

Marketing Strategies for Effective Banking

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Abstract: Customer satisfaction is a key factor in any organization; banks are looking to earn a stable income to our loyal customers. For many years the emergence of the marketing concept and are it to attract customer in the past. The organization can be found and the principle of marketing are not met concern is not attracting customers. The competitiveness of financial markets and financial institution and development banks, and credit, marketing and implementation of marketing strategies to attract customer. The Role of marketing in the banking industry continues to change. For many years the primary focus of bank marketing was public relations. Then the focus shifted to advertising and sales promotion. That was followed by focus on the development of a sales culture.

Keywords: Marketing, Strategies, Banking.

1. INTRODUCTION

Marketing and promotions and offers a wide range of goods and services, all processes are effective in attracting and motivating customer and increase market share are included. The overall aim of marketing is to increase sales of goods and services for corporate, commercial and financial institutions is to ultimately increase profit marketing is not only meat to advertising and introduce products and services, marketing approach to meet customer demands and broad social and managerial process By which business can understand the needs and interests of customers by offering goods and services, with affordable pricing and its influence in promoting the product to target markets. Marketing executives at financial institutions and bank are also trying to send broadcast messages and ideas specific to affect the audience through the media, to attract attention to their services. The Role of marketing in the banking industry continues to change. For many years the primary focus of bank marketing was public relations. Then the focus shifted to advertising and sales promotion. That was followed by focus on the development of a sales culture. Although all the elements of the marketing concept-customer satisfaction, profit integrated framework and social responsibility will remain important, customer satisfaction must receive the greatest emphasis in the years ahead. The chief concerns of most bank executives still focus on legal and regulatory issues, according to most surveys. Community banks are particularly concerned with eliminating barriers that give unfair advantages to financial services competitors, such as credit unions.

2. MARKETING CONCEPTS

Its application to Banking, when we apply marketing to the banking industry, the bank marketing strategy can be said to include the following-

1. A very clear definition of target customers.
2. The development of a marketing mix to satisfy customer at a profit for the bank.
3. Planning for each of the source 'market & each of the use' markets.

Marketing:

Marketing is the sum of all activities that take you to sales. Marketing is all about creating a pull, sales is all about push and about managing the four –

- Product
- Price
- Place
- Promotion

Core Concept of Marketing:

- Needs, Wants, Desires / demand
- Products, Utility, Value & Satisfaction
- Exchange, Transactions & Relationships
- Markets, Marketing & Marketers

3. BANKING

Years ago banks did not understand or pay special attention to marketing. Bankers need to review the current account, savings, loans trust funds were not Bank Building was built in the architectural style of Greek temples and architectural thought such public importance and strength of the bank raises. Banks are very simple and free of indoor decoration and com for tor cashiers laugh Ingra rely on the lips a reappeared. Employee paying the loan his office is arranged so that borrower would in evit ably shorter than siton a chair in front of his table. Window of the office behind the employee were there pull the sun directly on the client sill fated standand customer tried to Employee liable to explain the loan to the customer is requesting that face of the bank in the evening before marketing.

Bank Marketing:

Bank marketing is the aggregate of functions, directed at providing services to satisfy customers financial needs and wants, more effectively and efficiently. This aggregate of functions is the sum total of all individual activities consisting of an integrated effort to discover, create, arouse and satisfy customer needs. This means, without exception, that each individual working in the bank is a marketing person who contributes to the total satisfaction to customers and the bank should ultimately develop customer orientation among all the personnel of the bank. Different banks offer different benefits by offering various schemes which can take care of the wants of the customers. Marketing helps in achieving the organizational objectives of the wants of the customers. Marketing helps in achieving the organizational objectives of the bank. Indian banks have duel organizational objective commercial objective to make profit and social objective which is a developmental role, particularly in the rural area. Marketing concept is essentially about the following few thing which contribute towards bank's success :

1. The bank cannot exist without the customers.
2. The purpose of the bank is to create, win, and keep a customer.
3. The customer is and should be the central focus of everything the banks does.
4. It is also a way of organizing the bank.
5. Ultimate aim of a bank is to deliver total satisfaction to the customer.
6. Customer satisfaction is affected by the performance of all the personal of the bank.

All the techniques and strategies of marketing are used so that ultimately they induce the people to do business with a particular bank. Marketing is an organizational philosophy. This philosophy demands the satisfaction of customers needs as the pre-requisite for the existence and survival of the bank. The first and most important step in applying the marketing concept is to have a whole hearted commitment to customer orientation by all the employees. Marketing is an attitude of mind. This means that the central focus of all the activities of a bank is customer. Marketing is not a separate function for banks. The marketing function in Indian Bank is required to be integrated with operation. Marketing is much more than

just advertising and promotion; it is a basic part of total business operation. Marketing is much more than just advertising and promotion; it is a basic part of total business operation. The total Bank marketing function involves the following :

- a. Marketing research
- b. Product Development
- c. Pricing of the service
- d. Developing market.

4. MARKETING STRATEGY IN BANKING

➤ Consumer Behavior and Segmentation:

Banks deal with individuals, group of persons and corporate, all of whom have their likes and dislikes. No bank can afford to assess the needs of each and every individual buyer. Segmentation of the market into more or less homogenous groups, in terms of their needs and expectations from the banking industry, provides a solution to this problem. This involves dividing the market into major market segments, targeting one or more of this segments and developing products and marketing programs tailor-made for these segments. In the first segmentation, the market is divided from a unitary whole, to groups of buyers who might require separate products and marketing mix. The marketer typically tries to identify different segments in the market and develop profiles of resulting market segments. The second step is market targeting in which each segment's attractiveness is measured and a target segment is chosen based on its attractiveness. The third step is product positioning which is the act of establishing a viable competitive position of the firm and its offer in the target segment chosen. In the process of segmentation, the market can be divided into major segments which are gross slices of the market, or into smaller specially formed segments, otherwise known as niches. Niche customers have a specific set of needs which the marketer tries to address. While a market segment attracts several competitors, a niche attracts fewer competitors and therefore, a company should clearly define its target segment and devise strategies to target the customer, so that it has a competitive advantage in the segment.

➤ Customer Relationship Management:

The marketing strategy consists of a very clear definition of prospective customer and their needs and the creation of marketing mix to satisfy them. A recent development in this regard is Customer Relationship Management. It is a business strategy to learn more and more about customer behavior in order to create long term and sustainable relationship with them. It is a comprehensive process of acquiring and retaining selective customers to generate value for the bank and its customer. Under CRM, acquisition of customers is done through personal visits, media advertisement or word of mouth from existing customers. Customer retention is carried out through data warehousing and mining tools, customer service and call services, and improved customer value is obtained through cross-selling and up selling to the retained customers. The concept value is obtained through cross-selling and up selling to the retained customers. The concept of data warehousing and data mining used in CRM helps in seeking information about individual customers and their needs on a regular and systematic basis. Data warehousing builds customer wise data by mapping it from various services and products used by the customers such as deposits, credits, foreign exchange, e-business, safe custody, lockers, bill collection etc.

➤ Identification of Target Customers & their Needs

This is an important area in formulation of a marketing strategy. Unless the bank has clear idea about the customers it wants to serve, it is not possible to work out products to satisfy their needs. This identification process involves :-

- Finding out profile of present customer in terms of their education, occupation, income, geographical location, population group, age, sex, marital status, products and services their purchase, their habits, tastes & preferences, their businesses & future prospects, etc.
- Finding out opinions of existing customers about the services provided by the bank and their suggestions for improvement in present services and introduction of new services.
- Collecting such information from the persons who are not currently customers of the bank.

5. MARKETING'S ADVANTAGES IN BANKS

The use of marketing mix factors such as access to adequate services and supplies quickly. Variety of services and good advertising can be created deposit banks and institutions.

Marketing executives a bank is tasked with analyzing, planning, implementing and controlling the efficient and effective program. Bank privileged competitive position for the target market to make a Marketing plan include the design process and the event leading to the bank is to achieve future goals. Strengthen financial markets in each country that signs the economic development of the country and saving resources is essential for economic health and within erasing savings in the banking system or the financial system and credit, increasing investment and economic growth would be expected.

Marketing of banking services, including the following three pillars:

1. Market recognition which include banking services, including the services of the bank current market system and its strengths and weakness expectations, desires, ideas and opinions customer, conditions and environmental factor affecting the banking system and failed patterns is this system. Market recognition in infrastructure development in the banking system.
2. The market maker use a variety of technique, including simple and complex marketing and competitive strategy development the marketing tools marketing mix to creator increase market share, customer share, and the opportunity to share resources and better benefit.
3. Market's strategy, marketing is one of the most important task in the system, maintain market share, lasting relationship with clients and customers become regular supporters, fans are loyal. However there is much more competition and more loyal customers, and will always be more valuable.

The entry of marketing in banks:

1. Increased competition faced by banks on savings. Advertising and promotion activities banks began selling heavily. They offer some promotional items such as umbrellas, radio, etc. a group of customer were attracted to the account. Their competitors do the same thing began to attract customers in order to contribute to the professional activities to promote sales and advertising agencies were.
2. Office later found that is very easy to attract customer to the bank. But it is very difficult to convert these customer into loyal customer. Hence, to ensure customer satisfaction and assure them initiated programs. As this point the laughter on their pass close.
3. The bank were divided its markets and for the market with innovative new products offered were getting into a competitive tool.
4. They have competition to find new excuse. Little by little, they find that no bank is to offer all customer the best banking services and banks to be considered. The Bank has provided opportunity to review and choose special place for itself in the market.
5. Marketing research to measure the potential of market to offer the bank on marketing initiatives and finally, these of appropriate incentives to motivate executives to achieve goals in a competitive environment is essential, especially bank.

6. CONCLUSION

The rapid and unpredictable changes in the market and strongly felt the need to use marketing techniques is evitable. According to the modern understanding of customer needs and shave gradually towards establishing and maintaining long-term relationship with customer are tending to become customer waiting time is always changing and banks must constantly using marketing techniques have regular contact with customers to provide their services to successful. The Role of marketing in banking industry. Use of marketing mix in banking sector is increasing day by day with 4 'Cs'. So bank marketing concept is very important for every bank. The main purpose of this study is to get an overview of bank marketing and to find out of role of marketing in banking industry and see that how marketing mix (product, price, place, & promotion) is most important in bank. Bank marketing has become a necessary survival weapon and is fundamentally

changing the banking industry worldwide. The rise of Bank Marketing is redefining business relationships and the most successful banks will be those that can truly strengthen their relationship with their customers.

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