

MARKETING OF BANKING SERVICES

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Abstract:

Banking is considered to be the nerve center of trade, commerce and business in a country. It plays a vital role in distributing the money for the development of trade, industry and commerce. Therefore we may say that banking is the lifeblood of modern commerce. Banks play an important role in the economic development of a country. There may be an economic crisis in the country if the banks stop functioning even for a few days. The banking business is becoming more and more complex with the changes emanating from the liberalization and globalization, and new private banks and foreign banks competing with aggressive marketing strategies Bank Marketing is the aggregate function directed at providing service to satisfy customer's financial needs and wants, more effectively. Hence the present study makes an attempt to know bank's marketing strategy, customer's expectations from a bank, process of selling and factors determining quality of service.

Key Words: Marketing strategy, Selling, Customer's expectations, Quality of Service

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Introduction:

The banking business is becoming more and more complex with the changes emanating from the liberalization and globalization, and new private banks and foreign banks competing with aggressive marketing strategies.

The 'customer is a king' – thought is getting more and more deep-rooted. Since nationalization, the Indian Banking scenario has been successively changing each decade and the banking system today through more transparency, is showing signs of maturity.

Bank's Marketing Strategy:

Bank Marketing is the aggregate function directed at providing service to satisfy customer's financial needs and wants, more effectively. The changing environment directly affects bank's marketing strategy in the following categories:

1. Political / legal dimensions
2. Technological dimensions
3. Socio-cultural dimensions
4. Economic dimensions
5. Competitive dimensions

With computerization on a large scale, the traditional concept of communications is undergoing sea change. The letters are now replaced by E-mails. In place of cashiers and even tellers, ATMs are responding quickly and for 24 hours. 'Plastic Money' is gaining more acceptances and popularity. Home Banking, tele banking, phone banking, which attract the customer to appeal to his valuable time factor and convenience.

Customer's expectations from a bank:

The customers in any segment have the following main expectations from a bank:

1. Quality Service
2. Low Cost
3. Higher Interest (Return)
4. Liquidity

5. Safety of Funds
6. Less Time Spent on Transactions
7. Efficient Service
8. Good Personal Relations
9. Advice on Investment
10. Easy Access

Process of Selling:

The process of selling involves a number of crucial steps such as:

- a. Pre-sale preparation
- b. Prospecting
- c. Pre-approach
- d. Approach
- e. Presentation
- f. Objections
- g. Close
- h. Follow-up (Past Sale)

a. Pre-sale-Preparations: Before selling a product or service the employee has to be aware of his role, his bank, its products, the competitors' product as well as the customers' needs and techniques of selling a particular product to a particular type of the customer. He must also be aware of the changes, if any, in RBI / his own bank's policy as also the changes in the market.

b. Prospecting: A prospect means a potential customer who brings prospective business to the bank. He must have both ability and will to buy the products of the bank.

c. Pre-Approach: Since the product / services of a bank have to be tailored to the exact requirement of the prospective customer, the selling employee has to make in-depth inquiries as to the buyer's needs, preferences, behaviour, etc., as to plan about the approaching and presentation strategy taking into account the probable needs, quantum of business and objections, if any, which can be raised that prospective customer.

d. Approach: A properly planned approach can decide the success or otherwise of the process of selling as the prospects moods and willingness at that point of time must be tackled carefully.

e. Presentation: The presentation must follow the AIDA formula, i.e.,

- Attract **A**ttention
- Create **I**nterest
- Proper Delivery to create **D**esire
- Result in **A**ction

Besides, pleasing personality, clear communication and use of brochure, data and audio-visual equipment's helps in an effective presentation.

f. Objections: While it will be the emphasis of a salesman to sell his bank's product there can be objections raised by the customers. Such objections should be welcome and respected. All such objections can be systematically recorded and convincingly answered to win customers' confidence.

g. Close: The success of a salesman depends largely on his ability and skill to close the sale confidently and successfully. He must look through the buyers' behaviour throughout the sales process and by his experience and judgement should decide the appropriate and exact movement to 'close the sale'.

g. Follow-up: A salesman has to contact regularly the prospective customer to maintain goodwill and ensure frequent and repeat sales so as to ensure continued business and on-going customer satisfaction. This provide a very good feedback of the customer as to the product, service by the selling organization and also regarding unsatisfied present and / or future needs of the customer.

Factors determining quality of service

The quality of the service determined based on the following factors.

- a. Product knowledge
- b. Customer orientation
- c. Awareness of customer preferences

- d. Motivation and skills
- e. Specialized knowledge
- f. Flexibility to take advantage and opportunities
- g. Focus on competition
- h. Ability to analyze problems
- i. Honesty and Integrity
- j. Hard working

Role of Personal Selling in Banking:

Personal Selling is instrumental in promoting banking business. In this context, personal selling is considered a process of informing the customers. It persuades the customers to avail the variety of banking services. Personal selling influences the impulse buying of customers. The marketing person exercises tact, skill and knowledge to influence the buyer (Customer) of the services. The process of personal communication is effective as immediate feedback is possible.

Role of Public Relation in Banking:

Banks strengthen public relation activities to promote their business. Public relation emphasizes high credibility of the service. It can touch the prospect who could not be influenced by advertisements. Messages reach the customers as news rather than as advertisements. Public relation also dramatise the product of the banking organisations.

Conclusion:

Banking is an inevitable part of every economy. Marketing of banking services exhibits distinct features. Basically banking services are intangible in nature. They cannot be separated from the service provider. A banking service transaction can differ among various banks and even within a bank. Brand loyalty of customers is observed in banking. Personal selling is instrumental in promoting/ marketing banking services.

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