The Service Marketing Mix of HDFC Bank

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Abstract
Marketing mix simply means placing of the right product or a bundle of products or services at the right place at a reasonable price. For any company to run its business smoothly, it must know every aspect of the line of business it is in and how to use its marketing mix properly to attract customers. The industry made up of companies which earn income from providing services to its customers is called service industry. The major players of the service industry are banking, tourism, transportation, warehousing, distribution, hotels, restaurants, food delivery, etc. This paper would discuss on the ‘marketing mix’ of HDFC bank which happens to be a major player in the banking industry of India.

Keywords: Marketing mix, Service Marketing, HDFC Bank.

Introduction
Service marketing means creating, promoting and delivering the value of services to the customers who are seeking them. Services are normally intangible, meaning they cannot be seen, touched or felt. Some characteristics of services are that these are intangible, inseparable, tend to be perishable, and every service is heterogeneous, meaning it has its variety.

The Service Marketing Mix
The ‘marketing mix’ of services contains seven elements, unlike a product. Along with the 4 Ps of product, which are Product, Price, Place, Promotion, services extend to another set of 3 Ps, i.e. People, Process and Physical Evidence.

Therefore, this paper would discuss the 7 Ps of HDFC Bank in its role as a service offering company in the banking industry.

Literature Review
The concept of ‘marketing mix’ was first coined by E. Jerome McCarthy in his book Basic Marketing: A Managerial Approach. This book is considered as a seminal work in the world of Marketing Studies as McCarthy went on to introduce and discuss extensively the ‘4 Ps of marketing’-Product, Price, Place and Promotion, respectively. The additional 3 Ps, namely People, Process and Physical Evidence, was introduced later for the marketing of services.
Udel (1968) identified marketing promotions as one of the major factors which lead to the effectiveness of a brand. Among all the promotional tools, Advertising proves to be the most effective among consumers.

Rossier (1973), in his work, proposed an idea on the opening of branches by the banks and how analysing the potentiality of the market and a plan for determining the expenditure must stand as the first and foremost option in its foundation.

George William R and Hiran C Barksdale (1974), in their study on marketing activities of services, found out that service firms tend to be less marketing oriented; they are less likely to involve in the market and promotional related activities. These firms focus more on advertising internally rather than going to specialised agencies. They do not seem to have a proper sales plan or conduct any sales training program.

In terms of the banking industry also, several studies were found. Meidan (1976), in his study, revealed that customers tend to choose to bank at the nearest branch possible. The main reason for this was convenience. Kamath (1979) conducted a study on the customers of Syndicate bank about the marketing of bank services and customer relationships.

Need for Study
The banking industry is a growing service industry, and in India, HDFC Bank is one of the major players in the market. Thereby this paper would bring into its discussion the role of the 7Ps in the arena of the ‘marketing mix’ of HDFC Bank.

Objective
To study the marketing mix of HDFC Bank and its effectiveness.

Methodology
For this paper, the source of data used is mainly secondary. The contents found in different articles, research papers and data from the HDFC Bank website is used.

The Marketing Mix
As mentioned earlier, on the role of E. Jerome McCarthy, who first identified by in his seminal work, Basic Marketing: A Managerial Approach, and put forward the notion of ‘4 Ps’ of marketing. This concept can be further explained as follows:

- **Product**: It is the main benefit of the product/service sought by customers.
- **Place**: Place points out the product or service across different markets that remain at one’s disposal.
- **Price**: It is the monetary value of the product/service.
- **Promotion**: It refers to the tools and techniques used to make the product/service popular among consumers.

However, in the case of services, along with these 4 Ps, an additional 3 Ps are added later. Those are:

- **People**
- **Process**
- **Physical Evidence**

**Products of HDFC Bank**
The main products offered by HDFC Bank are accounts and loans. In the accounts section, it offers a savings account, current account and Demat account. It also offers additional services like credit cards, Net banking etc. It also has some additional products like HDFC ergo, HDFC life, HDFC home loans etc.

**Place**
The branches and ATMs of HDFC Bank are available all across India. Although it has its headquarters in Mumbai, it has 3488 branches in 2231 cities. It also has 11426 ATMs available throughout India. Over and above its physical services, it is also available in net banking services and phone banking services.

**Price**
HDFC bank follows the strategy of premium competitive pricing. Unlike Public sector banks, its prices for purchasing and maintaining its products are slightly higher. Although, it implies with all the RBI guidelines and do not charge anything extra from its customers for its miscellaneous services.

**Promotion**
For promotion, the bank uses 360-degree planning for its advertisements. The main focuses are on TV ads, social media marketing and billboards.
Its logo of red and blue colour is recognised by every customer and increases the brand value in the market.

People
The bank stresses hiring and recruiting talented people who will be able to satisfy the customers up to mark. As of March 2019, the bank has 98061 permanent employees working for it. It trains its employees to provide their customers with world-class service while also developing their career. The company also excels in HR by keeping its customers and employees satisfied.

Process
The bank stresses being efficient and effective for its customers. For that, it trains its employees regularly. Nowadays, when everything is happening online, and the pandemic is hitting the world, HDFC bank is also providing all of its services online with a smooth website and a mobile app. Its phone banking services are also quite good and keep the consumers happy. It also provides robotic assistance to its consumers.

Physical Evidence
The physical presence of HDFC bank is strong all across India, including rural India. Although all the services are available online, people can still locate the physical branches in the nearby area. Most branches are located in small towns and metro cities. The bank also provides home services for clients who want to open their accounts with the bank or any other relevant services. Apart from branches, it also has a large number of ATMs all across the country.

Conclusion
This paper discusses the 7 Ps of service marketing with special reference to HDFC bank. The bank has one of the excellent services in the Indian banking industry with its both online and offline services. Although its prices are premium compared to the public sector banks and therefore could not be afforded by everyone. With the premium price, it tries to provide the best service possible to its consumers. The paper talks about various aspects and the effectiveness of the bank by its marketing mix as a service providing company.

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