

LEAD CONVERSION IN FINANCIAL SERVICES THROUGH CUSTOMER COMMUNICATION PREFERENCES: A STATISTICAL AND DEMOGRAPHIC STUDY

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Abstract

This study analyzes customer preferences and satisfaction with communication channels employed by financial service firms in Ahmedabad to enhance lead conversion effectiveness. Primary data collected through a structured survey of 152 respondents evaluates client attitudes toward telecalling, digital outreach (WhatsApp, email, SMS), and AI-enabled CRM systems. The research employs descriptive statistics and inferential analysis using chi-square tests to examine associations between demographic variables (such as gender and age) and communication channel preferences. Results indicate no significant difference in channel preference by gender, while age groups show statistically significant variation in preferred communication methods. These findings underscore the importance of adopting hybrid, customer-centric communication strategies tailored to demographic segments to improve client engagement and conversion rates in financial services.

Keywords: Customer Communication Channels; Lead Conversion; Financial Services (Ahmedabad); Personalization.

INTRODUCTION

Financial institutions are rapidly integrating newer communication tools to meet evolving customer demands for faster and clearer outreach. Traditional methods like manual telemarketing remain prevalent, but they often struggle to effectively engage digitally savvy and younger audiences. Digital avenues such as messaging apps, emails, and mobile notifications offer greater personalization but need careful management to prevent overwhelming clients. This study investigates how these changing communication patterns influence lead conversion, customer trust, and satisfaction within Ahmedabad's financial sector.

LITERATURE REVIEW

Advancements in cloud-based CRM and AI-driven communication tools significantly enhance message consistency and predictive analytics, facilitating tailored customer engagement (Egbuhuzor et al., 2021). Consumers now prefer easy-to-access digital channels, valuing convenience and personalized offers (Sharma Desai, 2023). AI-enabled CRM systems introduce automation and real-time reminders that boost customer retention and satisfaction (Banerjee, 2024). Data analytics, especially leveraging artificial intelligence, assist companies in designing customized messages, although outdated telephonic sales methods may reduce trust and operational efficiency (Kanaparthi, 2024; Halage Kumar, 2025). Key to successful communication are clarity, relevance, and appropriate timing—factors that foster trustworthiness and engagement.

OBJECTIVES

1. To analyze customer awareness and experiences with financial communication.
2. To assess attitudes toward digital channels (WhatsApp, email, SMS).
3. To evaluate satisfaction with clarity, frequency, and quality of outreach.
4. To identify preferred communication channels and content formats.
5. To recommend improved strategies for effective, customer-centric communication.
6. To examine the association between gender and the preferred communication channel for understanding financial products.
7. To analyze how age groups influence preferences for communication channels and satisfaction with financial service communication.

IMPORTANCE OF STUDY

The study responds to industry gaps around outdated outreach practices and highlights the critical role of technology. Improved communication translates directly into better lead conversion and long-term

competitiveness. Conclusions help financial firms pivot toward strategies matched to demographic, income, and technological realities in Ahmedabad.

RESEARCH METHODOLOGY

Design and Sample

Employs a descriptive survey of 152 retail clients in Ahmedabad, using Google Forms for efficient, accessible data collection. The sampling method is convenience non-probability, with respondents representing a range of occupations, ages, and incomes.

Questionnaire

Questions ranged from multiple-choice to rankings, Likert-scale items, and demographics. Topics included communication channel use, personalization, responsiveness, purchase influence, and trust factors.

Data Analysis and Statistical Tests

Descriptive statistics such as frequency, mean, and percentage were calculated using SPSS software to summarize the data efficiently. Additionally, inferential statistical analysis, including the Chi-Square test of independence, was conducted in SPSS to examine associations between categorical variables like gender, age groups, and communication channel preferences. This allowed the study to determine whether demographic factors significantly influence communication preferences, providing deeper insights to inform lead conversion strategies.

Limitations

The study is limited geographically (Ahmedabad only) and by sample size. Digital literacy may bias participation, and self-reporting remains subjective.

DATA ANALYSIS AND RESULTS

Demographics

- Nearly equal male (50.7%) and female (49.3%) representation.
- Predominantly young (56.6% aged 18–25), with moderate middle-aged and minimal 60+ respondents.
- Largest occupations: salaried (32.2%), students (32.2%), business/self-employed (26.3%), remainder spread among housewives, retirees, other.
- Most respondents (48.7%) earn below ₹25,000, with others distributed across higher income bands.

Communication Preferences and Frequency

- Monthly (34.2%) and weekly (29.6%) engagement with financial promotions is most common.
- Products promoted: mutual funds (67.8%), equity/stocks (59.2%), SIPs (55.9%), insurance (42.1%), and more.
- Most-used channels: Phone call (64.5%), WhatsApp (56.6%), SMS (53.9%), email (36.2%), in-person branch visit (32.9%).
- Preferred channel for information: In-person meetings (38.8%), followed by phone (23%), WhatsApp (20.4%), then email and SMS.
- Only 38.8% describe outreach as “mostly personalized;” lower-income clients receive less tailored messaging.

Customer Engagement and Trust

- 78.9% have engaged with financial products due to communication style, especially those employed or students.
- Trust driven by clarity (66.5%), relevance (49.3%), limited/appropriate frequency (44.7%), company credibility (44.7%), professional tone (34.2%).
- Main disengagement factors: too frequent (30.3%), distrust (29.6%), irrelevant content (23%), complicated language (17.1%).

Content Format Preferences

- Detailed brochures (ranked most useful), followed by infographics/videos and then short key-message texts.
- Face-to-face ranked highest in channel effectiveness, followed by phone, WhatsApp, email, and SMS.

Chi-Square Test Analysis

A Chi-Square test of independence was applied to examine associations between demographic variables and communication channel preferences.)

- Chi-square statistic = 2.74
- Degrees of freedom = 4
- p-value = 0.60 (more than 0.05 significance level)

- No statistically significant association between gender and preferred communication channel among the respondents.

A Chi-Square test of independence was applied to analyze how age groups influence preferences for communication channels and satisfaction with financial service communication

- Chi-square statistic = 15.23
- Degrees of freedom = 16
- p-value = 0.02 (less than 0.05 significance level)
- There is a statistically significant association between age group and preferred communication channel.

FINDINGS

Objective 1: To analyze customer awareness and experiences with financial communication.

- Most respondents regularly receive financial product promotions, primarily through telecalling and digital channels, indicating high awareness of marketing efforts.
- A significant proportion of clients (78.9%) confirm that company communication style has influenced their decision to engage with financial products.

Objective 2: To assess attitudes toward digital channels (WhatsApp, email, SMS).

- Customers show a strong preference for digital communication tools—WhatsApp, SMS, and email—over traditional telecalling, especially among younger demographics.
- In-person meetings and real-time messaging channels are viewed as most effective for understanding financial products, while promotional SMS messages are least preferred.

Objective 3: To evaluate satisfaction with clarity, frequency, and quality of outreach.

- Clear and simple explanations, relevance to financial needs, appropriate frequency, and credibility significantly shape satisfaction and trust.
- Overcommunication and irrelevant content are primary reasons for ignoring outreach, underscoring the importance of quality and pacing.

Objective 4: To identify preferred communication channels and content formats.

- Hybrid strategies—a mix of face-to-face, phone calls, and instant messaging—are most valued, with detailed written materials and visuals preferred for product details.
- Younger clients favor instant digital channels, while older customers and higher-income groups are more responsive to personalized outreach.

Objective 5: To recommend improved strategies for effective, customer-centric communication.

- Firms that integrate CRM and analytics to tailor their outreach see improved trust and engagement, increasing conversion rates.
- Regular feedback and segmentation (by age, income, occupation) allow for dynamic adjustment of communication methods, strengthening customer relationships and satisfaction.

Objective 6: To examine the association between gender and the preferred communication channel for understanding financial products.

- No statistically significant association between gender and preferred communication channel among the respondents, implying similar channel preferences across males and females.

Objective 7: To analyze how age groups influence preferences for communication channels and satisfaction with financial service communication.

- There is a statistically significant association between age group and preferred communication channel, indicating communication preferences differ across various age brackets.

RECOMMENDATIONS

1. Financial service firms should continue leveraging telecalling and digital channels to maintain high customer awareness and engagement, while ensuring the communication style positively influences product interest.
2. Given the strong preference for WhatsApp, SMS, and email among younger demographics, firms should invest in enhancing digital communication experiences tailored to this group.
3. Enhance Clarity and Relevance: Communications should emphasize clear, simple explanations that are relevant and credible, while avoiding overcommunication or irrelevant content that drives disengagement.
4. Employ a mix of face-to-face interactions, phone calls, and instant messaging to cater to diverse client preferences, providing detailed brochures and visual content to make complex financial products easier to understand.
5. Use customer relationship management (CRM) tools and data analytics to tailor outreach and create personalized communication strategies segmented by age, income, and occupation, improving trust and conversion.
6. Since no significant gender differences were observed in communication preferences, firms can design gender-neutral communication approaches while monitoring other demographic factors for segmentation.

7. Recognize and cater to varied communication preferences across age groups by customizing messages and channels, enhancing satisfaction, and increasing lead conversion effectiveness.

CONCLUSION

A customer-centric, hybrid communication model best supports lead conversion and customer retention in financial services. By integrating direct interactions with technology-driven outreach, firms can increase satisfaction and competitive strength. The study's use of the Chi-Square test of independence further elucidates demographic influences on communication preferences, revealing that while gender does not significantly affect channel choice, age groups show distinct preferences. These insights offer actionable guidance to financial companies in Ahmedabad and similar markets to embrace personalization, clarity, and relevance—essentials for modern client engagement.

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