Permata Bank adalah mini game berupa filter Instagram. Tujuan dari penelitian ini adalah untuk melihat efektivitas mini games AR yang berperan dalam meningkatkan awareness terhadap produk atau layanan perbankan Permata Bank untuk meningkatkan minat, engagement, dan loyalitas nasabah. Penelitian ini menggunakan metode SEM-PLS. Data diperoleh melalui observasi dan studi online dengan pelanggan untuk mengetahui aktivitas responden dengan Augmented Reality dengan menyebarkan kuesioner online dengan sampel 100 responden untuk mengetahui hubungan antara pengalaman pengguna, kepuasan pelanggan, keterlibatan pelanggan dan loyalitas pelanggan. Penelitian ini mengungkap perkembangan teknik pemasaran yang menggabungkan teknologi Augmented Reality (AR) untuk meningkatkan pengalaman konsumen dan meningkatkan interaksi mereka dengan produk atau layanan. Teknik-teknik ini berdampak pada peningkatan kesadaran merek, pemahaman produk, dan keterlibatan pelanggan dengan layanan. Melalui penggunaan teknologi AR, teknik pemasaran baru telah ditemukan. Komunikasi Pemasaran Tertambah. Keterbatasan penelitian ini terbatas pada komunikasi pemasaran di sektor perbankan. Ada banyak penelitian yang dilakukan untuk membahas augmented reality. Namun, belum banyak penelitian yang membahas sektor perbankan secara khusus.

Kata Kunci: Augmented Reality, Perbankan, Komunikasi Pemasaran

INTRODUCTION

The global economy is facing challenges known as The Perfect Storm or 5C, namely Covid-19, Russia-Ukraine Conflict, Climate Change, Commodity Prices, and Cost of Living. In the midst of these global challenges, the Indonesian economy in Q2-2022 was able to grow impressively at 5.44%. This positive performance was also supported by a relatively controlled inflation rate, where Indonesia's inflation as of July 2022 reached 4.94%, better than other countries such as Germany (7.5%) or France (6.1%) (Coordinating Ministry for Economic Affairs Republic of Indonesia, 2022).

In an effort to achieve this success, of course the role of the business world is also influential. One of them is the banking industry. This is inseparable from the role and contribution of the community in becoming customers in the industry. In the banking industry each customer has its own criteria in choosing the bank of choice. There are customers who want an ordinary bank to provide high interest and guaranteed security, there are also customers who want services that are faster, more efficient, more comfortable and easier to access, whenever and wherever they are (Hambali & Noor, 2016). With the difference in the criteria for bank selection by customers, banks are required to always try to improve services and innovate continuously to gain engagement and loyalty from customers.

In Indonesia alone, state-owned banks such as BNI 46, BRI, BTN and Mandiri are more in demand by customers because the government will not liquidate state-owned commercial banks. Unlike the case with the private banking industry such as Bank BCA, CIMB Niaga, and Permata Bank which are giant private banks that are required to be creative in carrying out marketing strategies in order to have as many active customers as they are today. Private banking itself is in demand by the public because of the services and a number of marketing strategies used to gain the trust of the public to become customers (Kaltim Today, 2021). After the pandemic period, economic conditions have not fully recovered. This economic crisis did not only impact the MSME sector, but also impacted the banking industry sector.

Therefore, innovation in marketing strategy has an important role ingain engagement and customer loyalty impact on business success. The global crisis conditions have encouraged all sectors to adapt to technology. One of them is Augmented Reality (AR) technology. Augmented Reality (AR) is a technology that is capable of collaborating with the virtual world in a 3-dimensional form (Ramadhan et al., 2021). The presence of AR itself was introduced by the Snapchat platform in 2015. AR is a computer-generated effect designed to project a real image or video. AR works by using a camera and then adding an image layer to the foreground or background of a real image or video (Arianto, 2021). The application of AR in the business sector is something new and creative to reach a wider market in creating user experience. Currently, AR is a digital technology that can be used in various activities, including in marketing a product (Sugiono, 2021).

The high level of public interest in using AR technology cannot be separated from the various benefits it offers (Ozturkcan, 2020). AR is considered to have been able to provide benefits for the company because it can increase customer engagement and intention to buy products. Through its digital information, AR can provide detailed information to customers

with different experiences when identifying products. In addition, AR is considered capable of supporting consumer communication with companies because through this technology consumers feel more interested and want to keep trying (Fadly & Sutama, 2020).

As many as 79% of Indonesians use the Instagram application (Muslimin & Yusuf, 2020). This can be an opportunity for Bank Permata to carry out branding or branding in the digital realm as a marketing strategy. Branding is very beneficial for a company to attract more consumers because of its functions. Some of their image functions, namely increasing attachment, interest, and loyalty of consumers and potential consumers to the brand being imaged (Auliasari, 2019).

This is also supported by previous research related to the use of Augmented Reality to help a banking company, Bank CIMB Niaga, in solving problems in handling queues of consumers who need Customer Service (CS) assistance. The results of this study indicate that the use of Augmented Reality can help CIMB Niaga Bank in solving customer queuing problems that require Customer Service (CS) assistance, by using the CIMB Niaga Bank logo as a marker and displaying 4 options such as CIMB Niaga Bank profile, latest news, products - products provided by Bank CIMB Niaga, and galleries on the application (Fathoni et al., 2020).

Departing from the various arguments that have been presented, this study aims to provide academic novelty in the form of a marketing strategy by designing AR features at one of the private banks, namely Pertama Bank. Furthermore, these features are conceptualized in the form of mini games to gain user experience and determine level of customer engagement in the banking sector after customers use the AR features that have been created (Williams, 2020). The mini games are packaged in the form of an Instagram filter. Instagram filter, one of the features provided by the Instagram application where users can upload photos, videos or interactive games in 9:16 size (Sari & Susilawati, 2022). There have been many studies that reveal the marketing strategy of the banking industry. However, not much research has discussed marketing strategies based on Augmented Reality in the banking industry.

RESEARCH METHODOLOGY

This study was designed using the Structural Equation Modeling (SEM - PLS) method, in which this method uses an analysis of factors that influence or influence each other and estimate the relationship between variables. This method is used because it is the best choice if the number of samples is small, but still must meet the minimum number of samples (Sugiyono, 2019).

Data collection in this study was carried out by means of online studies through a questionnaire (google form) which contains a list of questions to obtain data and information from respondents. Before filling out the questionnaire, respondents were asked to try the AR application that had been provided. The sample from the population will be determined through Quota Sampling (Sugiyono, 2019). In this study, the sample quota that we set was 100 sample

respondents with the criteria of Instagram users and prioritized customers from Permata Bank. The measurement scale in this questionnaire uses a Likert scale (**Table 1**).

Table 1. Likert Scale on the Questionnaire

Weight	Description	Interpretation
1	Strongly Disagree	Very Bad / Very Dissatisfied
2	Don't agree	Bad / Dissatisfied
3	Neutral	Doubt
4	Agree	Fine / Satisfied
5	Strongly agree	Very Good / Very Satisfied

Source: Author's Elaboration (2022)

Furthermore, the variables to be used in this study include User Experience (X_1), Customer Satisfaction (X_2), Customer Engagement (Y_1), and Customer Loyalty (Y_2). Furthermore, the influence between the variables above is depicted in the Path diagram (Figure 1). Thus, the variables to be tested in this study are as follows:
1. Influence of User Experience (X_1) on Customer Engagement (Y_1)
2. Effect of Customer Satisfaction (X_2) on Customer Engagement (Y_1)
3. Effect of User Experience (X1) on Customer Loyalty (Y_2)
4. Effect of Customer Satisfaction (X2) on Customer Loyalty (Y_2)
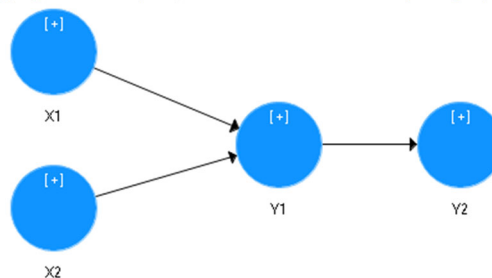5. Effect of Customer Engagement (Y_1) on Customer Loyalty (Y_2)

Figure 1. Path Diagrams For SEM
Source: Author Data Elaboration, 2022

Data variables will be analyzed with smartPLS 3.0 software. SmartPLS 3.0 software will show the results of the validity test through the AVE (average variance extracted) value with a value of> 0.5 to obtain valid data. Furthermore, reliability testing is carried out by looking at Composite Reliability, where the test results obtained must be> 0.7 to obtain reliable data.

DISCUSSION RESULT
RESULTS
In this study, an online study was carried out and responded to by 217 people through an online questionnaire (Google form) that had been designed, and there were 23 respondents who were not Permata Bank customers. Furthermore, data samples are drawn according to the specified amount. Then it was analyzed using smartPLS 3.0 software (Figure 2) in the form of a Path Diagram.
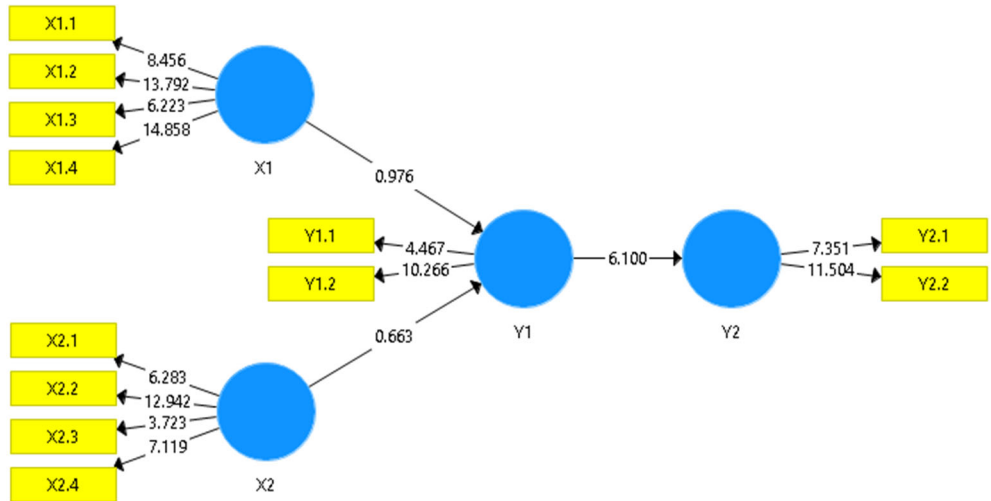
Figure 2. Model SEM-PLS
Source: Author Data, 2022

Furthermore, the results of the data validity and reliability tests can be seen in **Table 2 which** shows that the AVE (average variance extracted) values of the four variables get a value of> 0.5 which indicates that the variables studied are declared valid. In addition, the results of the Composite Reliability test showed a value of > 0.7 on all four variables. So that all items in the variables studied are declared reliable and can be used in further analysis.

Table 2. Data Validity and Reliability Test Results with SEM-PLS

Variable	AVE	Composite Reliability
User Experience (X_1)	0.617	0.865
Customer Satisfaction (X_2)	0.506	0.800
Customer Engagement (Y_1)	0.652	0.788
Customer Loyalty (Y_2)	0.724	0.839

Source: Author Data, Processed (2022)

Discriminant Validity

To assess discriminant validity can be done by comparing the square of average variance extracted (AVE) for each variable with a correlation value between variables (> 0.5). The model will have good discriminant validity if the AVE value for each variable is greater than the correlation between the constructs (Abdillah & Jogiyanto, 2015).

Figure 3 shows the AVE value on each variable> 0.5 and the AVE value on the customer loyalty variable with a value of 0.724> 0.5. So it can be concluded that the model made is correct. The latent variable and its indicators significantly influence each other.
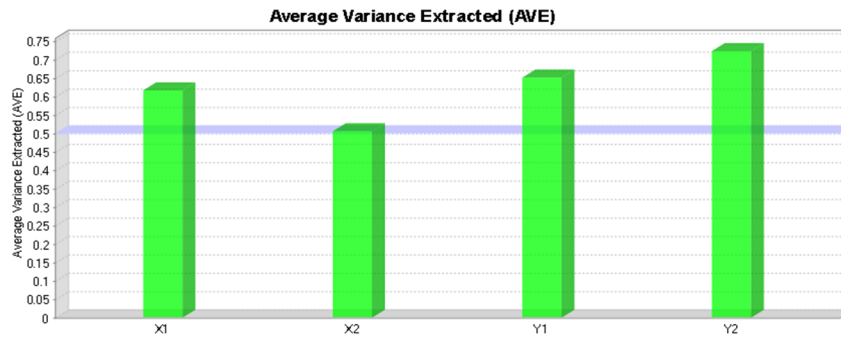

Figure 3.AVE Result Chart
Source: Author Data Processed, 2022

Composite Reliability

Composite Reliability is done by measuring the value between variables whether they have good reliability or not. If the research variable has a value above 0.70, the variable reliability is in the good category, and vice versa (Ghozali, 2006).
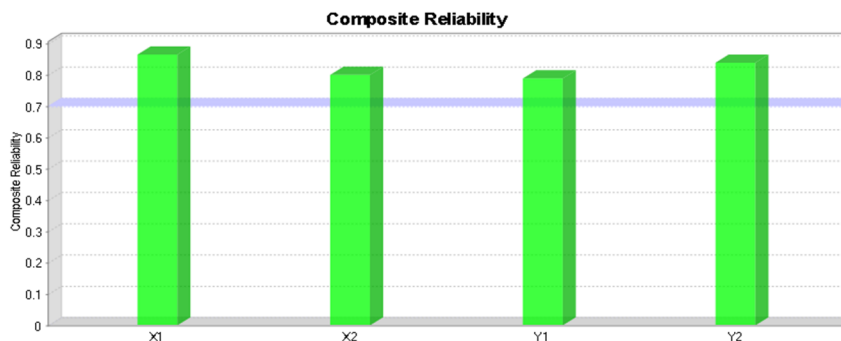

Figure 4. Composite Reliability Result Diagram
Source: Author Data Processed, 2022

In this study, all variables have a composite reliability value of >0.7 (Figure 4). The value of the endogenous variables obtained using composite reliability for customer satisfaction is 0.788 and customer loyalty is 0.839. It can be concluded that the reliability value is in the good category as a construct as measured by its indicators.

Inner Model Test Results

The Inner Model test is carried out by looking at the direct and indirect effects (total effect) which are measured between constructs to see the significance and strength of the relationship through bootstrapping to determine the extent of influence between variables. The values obtained range from -1 to +1. The closer the value obtained is to +1, the stronger the influence between the two constructs. Conversely, if the value gets closer to -1, it means that the two constructs have no effect.

Table 3. Inner Model Test Results

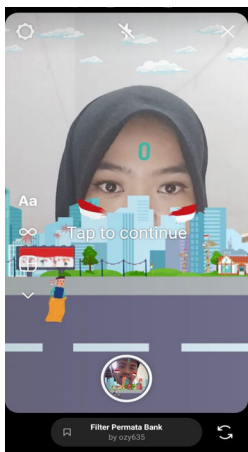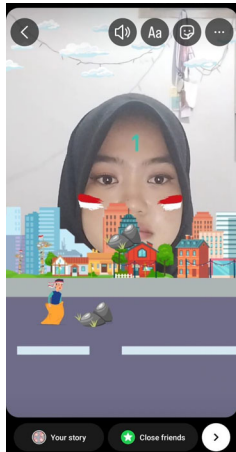| Indicator	Original Sample	Sample Mean	Standard Deviation	T-Statistic	P Values
$X_1 => Y_1$	0.411	0.351	0.421	0.976	0.000
$X_1 => Y_2$	0.191	0.161	0.202	0.946	0.000
$X_2 => Y_1$	0.283	0.353	0.427	0.663	0.000
$X_2 => Y_2$	0.132	0.181	0.221	0.596	0.000
$Y_1 => Y_2$	0.465	0.483	0.076	6.100	0.000

Source: Author Data, Processed (2022)

Table 3 displays the results of the bootstrapping test for the inner model (original sample). From the test results, it can be seen that there are variables that have a significant influence on other variables. User Experience Variables (X_1) and Customer Satisfaction (X_2) was determined to have a significant influence on the Customer Engagement variables (Y_1) and Customer Loyalty (Y_2). This can be seen from the p value which is less than 0.001.
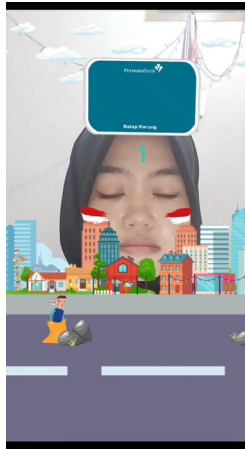
Display Result of AR Game

After the AR game creation process is complete, AR can be played. Display results are presented in four stages, namely Initial Display; Game Display; Timeout Display; and Final View (**Table 4**). AR was tested on the intended population so that the following results were obtained:
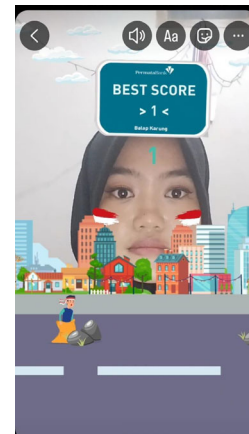
Table 4. AR Display Results

Initial View	Game Display

Timeout Display	Final View

Source: Bank Permata Filter by ozy635, (2021)

DISCUSSION

Utilization of AR Technology as Marketing Communication

Using Augmented Reality (AR) technology in marketing strategies can provide new opportunities for organizations to enhance consumer shopping experiences and interactions with products or brands. This helps companies increase conversion and sales rates, but it should be noted that the implementation of AR technology must be done properly and in accordance with the marketing context. Opportunities from using AR in marketing can be utilized by organizations to generate profits through implemented plans or strategies. It is also worth paying attention to and anticipating the challenges that come from the market, competition, technology, and government policies.

Customer Digital Experience

Utilizing AR technology by making mini games can be one way to increase consumer interaction with products or brands (Ozturkcan, 2020). In the banking context, Permata Bank uses AR mini games to increase awareness of banking products or services (Udayan et al., 2020). For example, Permata Bank created an AR mini game that allows customers to search for and collect banking products such as credit cards, deposits or loans in an environment that suits them. This mini game can increase customer interaction with banking products and increase product awareness. In addition, Permata Bank can develop AR-based minigames that allow customers to try banking products virtually before making transactions. Mini games can increase customer interaction with banking products and the customer shopping experience so that they can feel satisfaction in recognizing the products they will consume and/or have already consumed. Overall, using AR technology through mini games can be a way for Permata Bank to increase engagement with customers due to customer interaction with banking products and increasing awareness of Permata Bank products which are displayed in the mini game.

Building Omni-channels

In utilizing AR technology, Permata Bank can evaluate the potential that exists in the omni-channel strategy to increase customer interaction with banking products. Combining features such as AR in mobile banking applications, advertising and "try-on". This can be one of the superior features for maximizing omni-channels carried out by banks. In other words, banks can provide various channels of interaction with customers and improve the consumer shopping experience and interaction with banking products (Lorenzo-Romero et al., 2020).

Overall, AR can be utilized in building omni-channels as a marketing strategy in the banking industry.

The Influence of AR on Banking Industry Marketing Techniques

The results of the hypothesis test show that the use of AR technology in marketing strategies can increase customer interaction with banking products at Permata Bank. From the results of the hypothesis testing that has been done, it can be seen that the variables of user experience and customer satisfaction have a significant influence on the variables of customer engagement directly and customer loyalty indirectly. This shows that these two variables are important factors in determining customer engagement and loyalty.

Positive user experience will increase customer satisfaction, and vice versa (Sugiono, 2021). This will help the company in increasing customer engagement and customer loyalty. Strong customer engagement will increase customer loyalty to keep choosing the company and can increase their chances of making a repurchase. Companies must prioritize user experience and customer satisfaction in their marketing and product development strategies, especially AR-based services (Fathoni et al., 2020). This has an impact on improving product and service quality, integrating marketing communications with customers, and creating a pleasant shopping experience as well as feeling satisfied with the products and services provided.. The company will be assisted in increasing customer engagement and customer loyalty, which will ultimately increase the company's revenue and sustainability.

Overall, this research uncovers the development of marketing techniques, which incorporate Augmented Reality (AR) technology to enhance consumer experience and enhance their interactions with products or services to increase customer satisfaction. This technique has an impact on increasing brand awareness, product understanding, and customer engagement with services,and their loyalty to Permata Bank. Through the use of AR technology, new marketing techniques have been discovered. Augmented Marketing Communications.

CONCLUSIONS & SUGGESTIONS

In today's digital world, many organizations are competing in branding and marketing their products in the digital realm so that their businesses can survive. One of the tools that can be used is Augmented Reality which is used and used as an Instagram filter. Utilization of Augmented Reality (AR) technology in marketing strategies can provide new opportunities for organizations to enhance consumer shopping experiences and interactions with products or brands. This can help companies in increasing conversion rates and sales. In the banking context, Permata Bank uses AR mini games to increase awareness of banking products or services. For example, Permata Bank created an AR mini game that allows customers to search for and collect banking products such as credit cards, deposits or loans in an environment that suits them. In addition, Permata Bank can evaluate the potential that exists in the omni-channel strategy to increase customer interaction with banking products. The results of the hypothesis test show the latest findings, Augmented Marketing Communications.

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