

Chapter 12

Commercial Bank Readiness for Adoption of Marketing 4.0: Evidence From Nepal

Shreeya Kutu

Quest International College, Pokhara University, Nepal

Niranjana Devkota

 <https://orcid.org/0000-0001-9989-0397>

National Planning Commission, Government of Nepal, Nepal

Sahadeb Upretee

Central Washington University, USA

Udaya Raj Paudel

Quest International College, Pokhara University, Nepal

Krishna Dhakal

Quest International College, Pokhara University, Nepal

ABSTRACT

This research aims to understand the status of commercial banks' readiness for adoption of Marketing 4.0. Exploratory research design was adopted to gain a better understanding of practical aspects of the issue of marketing 4.0. In-depth interview was conducted among 27 respondents of commercial banks in Nepal for detailed information to analyze status of Marketing 4.0. This study shows that commercial banks are aware regarding the concept of marketing 4.0. However, only Global IME Bank Limited and NMB Bank Limited have actually adopted the practice of Marketing 4.0. As the study shows the awareness regarding Marketing 4.0, it indicates that Marketing 4.0 has the potential to go from theory to practice and implementation in banking sector.

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INTRODUCTION

The world is evolving at a faster rate than it has ever been before. Modern human life is shaped by socio-economic, political changes as well as by technological advancements (Brecht et al., 2011; Rajbhandari et al., 2022; Paudel and Devkota, 2022). The Internet's triumph has changed not only how we access information, but also how we interact and communicate (Rai et al., 2019; Devkota et al., 2021). Today, technological and social developments are occurring at a much faster rate, making it much more difficult to keep up with them (Alraja & Ahmad Malkawi, 2015; Adhikari et al., 2020; Maqsood et al., 2021).

The Internet has brought a different dimension to people's abilities such as working, living and learning in a short time. Today, the use of high-tech devices that make the lives of societies easier has become indispensable (Guyen, 2020; Paudel et al., 2021). Increased digitalization has affected a variety of business practices, including business models, by allowing new ways of collaboration between businesses, resulting in new product and service offerings, as well as new customer and employee relationships. At the same time, this digitalization has put pressure on companies to reflect on their current strategy and explore new business opportunities systematically and at early stages (Rachinger et al., 2019; Devkota et al., 2021).

The complex changes brought about by turbulent markets, aggressive global competition, demanding customers, the rapid emergence of new technologies, and disruptive innovation have resulted in Marketing 4.0. Many problems that had been routine relying on traditional methods have begun to move rapidly as a result of the endless possibilities offered by technology. Almost every day, a new trend emerges in this globalizing world. Businesses should follow all the innovations in technology and improve themselves (Parajuli et al., 2020; Guven, 2020). The marketing concept has evolved greatly from the phase of Marketing 1.0 to Marketing 4.0. The concept of marketing developed from selling goods and products to identifying the needs and wants of the consumers and satisfying them while making certain level of profit (Fuciu & Dumitrescu, 2018; Maqsood et al., 2021). The 4th evolution of marketing as Marketing 4.0 in 2017 by Philip Kotler combines the online and offline interaction between consumers and companies. Marketing 4.0 evolved as a result of numerous changes arising from intense global rivalry, emerging forms of customers, and rapid technological advances (Vassileva & Bistra, 2017).

Marketing 4.0 is the evolution of Marketing 3.0 that mainly focuses on technology integrating online and offline interaction between companies and customers by emphasizing on human aspiration, values and spirit to provide solutions to consumer's preferences, opinion and needs based on the analysis of information. In the age of Marketing 4.0, an organization can no longer rely on its own meaning, values, and contributions to be conveyed to the public; rather, it must engage in a deep phase of co-construction—akin to partnership—with its customers, friends, and families, and many others (Gau, 2019). The emergence of digital technology and its numerous applications in all areas of life has resulted in a rapid rise in demand for technology in order to acquire and use it. The rapid advancements in the field of the Internet have led to rapid digitization, globalization, and economic liberalization. As a result, business adoption of this technology is becoming fairly important (Alraja & Malkawi, 2015; Rajbhandari et al., 2022).

Technology developments in the banking industry have significant implications for bank marketing activities (Dootson et al., 2016; Shrestha et al., 2020). The adoption of E-business in bank in Jordan shows the use of e-business in bank would provide them competitive advantage, depending on the level of competition (Mbama & Ezepue, 2018; Rai et al., 2019, Paudel and Devkota, 2022). The digital age has already entered in Nepal, as evidenced by its presence in every sector ranging from local government to transportation and the Inland Revenue Department (Dhungel & Regmi, 2019; Devkota et al., 2022a).

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