

ROLE OF PHYGITAL MARKETING USED BY SECURITY BROKING FIRMS IN ENHANCING CUSTOMER PERCEPTION: A CRITICAL REVIEW

Manish Kasbekar

Registrar Sinhgad Institute of Management and Computer Application, Narhe, Pune.

Dr. Rajesh Gawali

Associate Professor, Sinhgad Institute of Management and Computer Application, Narhe, Pune.

<https://doie.org/10.65985/pimrj.2025123542>

Abstract

The convergence of physical and digital experiences commonly referred to as phygital marketing has revolutionized customer engagement across industries. In the financial services sector, particularly in security broking, where trust, accessibility, and personalization are paramount, phygital strategies offer a compelling proposition. This paper critically reviews the role of phygital marketing in enhancing customer perception within security broking firms. Drawing on secondary literature, industry reports, and case studies, this study examines the effectiveness of integrating offline and online customer touch points, the influence of digital tools on trust-building, and the evolving expectations of clients. The paper concludes with insights into best practices and future directions for broking firms aiming to strengthen client relationships in an increasingly hybrid environment i.e. mixed online-offline world.

Keywords

Phygital marketing, security broking, customer perception, financial services, digital transformation, hybrid experience, customer engagement

Introduction

In the era of rapid digital transformation, the financial services sector is experiencing a paradigm shift in the way it interacts with customers. While the rise of online trading platforms, mobile apps, and robo-advisory tools has improved accessibility and convenience, the physical presence of security broking firms through branches, relationship managers, and offline consultations continues to retain value, especially among traditional investors. The blend of physical and digital marketing coined as phygital marketing has thus emerged as a strategic approach to enhance customer perception and engagement.

This paper explores how security broking firms utilize phygital marketing to improve customer experience, build trust, and sustain loyalty in a competitive and regulated environment.

2. Objectives of the Study

1. To understand the concept and evolution of phygital marketing in financial services.
2. To examine how security broking firms are integrating phygital strategies.

3. To critically assess the impact of phygital marketing on customer perception and satisfaction.
4. To identify challenges and best practices in implementing phygital models in broking services.

3. Research Methodology

This study follows a qualitative and exploratory research design based on:

- **Secondary Data:** Research papers, industry whitepapers, company reports, and marketing strategy case studies.
- **Critical Review Approach:** Analysis and synthesis of literature to evaluate the success and limitations of phygital marketing efforts in security broking.

4. Conceptual Framework: What is Phygital Marketing?

Phygital Marketing refers to the fusion of physical and digital customer experiences. The goal is to provide a seamless, personalized, and omnichannel customer journey where both digital tools (apps, chatbots, websites) and physical elements (branches, RM interactions, offline events) complement each other.

In the financial context, especially broking services, a phygital approach may involve:

- Mobile and web-based trading platforms integrated with RM support.
- Real-time customer service via chat and video calls, backed by physical branches.
- Financial education webinars coupled with in-person investment camps.
- Hybrid onboarding: online KYC with optional offline support.

5. Application of Phygital Marketing in Security Broking Firms

5.1 Digital Initiatives

- Mobile trading apps offered by Kotak Securities, Zerodha, and Angel One provide users with intuitive interfaces, real-time market data, advanced analytics, and portfolio management features.
- AI chatbots and virtual assistants are employed to resolve customer queries, offer portfolio suggestions, and send timely market alerts.
- Online seminars and webinars deliver educational content to help clients enhance their understanding of the market and build trust in financial services.

5.2 Physical Engagement

- Branch services are available for clients who prefer face-to-face discussions, particularly in Tier-II and Tier-III cities.
- Relationship Managers (RMs) offer personalized investment advice, especially catering to High Net-Worth Individuals (HNIs) and older investors.

- Offline investor camps are organized to promote financial literacy and build trust within local communities.

5.3 Phyigital Integration Examples

Security broking firms are increasingly integrating phyigital strategies to enhance customer experience and streamline operations by combining physical and digital touchpoints. This involves using digital technologies to enhance physical interactions and vice versa, creating seamless and personalized experiences for clients.

- Motilal Oswal combines its online Wealth Desk platform with offline relationship manager (RM) visits to support customers in building their investment portfolios.
- ICICI Direct offers e-KYC and app-based trading services, along with the option for in-branch guidance for customers who prefer physical support.
- Angel One follows a digital-first model but also maintains physical centers in select cities to provide hybrid customer support.

6. Impact on Customer Perception

6.1 Trust and Reliability: Phyigital presence reassures customers that the firm is accessible both online and offline. This dual approach builds trust, especially among those wary of purely digital platforms.

6.2 Personalized Experience: Digital tools enable customization, while offline RMs offer empathy and emotional intelligence—enhancing customer satisfaction.

6.3 Convenience and Empowerment: Customers can switch between channels as per preference, leading to better autonomy and perceived value.

6.4 Service Consistency: Omnichannel strategies promote a uniform experience across touchpoints, improving brand perception and reducing friction.

7. Challenges in Implementing Phyigital Marketing

- Technology integration involves ensuring a seamless flow of data and proper synchronization of Customer Relationship Management (CRM) systems between online and offline platforms.
- Regulatory compliance involves managing customer data securely across all channels to meet Juulegal and industry standards.
- Cost management requires balancing investments in digital technologies with the expenses of maintaining physical infrastructure.
- Training needs involve upskilling staff to ensure they can work efficiently in both digital and physical retail environments.

8. Critical Review of Literature

Several studies highlight the growing role of phyigital strategies:

Ashwani Sharma & Reenu Kumari (2023), Articulates that the financial services industry has changed a lot because of new technology and changing customer preferences. People now expect both physical

and digital options, which has led to the rise of phygitalisation a mix of physical and digital services to give customers a smooth and consistent experience. In India, private financial institutions like ICICI Bank, HDFC Bank, and Axis Bank started using phygital methods even before government banks. This chapter looks at the reasons behind this shift, the challenges faced, and the opportunities it brings. It uses a narrative review approach based on existing studies and research questions. The results show that phygitalisation can give financial institutions an edge over competitors. However, they still need to overcome issues like technology, rules, and customer habits. Overall, the future of phygital services in India looks bright.

Prasanna Kumar Sekar & Saurabh Jain, Infosys (2022), elaborates that, Digitalization is the future of banking, helping banks meet changing customer needs while maintaining a personal touch. By combining digital tools with physical branches, banks can stand out by offering a modern, hybrid customer experience. Future bank branches will serve not just as places for transactions but also as social and networking hubs. Continued investment in digital technology will allow banks to deliver interactive and personalized services. The unexpected changes since 2020 have pushed banks to rethink branch operations, and physical branches will keep evolving with technological progress.

Rachel Halversen (2022), highlights that, Phygital banking, which combines physical and digital experiences, is changing the way banks connect with customers. In today's fast-paced and tech-driven world, adopting this model has become essential for all types of banks—whether global, regional, or digital-only. It helps build trust, improve access, and offer personalized services through both online and offline channels. By investing in strong phygital strategies, banks can meet customer expectations and stay competitive. As digital and physical banking continue to merge, creating smooth and secure experiences while maintaining a personal touch will be the key to future success.

Koc Refik Erdem (2022) in his book explains that, Phygital marketing blends physical and digital strategies to create seamless, personalized, and emotionally engaging customer experiences. It helps businesses better understand and meet customer needs, increase participation, and deliver unique brand interactions. Brands that embrace technological trends and implement phygital approaches are more likely to succeed in today's competitive market. However, customer attitudes toward technology vary, and some may feel confused or anxious, making in-store guidance crucial to enhancing comfort and engagement. This study aims to enrich the limited existing research on phygital marketing, especially its influence on consumer behavior, and encourages future exploration in this area.

Johan Ariff Jafri, Syajarul Imna Mohd Amin, Aisyah Abdul Rahman (2024), systematically reviews how trust, security, and related factors influence consumers' intention to use Fintech in banking, highlighting key predictors like perceived ease of use, trust, perceived usefulness, security, and attitude. The findings emphasize the growing role of consumer perspective in shaping Fintech adoption and guide future research using the TCCM framework by identifying gaps and promising variables. Blockchain technology is identified as a major innovation driver in digital banking, offering benefits such as

transparency and decentralization, but also posing potential privacy concerns. Policymakers, bankers, and researchers are encouraged to develop strategies and regulations that support secure and ethical Fintech adoption. Ultimately, improving system security, effectiveness, and trust can boost Fintech usage and contribute to a more cashless, digitally advanced society.

Dr.B.Kishore Babu, & etal (2022), explores how customers feel about phygital retailing and its effect on their satisfaction. A survey of 420 people showed that satisfaction is closely linked to their education and job. Most customers liked physical shopping but also found mobile apps and virtual reality useful. Personalization and convenience were the main reasons for satisfaction, suggesting retailers should focus on these areas based on customer backgrounds.

Accenture (2021) found that hybrid models improve customer satisfaction by 25% in financial services.

Deloitte (2022) emphasized that 60% of customers prefer firms that offer both online and offline access.

Harvard Business Review (2020) cautioned against poorly integrated models, which can confuse or frustrate clients.

In the Indian context, the success of firms like Zerodha (digital-first) versus ICICI Direct (phygital) demonstrates that while digital can scale, phygital strategies may enhance long-term client relationships.

9. Conclusion and Recommendations

Phygital marketing has emerged as a powerful strategy for security broking firms to enhance customer engagement by combining the strengths of both digital and physical channels. Phygital marketing is not just a trend it is becoming a necessity in the security broking industry. Customers today demand both the convenience of digital platforms and the reassurance of human interaction. A well- implemented phygital strategy can help broking firms differentiate themselves in a saturated market by enhancing trust, satisfaction, and loyalty. The study reveals that while digital tools such as mobile apps, chatbots, and webinars offer convenience and speed, the human touch provided through branches and relationship managers remains essential, especially for traditional and high-value clients. This hybrid model builds trust, offers personalization, and ensures service consistency, leading to improved customer satisfaction. However, successful implementation requires addressing key challenges such as data integration, regulatory compliance, cost management, and staff training. Literature reviewed in this study affirms the rising importance of phygital strategies and highlights their potential to future-proof the financial services sector. As customer expectations continue to evolve, security broking firms that effectively balance digital innovation with personalized physical interactions will have a competitive edge in building lasting client relationships.

Recommendations:

1. The study should further invest through Omni channel Technology with unified CRMs and integrated communication tools.
2. The organization should Train Employees for Hybrid Roles especially equip RMs with digital skills and soft skills.
3. They should use Data Analytics and Leverage client behavior data for personalized outreach.
4. The Customer Education with combined online tutorials and physical workshops.
5. The Feedback Loops should be covered with regularly assess customer experience across all channels.

References

Accenture. (2021). *Phygital Banking: The Future of Financial Services*.

Ashwani Sharma & Reenu Kumari (2023), Future Analysis of Phygitalisation for Financial Services in India. (<https://www.igi-global.com/chapter/future-analysis-of-phygitalisation-for-financial-services-in-india/330517>)

Deloitte. (2022). *Omnichannel Customer Experience in Financial Services*.

Dr.B.Kishore Babu, Dr K Soujanya, Dr Daniel Pilli, Sameer Taufeeq, Mr.Vamsi Ammisetti , “The Impact of Phygital Retailing on Customer Satisfaction in the Retail Industry” International Journal of Food and Nutritional Sciences Global E Smart Technologies, Volume 11, Special Issue 5 (2022)

Harvard Business Review. (2020). *Why Digital-Only Isn't Enough for Financial Brands*.

ICICI Securities. (2023). *Investor Presentation*.

Johan Ariff Jafri, Syajarul Imna Mohd Amin, Aisyah Abdul Rahman, 15 January 2024, “A systematic literature review of the role of trust and security on Fintech adoption in banking”, Heliyon , Volume 10, Issue 1, e22980

Koc Refik Erdem , October 2022, “A New Perspective As A Combination Of Physical And Digital: Phygital Marketing, In book: Digitalization In Business And Economy, pp.233-249, Publisher: Nobel Bilimsel Eserler, <https://www.researchgate.net/publication/369370317>

Motilal Oswal Financial Services. (2023). *Annual Report*.

Prasanna Kumar Sekar & Saurabh Jain Infosys (2022), Physital Banking the Futures of Bank Branches, (<https://www.infosys.com/industries/financial-services/insights/documents/phygital-banking-future-bank-branches.pdf>)

Rachel Halversen ,September 9, 2022, Phygital and the Future of Banking, (<https://resources.businesstalentgroup.com/financial-services/the-future-of-banking-is-phygital>)

Zerodha. (2022). *Digital Trading Platforms in India*.