

**INTEGRATED MAREKTING COMMUNICATION AND ITS EFFECT ON  
CUSTOMER PERCEPTION TOWARDS BANKING SERVICES IN  
JAFFNA DISTRICT SRI LANKA  
(SPECIAL REFERENCE IN CORE PRIVATE LOCAL BANKS IN JAFFNA  
SRI LANKA)**

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**ABSTRACT**

*Now a day's business environment has been drastically changed as a complex and crucial one. In today's business world, marketing processes are based on the interaction between a business and the customers. Communication affects the quality of the service, its shapes and the images of the organization in the mind of the customers where integrated marketing communication play crucial role in this regard. Integrated marketing communication tends to capture the attention of both providers and buyers especially, who need information from various sources to inform their purchasing decisions. Thus, the present paper aims to highlight the main tools which the specialists use in integrated marketing communication in their attempt to establish a permanent and efficient contact with both potential customers and with actual customers, as well as an analysis of secondary data sources regarding the impact false news broadcast through various media channels have on customer perceptions. This study aims to investigate the impact of Integrated Marketing Communication (IMC) on Customer perception of Private Local Commercial banks operates in Jaffna district Sri Lanka which especially aims at identifying the components and the degree of integrated marketing communications applied in the selected sector.*

*A unique aspect of this paper is to bring out a study which has not been previously carried out by researchers by combining the customer perception towards services to the customers and the application of infrastructures in a selected financial sector in Jaffna Sri Lanka. A survey with 350 household customers and the relevant bank officials was carried out in three core Private Commercial Banks in the Jaffna region under study. The collection of the data was driven by three research hypotheses and involved dual questionnaires targeting two sets of respondents.*

*One set of questionnaire was used to gather information on customer perception towards services. The research presented in this paper employs a modified version of the Duncan-Moriarty IMC mini audit to measure the degree of IMC. Results demonstrate a positive relationship between IMC and customer perception and the higher degree of IMC application in the selected entities. Out of five dimensions of IMC considered for this study, mission marketing and interactivity directly influence customer perception. The paper concludes with the managerial implication which suggests that the value creation to customers comes in the way of*

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*integrated marketing communication, and it is being highlighted in the suggestion that to follow this new communication media as a competitive advantage into traditional integrated marketing communication in order to have fruitful results in the organizations.*

**KEYWORDS:** *Integrated Marketing Communication, Customer Perception, Banking Industry, Jaffna Sri Lanka.*

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## **1.0 INTRODUCTION**

Consumers are daily assaulted by a multitude of stimuli, the vast majority of which are the result of marketing communication activities initiated by organizations operating on the domestic, international or global market. From TV, radio, internet or written media news to brand-driven techniques, everything is reduced to marketing communication, aiming at creating a unitary image of the organization, products and brand, with the ultimate goal of attracting and retaining customers. The concept of integrated marketing communication, as well as the concept of integrated marketing, should be seen as being inter-correlated, while marketing communication is just one of the activities in the field of marketing.

IMC is heralded as the best way to take advantage of new technology to communicate more directly with individual consumers and customers. The extension of IMC into an “interactive” marketing domain has added value to bringing together multiple customer touch points, media and messages. The primary goal of IMC is to affect the perception of value and behavior through directed communication. It plays a strategic role in managing the intangible side of business by assisting in crafting relationships with customers and other stakeholders to create positive perceptions, attitudes, and behaviors toward brands. IMC also specified as the strategic coordination of all messages and media used by an organization to collectively influence its’ perceived value.

### **1.1 BACKGROUND OF THE STUDY.**

Advanced technology and communication development has galvanized the emanation of information technology development has encouraged the emergence of modern and advance communication channels that have aggrandized the alternative accessible to organizations for contriving the relationships with the stakeholders (Albesa, 2022). This study highlights the IMC practices of the companies and its impact on the consumers’ purchasing decision which provide the insight about basic understanding of IMC by the Pakistani organizations.

So consumers would be able to understand and evaluate the future of IMC practices in Pakistan. In the same context, the relevant literature explains that IMC is not a new approach. It has already been practiced by several companies as their departments are involved in major communications and together they are performing marketing activities for profits, stability and competitions (Waheeduzzaman&Dube 2018; Duncan and Everett, 2023). The study aims to explore the necessity of IMC practices in the context of Pakistani market. Finally, it explores brand’s IMC implementations and the extent to which IMC activities are correlated with consumer purchase decision.

### **1.2 RESEARCH PROBLEM**

This research aims to study the impact of incorporating the integrated marketing communications on consumers purchase decisions. Also less number of organizations in Jaffna Sri Lanka apply

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this concept in their entities. Further it is evidence from the extant literature that no studies are being carried out by comparing both IMC and the customer perceived value of services in both scenarios, locally and internationally.

### **1.3 SIGNIFICANCE AND SCOPE OF THE STUDY**

This research would help the organizations in understanding the consumers' preferences with respect to their implementations and practices of IMC activities. It would enable them to effectively utilize the tools of marketing mix incorporating the IMC activities and to cater to their target audience effectively.

### **1.4 RESEARCH OBJECTIVES**

Purpose of this study is to advance an academic and practical knowledge in captioned area that has little empirical study on IMC. It addressed the degree of IMC in local core private commercial banks in Sri Lanka. It is helpful to reinforce existing academic Knowledge in the area of determining the relative importance of IMC in local private commercial banks. It contributes to academic knowledge by examining the emerging issue of IMC to determine whether it increase or decrease the value perceived by the customers towards banking services which is delivered by core 03 private banks in Jaffna district Sri Lanka.

The contribution of the study builds on introducing a new perspective on IMC effects on customer perceived value towards banking services. Therefore, it is to understand the relationship between integrating IMC and the customer perceived value of services. In other words, to examine the impact of IMC on customer perceived value of services in the banking industry in Sri Lanka. Further specific objective is to investigate degree of IMC applied in core private local banks and identify elements of IMC and their level of involvement which is typically effect on customer perception towards their banking services in Jaffna Sri Lanka.

### **1.5 PERIOD OF THE STUDY**

The period of study consists of four months from September 2024 to December 2024.

### **1.6 AREA OF THE STUDY**

A study of this nature required the selection of a suitable place. Therefore, Jaffna was selected for the study since the researcher belongs to this area. Moreover, the integrated marketing communication variables have an impact among the people in Jaffna.

## **2.0 REVIEW OF LITERATURE**

### **2.1 Integrated Marketing Communications (IMC)**

This part describes the integrated marketing communications, marketing communications in contrast to the old practices of marketing communications, evolution of IMC and its transformation by marketers and marketing agencies. Due to changing trends in international market, companies have started practicing the integrated marketing communication instead of traditional marketing mix. Schultz (1998) introduced "business process" to define IMC which most appropriately describes the nature and the attributes of integration as IMC is not only associated with the integration activity of several functional areas of communication and marketing but also involves organization's other functional areas which are consumer driven. Furthermore, the concept of "business process" braces the observations of researchers Fill (2002)

and Jones et al (2004) that the approach IMC has become from being considered exclusively as a process of communication, to the degree of a management process.

Integrated Marketing Communication is a concept of marketing communications, recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines such as, general advertising, direct response, sales promotion and public relations and combines these disciplines to provide clarity, consistency and maximum communications impact (Duncan et al, 1996). Smith, et al. (1999) identified IMC as the strategic analysis, choice, implementation and control of all elements of marketing communications which efficiently (best use of resources), economically (minimum costs) and effectively (maximum results) influence transactions between an organization and its existing and potential customers.

Kliatchko (2005) suggests that IMC as the concept and process of strategically managing audience focused, channel-centered and result driven brand communication programmes over time. This definition is based on four basic elements, such as IMC is both a concept and a process; IMC requires the knowledge and skills of strategic thinking and business management; IMC is hinged on and distinguished by three essential elements or pillars – audience-focused, channel-centered and result-driven; and IMC involves an expanded view of brand communications.

Firstly, Phelps and Johnson (1996) presented five factors of IMC: 1.direct marketing 2. One-voice, 3.coordination of marketing and communication campaign 4. Increased responsibilities and 5. Responses goals.. Smith et al. (1997) presented instrument with seven dimensions: 1. vertical objectives integration, 2. horizontal/functional integration, 3. marketing mix integration, 4. communication mix integration, 5. creative design integration, 6.internal/external integration and 7.Financial integration. Duncan and Moriarty (1997) presented five-dimensional model for measuring degree of IMC such as, 1. Interactivity; 2. Strategic consistency; 3. Organizational infrastructure; 4. Mission marketing; 5. Planning & evaluation. Pickton and Hartley (1998) presented the instrument with nine dimensions of integration: 1: promotional mix integration, 2. promotional mix with marketing mix integration, 3. creative integration, 4. intra organization integration, 5. inter organizational integration, 6. information and database systems, 7. integration of communications targeted towards internal and external audiences, 8. integration of corporate and 'unitized' communications and 9.Geographical integration. Low (2000) presented his view on measuring a degree of IMC through three dimensions: 1. Centralization of planning, 2. Strategic consistency and 3. Message consistency. From a combination of the relevant literature from IMC and customer perceived value are interrelated, and the theory of Synergy is used to show the relationship exists between them, specifically literature on technology is supported to interpret the mediating effect between two constructs.

According to research of Low (2000), Levinson (2001) and Zahay et al. (2004) the firms which implements IMC are customer-centered, making consistent relationship with the target audiences and market, procedures, models and systems for associating the business and management functional areas of the organization. The contiguous communication between consumers and organization affirmed to support the implementation of IMC by catering information about consumers and getting the feedback.Adverse market ambiance characterized by close competition and a deficiency of exploitive opportunities, dynamic and strategic environments described by rapid advance technologies and expeditiously changing needs and preferences of

consumers are acknowledged to have a compelling impacts on business outcomes and performance (Rust et al. 2004).

The aspiration to get the competitive edge in such circumstantial estate may administer impulsion for organizations to execute the IMC practices to facilitate the effective strategic activities.

Direct marketing permits the marketers to communicate with the customers personally but due to limited resources and time direct marketing needs an integration and coordination with other indirect marketing tools like sales promotion which supports consumers in brand identification, recognitions and retention. Sales promotion is more result and action determined which is executed to encourage consumers to purchase products. As Fill (2002) termed sales promotion as “short term inducements to consumers purchasing activity”.

The evaluation of “created customer value” is an indicator of a firm’s competitiveness and represents as a main input in improving the implementation of effective communication strategy, in addition to determining what the customer wants in a service also helps banks to formulate a clear statement of its “value proposition,” that is to say banks can differentiate their communication efficiency through doing it differently in contrast to those from its competitors , therefore to differentiate their value of product or service, firms need to recognize the ways for improving it by identifying those impact on customer perceived value.

Roig et al (2006) studied the Customer perceived value of banking services, that has taken place in the installations of the entity and in which there is an interaction between the customer and the personal of the banks. This is post-purchase perceived value, which takes into account aspects not only of the service offered but also of the organization that sustains it. Their study excluded six dimensional values of services from the transactions made through electronic or telephone banking, as well as operations in ATMs or similar.

## **2.2 Theoretical Framework**

Firstly, Phelps and Johnson (1996) presented five factors of IMC: 1.direct marketing 2. One-voice, 3.coordination of marketing and communication campaign 4. Increased responsibilities and 5. Responses goals.. Smith et al. (1997) presented instrument with seven dimensions: 1. vertical objectives integration, 2. horizontal/functional integration, 3. marketing mix integration, 4. communication mix integration, 5. creative design integration, 6.internal/external integration and 7.Financial integration. Duncan and Moriarty (1997) presented five-dimensional model for measuring degree of IMC such as, 1. Interactivity; 2. Strategic consistency; 3. Organizational infrastructure; 4. Mission marketing; 5. Planning & evaluation. Pickton and Hartley (1998) presented the instrument with nine dimensions of integration: 1: promotional mix integration, 2. promotional mix with marketing mix integration, 3. creative integration, 4. intra organization integration, 5. inter organizational integration, 6. information and database systems, 7. integration of communications targeted towards internal and external audiences, 8. integration of corporate and ‘unitized’ communications and 9.Geographical integration.

From a combination of the relevant literature from IMC and customer perceived value are interrelated, and the theory of Synergy is used to show the relationship exists between them, specifically literature on technology is supported to interpret the mediating effect between two constructs. Therefore based on the theory following conceptual frame work is developed to understand the effect of IMC on customer perception towards their banking services.



### **3.0 METHODOLOGY**

#### **3.1 Research Design**

This is a qualitative descriptive research and contains interviews and survey questionnaires. Qualitative descriptive design is well-considered fusion of population, sampling and data collection which are based on re-presentational and analysis (Devers & Frankel, 2000). Another researcher Creswell (2003) explained that the qualitative descriptive study is specifically amenable for achieving the direct feedback from the target audience in a particular environment and seeks the descriptive validity.

This study fully concentrated on survey method by using questionnaires which was collected from customers who are getting banking services from core 03 private banks in Jaffna Sri Lanka including which state about banks' involvement in IMC. The population of the study consists of the local core 03 commercial private banks including Commercial bank, HNB & Sampath Bank which have been practising integrated marketing communication..

According to the study of Kanso and Nelson (2002) the integration of marketing communication procedures was considered as a result of centralized management, centralized budgeting, or message similarity across all communication channels. Therefore the present study considers the population as the head offices of the Local 03 core private banks functioning in Sri Lanka. The present study identified 3 banks as such and the criteria for selection defined as the core private commercial banks, which adopting marketing communication into their traditional integrated marketing communication for their commercial purpose.

#### **3.2 SOURCES OF DATA**

- Primary Data
- Secondary Data

##### **3.2.1 PRIMARY DATA**

The primary data is collected by preparing a questionnaire. A well framed questionnaire is used for collection of data.

##### **3.2.2 SECONDARY DATA**

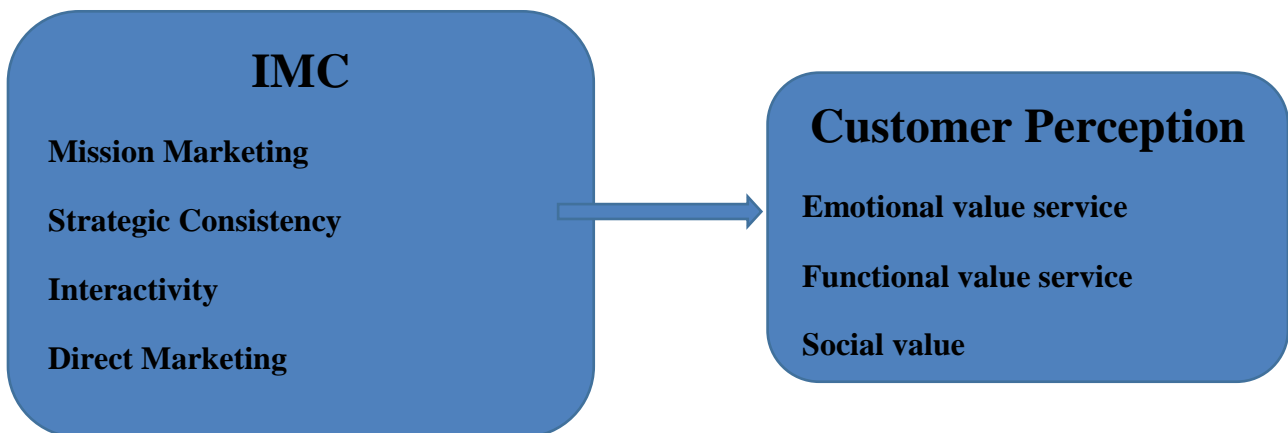
Secondary data relevant to the study is gathered from published sources such as standard text books, magazines and internet.

#### **3.3 SAMPLE DESIGN**

A convenient sampling was adopted to identify the sample respondents from a total population. Total 350 customers selected as sample from 03 banking service providers in private sector specifically in Jaffna district.

#### **3.4 Conceptual Frame work**

Based on the theory following conceptual frame work is developed to understand the effect of IMC on customer perception towards their banking services.



Based on the literature review the following hypotheses were developed.

H1: The Integrated marketing communication positively effect on customer perception towards banking services

H2 : Interactivity dimension in IMC positively effect on customer perception towards banking services.

H3 : Mission marketing dimension in IMC positively influence on customer perception towards services.

#### **4.0 ANALYSIS AND FINDINGS**

Cronbach's alpha is computed in terms of the average inter correlation among the items measuring the concept to check reliability of data which was used for this research study. Internal consistency is determined by the statistical examination of the results obtained, typically equated with Cronbach's coefficient alpha. the alpha of a scale should be greater than 0.70 for the items to be used together as a scale. Results of the study show that the scales are sufficiently reliable for the present study context.

**H1: The Integrated marketing communication positively effect on customer perception towards banking services.**

**Table 01: standard regression coefficient**

Independent variables: IMC	Dependent variables: customer perception.
$\beta$	0.826
Significance of F	0.000
Adjusted R2	0.782

According to the regression results in the Table 01, the fitted model encountered a significant relation between IMC and customer perception towards services. The R2 value multiplied by 100 tells the percentage of variance in one variable accounted for by the predictor variables. The adjusted R2 value is 0.782 so, that 78.2% Percentage of the variance in Customer perception towards services is accounted for by the predictor variable IMC.

Further it means IntegratedMarketing Communication positively effect customer perception towards banking services. The beta value tells the relative extent to which each of the predictor variables uniquely predicts the dependent variable.

**H2 : Interactivity dimension in IMC positively effect on customer perception towards banking services.**

**Table 02: standard regression coefficient -Interactivity**

Independentvariables: Interactivity	Dependent variables: customer perception
$\beta$	0.852
Significance of F	0.000
Adjusted R2	0.802

According to the regression results in the Table 02, the fitted model encountered a significant relation between Interactivityand customer perception towards services. The R2 value multiplied by 100 tells the percentage of variance in one variable accounted for by the predictor variables. The adjusted R2 value is 0.802 so, that 80.2% Percentageof the variance in Customer perception towards services is accounted for by the predictor variable of interactivity.

Further it means interactivity positively impact on customer perception towards banking services. The beta value tells the relative extent to which each of the predictor variables uniquely predicts the dependent variable.

**H3 : Mission marketing dimension in IMC positively influence on customer perception towards services.**

**Table 03: standard regression coefficient - Mission marketing**

Independentvariables: Mission Marketing	Dependent variables: customer perception
$\beta$	0.872
Significance of F	0.000
Adjusted R2	0.724

According to the regression results in the Table 03, the fitted model encountered a significant relation between Mission marketing and customer perception towards services. The R2 value multiplied by 100 tells the percentage of variance in one variable accounted for by the predictor variables. The adjusted R2 value is 0.724 so, that 72.4% Percentageof the variance in Customer perception towards services is accounted for by the predictor variable Mission marketing..

Further it means Mission marketing positively effect customer perception towards banking services. The beta value tells the relative extent to which each of the predictor variables uniquely predicts the dependent variable.

## **5.0 CONCLUSION**

The major objective of this study was to find out the impact of IMC on consumers perception towards banking services.This research confirms the importance of IMC activities and concludes that IMC is the best to target the consumers, because the consumers are strongly influenced by IMC implementations. The research also confirms the past research literatures are valid and reliable after data analysis of banking services specifically in private sector.



Based on the data analysis we can conclude that interactivity is one of the most influencing factor in terms of customer perception towards banking services in private banking sector. Therefore every banks need to focus on maintaining proper interaction with their customers to enhance both profitability and sustainability.

More interactivity in the IMC provide the positive sum of synergistic effect that the individual results, from the bringing together the various integration of marketing communication in a mutually supportive way (Pickton and Broderick, 2001).

Extension of IMC into interactive marketing domain has added value to bringing together multiple customer touch points, media and messages (Peltier et al, 2003). Having a mission which is integrated into organizations' IMC enables to build marketing effort to build positive value based culture (Reid, 2005),

it communicates the reasons for being as an entity to create and maintain value for stake holders. Present study supports the argument of these research findings. In this light of the above supportive literatures it can be concluded that interactivity dimension in IMC has an impact on customer perception.

## **6.0 IMPLICATIONS**

IMC is a non-stop process which transmits a chain of messages to the stakeholders in quest of the organization's objectives, recognition, persuasion, recall, communication and building image to depict product and service (Fill, 2001). The modern practices of IMC are worth studying. The IMC practice is the necessity in today's business practices which highlight the importance of strategic integrating marketing communications tools. Firms need to analyze the changing preferences of consumers and this study provides the consumers' which based on variation effectively interact and communicate with the stake holders.

The main purpose of this research focuses on the IMC implementations in Pakistan which influences the buyers purchase decision but need to be implemented with the consistency and according to the desire of the target market. The challenge for the local firms is to cope up with marketing communication practices with the fusion of available resources and various communication channels and building an understanding of consumers' preferences.

This study will help the firms to recognize the adaptation in their marketing practices according to the changing environment and changing consumers' buying trends and highlight the important tools which are mostly preferred by the consumers in the context of catering target market by implementing IMC activities.

## **7.0 LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH**

This study not considered the relationship to the company/ brand /product/service, and its marketing communication. Even if the empirical study is limited in these aspects, it shows that it is necessary to consider that products and services may have different responsiveness patterns. Further studies are warranted from scientific point of view especially with the focus on understanding how consumer characteristics and product/ services characteristics influence responsiveness, for example, for a number of consumers only some media may be relevant for particular product/services than to others.

This study focused on only the house hold customers from the five local private commercial banks in Sri Lanka, future studies could be concentrated on business customers of those

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particular banks. Study limited to only the five dimensions such as mission marketing, strategic consistency, interactivity, organizational infrastructure, and planning & evaluation.

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