

MARKETING COMMUNICATION STRATEGY: DEVELOPING BRAND AWARENESS AND BRAND ENGAGEMENT OF DIGITAL BANK

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Abstract – *This conceptual paper aims to analyze the marketing communication strategy applied by PT Allo Bank Indonesia, Tbk., in order to develop brand awareness and brand engagement with their customers. This study adopted qualitative approach. Data was collected through observation to marketing activities and literature study by analyzing and comparing various documents, and relevant literature which is in line with the communication strategies adopted by PT Allo Bank, Tbk. The marketing communication strategy implemented by PT Allo bank, Tbk., has increased the brand awareness. It is reflected in customer growth and a survey conducted by Marketeers. It results that Allo Bank is known as one of Gen Z's preferred digital banks. Additionally, PT Allo Bank Indonesia, Tbk., is known as one of the new digital banks which was introduced in May 2022. The period of time of the data we analyzed is from May 2022 (the grand launching of Allo Bank) to May 2023 (the first anniversary of Allo Bank). Based on the research conducted, it shows two new elements that need to improve in the implementation of marketing communication strategies are repetitive action, and continuity & Consistency Pattern in order to generate more robust brand engagement.*

Keywords: Brand awareness, Brand Engagement, Marketing Strategy

I. INTRODUCTION

Marketing communication is crucial for companies to build brand awareness, especially when introducing new products or services (Kotler & Keller, 2021). Initial marketing efforts focus on creating awareness and conducting product trials, targeting early adopters who can generate public opinion and encourage others to use the product or service. However, creating brand awareness alone is insufficient to grow and sustain in the market. Companies should also focus on strategies for building a market, including improving product quality, adding new features, and shifting their marketing communication strategy from awareness-building to building consumer preference and loyalty (Kotler & Keller, 2021). Consumers' preferences can be built through brand engagement.

As (Fill & Turnbull, 2016) highlighted that brand engagement plays a vital role in increasing preference and loyalty which can be achieved through active interaction and involvement of consumers with the product or service, facilitated through social interactions, positive experiences, or meeting consumer needs and values. That experiences lead to repeated choices and increased loyalty to the product or service.

PT Allo Bank Indonesia, Tbk. (Allo Bank), a digital bank founded by Chairul Tanjung, recognizes the importance of creating brand awareness for their newly launched brand in May 2022. Despite competitors launching their

products earlier (Seabank in Feb 2021, Neo Commerce in March 2021, Bank Jago in April 2021, BCA Digital in July 2021, and Bank Raya in Sep 2021), Allo Bank achieved significant customer growth in less than a year. This growth, exemplified by a 133-fold increase in customer numbers from around 45,000 during a right issue in January 2022 to 5 million in February 2023, was driven by marketing communication strategies such as involving key banking figures (Chairul Tanjung, Aviliani, and Indra Utoyo) as management of the company, organizing event (such as Allo Bank Festival, Allo Bank Food Festival, Allo Bank Road to Campus, and others), and collaborating within the CT Corpora ecosystem for various marketing promotions.

However, to sustain in the market, Allo Bank needs to focus on brand engagement by increasing the number of active users who actively transact with the bank. Allo Bank may have 5 million customers, but the number of active users (500,000 or 8% of all users) is relatively low. This gap between total users (indicative of brand awareness) and active users (indicative of brand engagement) forms a phenomenon gap. This research aims to explore Allo Bank's marketing communication strategies in building brand awareness and engagement with customers.

II. METHODS

This research adopts a qualitative approach and focused on Allo Bank's marketing communication strategy. The data collected for the study included primary data obtained through direct observation of Allo Bank's marketing communication activities in various media channels, both Above The Line (ATL) and Below The Line (BTL). Additionally, secondary data such as video interviews, news articles, and literature that related to Allo Bank's brand image strategy were also used. The data analysis involved examining previous research and comparing it with the observed marketing communication activities implemented by Allo Bank during the research

period (2022-2023). The research framework is illustrated in Figure 1.

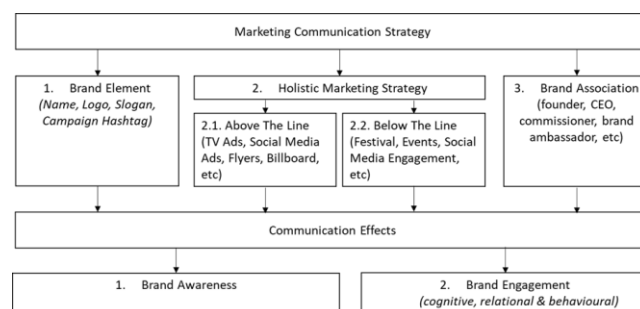


Figure 1. Research Framework

III. RESULTS AND DISCUSSION

LITERATURE REVIEW

The development of products is essential for companies to respond to rapidly changing economic conditions. Creating new products can succeed financially if accompanied by increased consumer adoption. Rogers (as cited in Walker, 1999:35-42) categorizes adopters into five groups: “*Innovator, Early Adopter, Early Majority, Late Majority, and Laggard.*” Innovators are the first to try new products/services. Early Adopters, highly respected in society, adopt new products/services wisely to maintain a central social position. The Early Majority takes more time to adopt new products compared to Early Adopters, and they often require valid success stories. The Late Majority adopts new products when economic necessity arises or they are influenced by other groups. Laggards are the last to adopt due to high resistance to change.

At the initial stage of a product, or introduction involves raising awareness, testing, and managing distribution, in which typically targeted innovators and early adopters. Building brand awareness is crucial for attracting Innovators and Early Adopters. Brand awareness involves increasing familiarity and exposure to the product (Keller, 2013:75). It is measured through brand recognition and recall (Keller, 2013).

Keller (2013) discusses that brand elements, holistic marketing, secondary associations, and repetition play a role in building brand awareness. Firstly, brand elements, such as names, logos, and slogans, need to be memorable, meaningful, transferable, adaptable, and protectable in order to create effective brand awareness. Secondly, companies should design holistic marketing activities that combine various strategies to enhance customer experience and knowledge of the product or service. Thirdly, secondary associations, such as endorsements and marketing events, can be utilized to connect the brand with other information that conveys meaning to consumers. Lastly, repetition through effective marketing events and promotions can embed the brand in the memory of consumers and increase brand awareness. These strategies play a crucial role, particularly when introducing new products or services.

As Early Adopters positively receive and use the product, other adopter groups can be influenced, leading to market growth and the transition to the Growth Stage. During the growth stage, companies need to maintain market share growth by improving product quality, adding new features, enhancing models, expanding distribution, and entering new channels, in order to build long-term consumer preference and loyalty.

Building strong customer engagement is essential for fostering brand loyalty and increasing preference and loyalty communication. Customer engagement involves active interaction, emotional involvement, and the creation of a unique customer experience. Fill & Turnbull (2016) defined that engagement as the fundamental aspect of communication between human and human, as well as humans and technology. It is born out of a customer's personal value or life goals (Higgins, 2006). Hollebeek (2011) coined out customer engagement as the degree to which a customer actively interacts and identifies with a brand, creating a unique experience.

In addition, there are three types of engagement closely related to marketing communication: cognitive, relational, and

behavioral engagement (Fill and Turnbull, 2016). Cognitive engagement involves understanding the brand's message, relational engagement focuses on consumers feeling related to the message, and behavioral engagement refers to consumers actively engaging with the brand through actions like purchasing or recommending the product. Effective marketing communication strategies can help build lasting relationships with customers, leading to higher brand preference, increased loyalty, and positive word-of-mouth effects.

RESULT

The concept of brand awareness as outlined by Kotler & Keller (2021) and brand engagement as described by Fill & Turnbull (2016) is applicable to analyze marketing communication strategies undertaken by Allo Bank. Based on the observation findings, Allo Bank implemented various strategies to establish both Brand Awareness and Brand Engagement with its consumers, which will be explained further in the following section.

Strategy to build Brand Awareness

Brand Element (Name, Logo, Slogan, Campaign Hashtag)

Below is the logo of Allo bank, which is illustrated in figure 2.



Figure 2. Logo of Allo Bank

The name "Allo Bank" represents the concept of "all in one" and emphasizes the slogan "all for one, one for all." The logo incorporates the number 1, symbolizing the connectivity and ecosystem of various companies associated with Allo Bank, such as CT Corpora, Bukalapak, and Salim Group. The philosophy behind the name and logo is to provide a platform that connects businesses and enables users to enjoy all the products and services offered within the Allo Bank ecosystem (Tanjung, as cited in Sidik, 2022; Ramadhani, 2022). It is aligned with Allo Bank's vision to "become the best digital bank through the ALL

in One application, by utilizing the ecosystem and providing maximum added value to the nation” (cited from www.allobank.com). To promote this concept, the campaign "Open Allo, Open the Future" was launched, accompanied with the hashtag #ExperienceASimpleLife. These marketing elements aim to convey the convenience and comprehensive services offered by Allo Bank, positioning it as the future of banking that manages customers' lives from morning to night, birth to death (Tanjung, as cited in Purwanti, 2022).

Through these strategies, Allo Bank aims to increase brand awareness among its target audience, ensuring that consumers recognize and remember the Allo Bank name and its unique selling proposition of an all-encompassing banking experience. Additionally, the brand engagement strategy focuses on fostering a strong connection and interaction with consumers. The campaign and slogan communicate Allo Bank's vision and the future it aspires to create for its customers.

Holistic Marketing Activities

Allo Bank held the Allo Bank Festival as a marketing strategy to establish brand awareness through an immersive event. The festival, held on May 20-22, 2022 in Jakarta, served as the grand launching of the Allo Bank brand. By purchasing tickets using the Allo Bank application, consumers had access to performances by both local and international musicians. The theme of the festival was "ALL in One Festival," aligned with its vision and aiming to provide visitors with a comprehensive experience of the Allo Bank ecosystem (Syahputra, 2022). The event showcased various companies, including those in the CT Corpora ecosystem, and offered opportunities to explore food and beverage options, business merchants, and live events by the Trans Media Group. Antavaya Tour & Travel also held a travel fair during the festival, offering discounts and cashback to participants. The integration of music, media, travel, and various tenants aimed to provide visitors with a holistic experience and showcase the convenience of using the Allo Bank application for transactions.

Brand Association

Allo Bank employs various methods to establish brand associations. One approach involves the active involvement of Chairul Tanjung, Allo Bank's ultimate shareholder, in conferences related to Allo Bank, including right issue share openings, grand launches, and the Allo Bank Festival's opening ceremony. Chairul Tanjung's presence strengthens the association between Chairul Tanjung, a well-known figure & owner of CT Corpora Group, and the Allo Bank brand.

Additionally, brand association is achieved through brand ambassador appointments: Reza Rahardian as Chief Simple Officer and Putri Tanjung as Chief Experience Officer. The "Chief" label aligns them closely with the Allo Bank brand, making them integral parts of the brand development. Reza Rahardian initiated a points program for Allo Bank users upgrading to Allo Prime, allowing points to be used for transactions at CT Corp merchants (Anam, 2022). He emphasizes simplifying user experiences. Reza and Putri participated in "Allo Bank Hangout" events across various Indonesian cities.

Thirdly, brand association occurs through key figures in banking & technology. To reinforce Allo Bank's commitment to growth, the company appointed Aviliani, a prominent economist, as President Commissioner, and Indra Utoyo, a digital transformation expert, as President Director of PT Allo Bank Indonesia, Tbk. Their selection highlights Allo Bank's commitment to building a robust company, with Indra's digital expertise complementing Aviliani's economic insights (Jatmiko, 2022).

In conclusion, Allo Bank employs various strategies to strengthen its brand association. Through the involvement of Chairul Tanjung, the appointment of brand ambassadors, the implementation of consumer benefits programs, and the engagement of renowned figures in management positions, Allo Bank strives to create a strong and positive perception of its brand in the market.

Strategy to build Brand Engagement

Cognitive Engagement

Allo Bank focuses on cognitive engagement through informative content on its official social media platforms, offering short information, videos, and other materials that provide promotional information about discounts, freebies, financial advices and additional knowledge or solutions to consumer problems. This strategy involves creating a strong cognitive connection between consumers and the brand through educational content and interactive quizzes. However, despite their efforts, the engagement on their social media accounts is relatively low, with only about 1% of their followers (total ± 109.000 followers in Instagram) actively interacting with the content.

Relational Engagement

In addition to cognitive engagement, Allo Bank strives to establish relational engagement, focusing on deeper interactions and emotional connections with consumers. They have started implementing two-way communication on their social media platforms, where they provide questions for users to answer and respond back to them. They also actively address consumer complaints submitted through social media. These interactions help build stronger relationships between Allo Bank and its consumers. To further enhance relational engagement, Allo Bank aims to create unique and memorable customer experiences that go beyond simple transactions. By providing experiences that cater to the emotional wants and needs of consumers, Allo Bank can establish a stronger emotional connection and increase relational engagement.

One of the strategies employed by Allo Bank to create memorable experiences is through their association with Korean artists. By presenting Korean artists in events like the Allo Bank Festival and inviting them to become its new brand ambassadors, Allo Bank aims to tap into the large fan base of K-Pop fans in Indonesia. According to data from Twitter (retrieved from www.mediaindonesia.com), Indonesia has the highest number of K-Pop fans, with billions of

tweets related to K-Pop (Pangemanan, 2022). By associating themselves with Korean artists, Allo Bank hopes to build a relationship with K-Pop lovers and create a positive brand image.

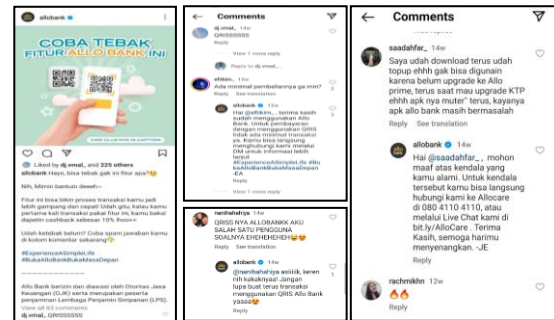


Figure 3. Relational Engagement between Allo Bank and its Instagram followers

To foster relational engagement, Allo Bank also aims to build communities and invite consumers to participate. They address their users as "Allo Friends," portraying themselves as a helpful and friendly financial institution. This approach aims to create an image of Allo Bank being a reliable and supportive friend for its consumers.

Behavioural Engagement

Allo Bank emphasizes behavioural engagement by encouraging active participation and interactions between consumers and the brand. This involves tangible actions taken by consumers, such as using the Allo Bank application, recommending it to others, or participating in brand-initiated activities. Allo Bank's "Member Get Member" (MGM) program incentivizes users to refer friends and family to download and upgrade the Allo Bank app, earning rewards for successful referrals. This initiative significantly increased the user base, from 45.000 users (during its first right issues) to 200.000 users (post MGM program).

Furthermore, Allo Bank organizes music events like the Allo Bank Festival, attracting thousands of attendees daily and fostering behavioural engagement through active participation and interaction with the brand's offerings. Through these strategies, Allo Bank aims to create a strong bond between

customers and the brand, encouraging them to actively engage with its products and services.

DISCUSSION

Allo Bank's diverse marketing communication strategies have effectively generated brand awareness, as evidenced by the substantial growth in users over the past year. Additionally, Allo Bank has gained recognition among Gen Z consumers, as indicated by a survey conducted by Marketeers Magazine in 2022 (Marketeers, 2023). However, this accomplishment is only a stepping stone, as true brand engagement necessitates continuous and substantial investments from consumers (Keller, 2013).

Consumer engagement should be ongoing and not limited to specific moments or occurrences. Building brand loyalty requires repetitive & continuity actions and a consistent pattern. Allo Bank can achieve continuity of engagement by consistently offering products that meet consumer needs and align with their personal values.

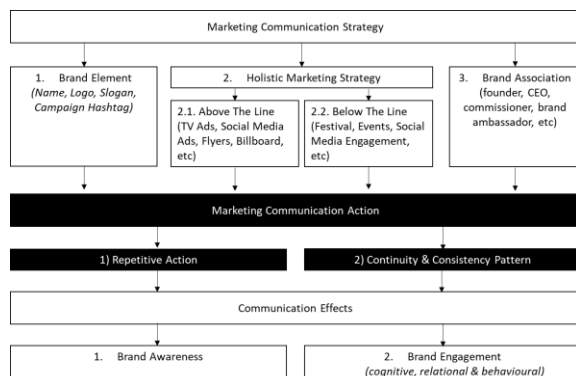


Figure 4. the role of marketing communication Action to create communication effects

Repetitive action can be achieved by organizing regular events such as the Allo Bank Festival, which should take place in the same month or location each year. This approach has already been adopted by Maybank and Java Festival Production. Maybank, for example, has successfully created brand engagement through their annual Maybank Marathon event, which promotes a healthy lifestyle and exercise culture in Indonesia. Another example provided by Java

Festival Production, which hosts the Java Jazz Festival annually in March, to promote the jazz culture to Indonesia. Although these events were temporarily halted due to the Covid-19 pandemic, they have since resumed.

The Allo Bank Festival event has the potential to generate behavioural engagement similar to the Maybank Marathon and Java Jazz Festival. To achieve this, the event should be held regularly, ideally in the same month or same location each year, to establish a consistent pattern and make it easier to remember.

Continuity & Consistency Pattern, on the other hand, can be achieved by linking advertisements and events with the brand ambassador of the company. In the case of Allo Bank, they could leverage the role of Bekhyun, the latest brand ambassador of Allo Bank, and create advertisements that are integrated with the Allo Bank Festival event. For example, a storyline could follow Bekhyun's journey meeting a musician who will perform at the festival, creating intrigue and continuous interest among Kpop Lovers. Besides, Allo Bank can also invite EXO, which is Bekhyun's boyband group, to attend the festival. Creating a storyline that connects with the Allo Bank event will generate curiosity and increase exposure to information through advertisements. This continuous exposure can lead to higher cognitive and relational engagement from consumers compared to non-sustainable advertisements.

Implementing the Continuity & Consistency Pattern can contribute to creating a strong connection between the brand ambassador, advertisement, marketing activities (events), and Allo Bank. For instance, PT Suba Indah, produsen Marjan Syrup, has consistently released two overlapping thematic advertisements every Ramadan, which consistently emphasize on the archipelago theme, thereby establishing a correlation between their ads and the month of Ramadan (Putri, 2023). This strategy has led to increased cognitive engagement among customers and establishes a relational engagement that boosts sales of Marjan syrup during this period.

IV. CONCLUSION

The research highlights that Allo Bank's marketing communication strategy has effectively generated brand awareness, leading to increased customer numbers in the past year, particularly during its launch. To establish stronger brand engagement and loyalty, Allo Bank should incorporate Repetitive Action and Continuity & Consistency Pattern. By repeatedly and consistently conducting promotional activities, Allo Bank can enhance its relationship with customers. Repetitive action, like regular festivals, and continuity through linking events and advertisements with a brand ambassador, can boost cognitive and relational engagement.

The study was limited to Allo Bank's marketing strategy in 2022-2023; future research could involve longer time frames and user surveys to understand the impact on brand image, awareness, and loyalty comprehensively. Additionally, analyzing customer behavior could guide the selection of relevant marketing strategies.

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