

## MARKETING OF BANK PRODUCTS AND SERVICES: EMERGING TRENDS

**C.Navamani**

*Guest Lecturer in Economics, Arulmigu Palaniandavar Arts College for Women, Palani*

**Dr.N.Saravanakumar**

*Assistant Professor of Economics, School of Continuing Education,  
Tamil Nadu Open University, Chennai*

### **Abstract**

*The present paper acknowledges with same limitation that Indian private sector banks and foreign bank's marketing strategies are quite better than our public sector banks. On the basis of performance parameters like deposits, advances, interest income, other income and operating profits, the growth in performance is much better in foreign banks and private sector banks. The paper also suggests some strategies for the enhancement of bank marketing. Only those banks will survive in the future which will adopt effective and realistic strategy to win the trust of the customer.*

**Keywords:** *Bank Marketing, Customer, Challenges, Interest and Strategies*

### **Introduction**

Human being is a social animal. Throughout the life, all we do is try our best to fulfill our needs. The place where things are exchanged or say mutual needs are satisfied, is called the market and the efforts to make people aware of your offerings encouraging them to deal with you and let them believe that in doing so, they are satisfying their needs at its best is called marketing. After the banking sector reforms, marketing has developed as a more integrated function with in financial service organizations like banks largely as a result of rapid changes in the operating environment. Bank marketing define as a aggregate of function directed at providing service to satisfy customer's financial needs and wants, more effectively than the competition keeping in view the organizational objective of the bank. The bank marketing has become a very complex yet interesting subject as it requires the knowledge of economics, sociology, psychology , banking and also core marketing concept. In marketing, it is the customer who has the upper hand. The mantra of effectively marketing bank products lies in the systematic and professional approach towards satisfying customer's needs. Better service is more important than just a good product in the marketing of banking service so the focus should be on the want and need of satisfying that product or service.

### **Different Products and Services**

Deposits - Banks accept the deposits of the public. In order to attract the savings of the people, the bank provides every sort of facility and inspiration to them and collects the scattered savings of the society. The bank opens an account of those people who deposit

their savings with the bank. These deposit accounts can mainly be of three types and people can open any of these three types of accounts according to their wish. These accounts are current account, saving bank account, fixed deposit account. Loans - The bank just don't keep with themselves the deposited amount of the people, rather they advance them in the form of loans to the businessman and entrepreneurs, just to earn profits for their the present paper acknowledges with same limitation that Indian private sector banks and foreign bank's marketing strategies are quite better than our public sector banks. On the basis of performance parameters like deposits, advances, interest income, other income and operating profits, the growth in performance is much better in foreign banks and private sector banks. The paper also suggests some strategies for the enhancement of bank marketing. Only those banks will survive in the future which will adopt effective and realistic strategy to win the trust of the customer partners. The loaned keeps some gold, silver, fixed and variable assets in the form of security with the bank. The bank can advance loan to their customers in three ways: overdrafts, money at call, discounting bills of exchange.

#### **Marketing Approach to Banking Services**

1. Identifying the customer's financial needs and wants.
2. Develop appropriate banking products and services to meet customer's needs.
3. Determine the prices for the products/services developed.
4. Advertise and promote the product to existing and potential customer of financial services.
5. Set up suitable distribution channels and bank branches.
6. Forecasting and research of future market needs.

From the above discussion of bank marketing it can be understood that the existence of the bank has little value without the existence of the customer . The key task of the bank is not only to create and win more and more customers but also to retain them through effective customer service. Customers are attracted through promises and are retained through satisfaction of expectations, needs and wants. Marketing as related to banking is to define an appropriate promise to a customer through a range of services (products) and also to ensure effective delivery through satisfaction. The actual satisfaction delivered to a customer depends upon how the customer is interacted with. It goes on to emphasis that every employee from the topmost executive to the junior most employee of the bank is market. Due to the introduction of LPG policy and IT Act of 2000 the scope of the market has enhanced. Customer's expectations are high from the service industry like a banking industry. Only those banks will survive who will provide efficient and customer desired services.

**Technology**

Marketing by private sector banks and foreign banks is more effective than public sector banks because these banks are IT oriented. Private sector banks and foreign banks are attracting more customers by providing e-services. Thus technology has become a challenge before the public sector banks.

**Rural Marketing**

This is a big challenge before the Indian banks to enhance rural marketing to increase their customers. Banks should open their branches not in the urban and semi-urban areas but also in the rural areas.

**Trust of Customers**

Marketing can be enhanced only by increasing the customers. Customers can be increased or attracted only by winning the trust of the customers.

**Customer Awareness**

Customer awareness is also a challenge before the banks. Bank can market their products and services by giving the proper knowledge about the product to customer or by awarding the customer about the products. Bank should literate the customers.

**Strategies for the Enhancement of Bank Marketing**

In the fierce competitive market, needs of customer keep changing. Hence, our marketing strategy must be dynamic and flexible to meet the changing scenario. Here are steps that form successful and effective marketing strategy for bank products.

**Emphasis on Deposits**

Emphasis, though in a discrete manner, should be given to mobilize more of term deposits as they are more profitable for the bank in comparison to demand. Introduction of products comparable to "KisanVikasPatra" of post office and product with the facility of tax rebate under section 88 of Income Tax Act will of much help in this regard.

**Effective Branding**

Man is a bundle of sentiments and emotions. This can effectively be helpful in branding our products. Considering the features of products and target group of customers, the product can be effectively branded so as to sound it catchy and appealing. Some proven examples are ApnaGhar, DhanLaxmi, Kuber, Flexi Deposit, Smart Kid, Sapney, Vidya etc. The branding should be done in such a way that the brand name must attract the attention of customers. It should be easy to remember. The target group or the silent feature of the product should be clear from the brand name itself. This will help a lot in making the brand

successful. All employees and all our campaigns should refer the product by its brand name only so that to strike the same in the customer's mind.

### Conclusion

Banking sector reforms have changed the traditional way of doing banking business. Mainly technology is the outcome of banking reforms. Customer is now the king and customer focus or satisfaction of customer is the main aim of the banks. With the introduction of new products and services competition has grown up among the banks. Only those banks will survive who face the competition with the effective ways of marketing.

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