

MARKETING OF BANKING SERVICES

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Abstract

Marketing is a process by which the customer and the customer's wants are clearly identified and understood and then satisfied by the benefits of the goods or services supplied by the organisation. On the other hand "bank" is a financial institution which mainly deals with accepting deposits and lending loans. It is an organisation that provides various financial services is the work that somebody does for an organisation. The ongoing process of economic reforms has completely changed the operational environment for the whole banking industry in the country. The objective of this paper is to analyse the marketing of services in banks with particular reference to Andhra Bank. Marketing of Bank products is the aggregate of functions directed at providing services to satisfy customer's financial and other related needs and wants, more effectively and efficiently than the competitors keeping in view the organisational objectives banks in India. A product means "Anything that has the capacity to provide the satisfaction use or perhaps, the profit deserved by the customer". The bank products are deposits, borrowing or other product like credit card a foreign exchange transaction. Banks are now required to cope with stiff competition in business and also the complex regulatory norms regarding capital adequacy and provisioning. Banks are forced to adopt various marketing techniques and approaches. Thus, marketing has become imperative for all banks including those in the public sector. Therefore, the marketing of bank services is the activity of presenting, advertising and selling of bank's products in the best possible way in order to satisfy consumers' requirement profitable. Banking Services offered by the bank includes Automated Teller Machines (ATM), Tele Banking, Anywhere Banking, On-line debit Technology, Integrated Treasury Management Software-Multi Currency accounting system software, Banking on touch, Service Provide Network of Tomorrow, Electric Clearing Services and Directed Credit.

Key words : Marketing, Bank, Organisation, Services, Customer, Business and Foreign Exchange.

Introduction

The term market is different from marketing is the economic process by means of which goods and services are exchanged and their values determined in terms of among it is a business activity which satisfies human wants to exchange of goods and services. Marketing is the process of getting goods by the right customers, at the right place and at the right time.

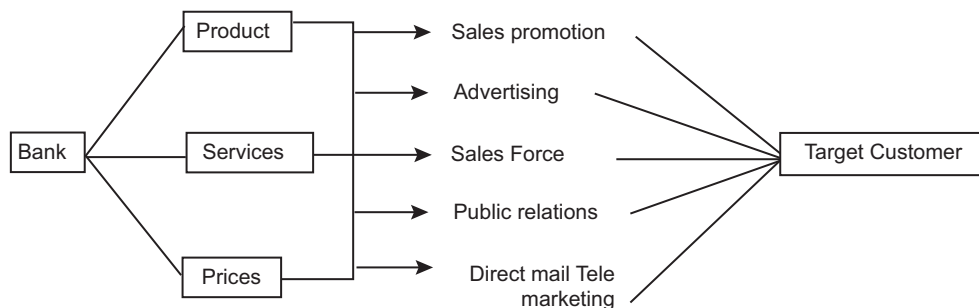
Bank:

Banking Regulation Act, 1949 defines Banking as a accepting for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, and order or otherwise. In the modern economy, banks are to be considered not as dealers in money, but as the leaders of development.

Bank Marketing:

Since the customer and his needs remain in faces in marketing it would be appropriate to have view of the customers banking needs which include financial security convenience, quick service, personalizes service investment counseling, return of investment support by way of credit prestige wide range of services etc. the customer and his needs are central to marketing around which the concept revalues. The products are only the means to adieus customer satisfaction and not the end in them marketing aims of earning profits for the organisation through customer satisfaction which yields more business and in turn more profits. The production of banking services should be viewed in terms of customers satisfaction. We should begin clear understanding of the entire customer base in particular of those customers who are the most profitable. In order to attract the younger generation to bank liaison with educational instructions is a most extension counters should be opened at important government debarments to mobilize low most government deposits free drafts/remiffance facility for examination fee, tuition fee etc. should be rendered in order to include banking habits among the youngsters. There should be effective publicity of new products launched monitoring and customer feedback of all the new and old products should be on regular basis. **(Flow Chart -1)**

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Flow Chart -1

Objectives of the study:**The following are the objectives of the study:**

The main objective of this paper is to study the role of marketing of bank services with special reference to Andhra Bank. The other objectives are stated below:

- To examine the importance of marketing services in banks.
- To analyse the importance of Information Technology in banking sector.
- To analyse the awareness of customers about the bank products during 2004-05 and find out the growth of bank products and awareness at present period.
- To analyse the findings, suggestions of bank services.

Methodology:

Data was collected from the project on Marketing of bank products which was done in 2004-05. Data was collected from primary and secondary sources. Primary data was collected through questionnaire method. Questionnaires were prepared by researcher and distributed among 100 bank customers. It includes students, lecturers, employees and businessmen. Secondary data was taken from books, journals, magazines, newspapers etc.

Marketing of Products in Banks:

Marketing of bank product is one of the services rendered by financial industry (bank). Other services include lending to supplement working capital, fund management, leasing business, hire purchase services, debt factoring, project financing and advisory services, debt administration, issuing and marketing of primary shares or securities. Marketing in the banks can be stated as a new phenomenon that is shaping well over the past one decade. Public sector bank hardly considered marketing as a tool for business. Today, marketing in the banking industry is characterized by many innovations in products and services, use of advanced technology in product design, up gradation of delivery system, advertising and sales promotion activities, whether in public sector or private sector.

Marketing in banks has become synonymous with customer and banks are found engaged in several activities of discovering, creating and satisfaction customer needs.

Importance of Bank Products:

As per the banking industry vision 2010 report the traditional banking functions would give way to a system greeted to meet all the financial needs of the customer. We could see the emergence of lightly varied financial products which are tailored to meet specific needs of the customers in the retail as well as corporate segment some banks might emerge as specialist in mortgage products credit cards etc. Whereas others may choose to concentrate on particular business systems while outsourcing all other functions. Banks would use multiple deliverers' channels to suit the requirements and preferences of customers. The emphasis would be more towards fee based services rather than Lending operations use of intermediaries or franchise agents could emerge as means to reduce transaction costs.

Impact of Information Technology in the banking industry:

The banking industry is no longer an isolated entity. It is needless to state that information technology is the keep enabler for the banking industry to stay ahead in the next millennium is the enhance profitability and exploit new growth opportunities.

Services offered by Bank:

- *Automated Teller Machines:* ATMs are need for Quick and convenient services and access to money around the clock and also throughout the year. Through the spread of ATM's network concept, the customers of any bank can use ATM's of any banks.
- *Tele Banking:* It is mainly used to get information about the bank, its products, balance enquiry, cheque book and so on. In the year 2001 it has been accepted by the banks. In fact, the absences of geographical or time restrictions for the customer are the main advantages of Tele banking.

- *Anywhere Banking*: Any where banking refers to banking not only by ATMs, Tele-banking and internet banking, but also to core banking solutions brought in by banks where customer can deposit his money, cheques and also withdraw money from any branch connected with the system.
- *Any time Banking*: ATMs have eliminated the time limitations of customer service,s and offer a host of banking services, including deposits, withdrawals, requisitions, instructions and transfers.
- *On-line debit Technology*: The bank handles debit transaction with the help of customized terminal software. A secure personal identification number (PIN) is provided through PINPAD for data entry. The PINPAD is a security device to a cardholder to enter his pin in privacy 'Encryption's protects the PIN as it flows through system by making in electronically unrecognizable, a modern day version of scrambling.
- *Integrated Treasury Management Software – Multi Currency Accounting System Software*: It facilitates integration of the rupee and foreign exchange transactions. As of today where there are two separate departments of banks are required to load to rupee and foreign exchange, under ITM's a ringlet senior executive can handle the task.
- *Banking on touch*: Spain's bank a caixa is using tough touch micro system. Inc's touch screen solution. It serves faster and makes an earlier access to ATM's for payments. This touch screen ATM's provides Multi function services a part from standard cash withdrawals. It helps customers to access information easily and quickly and account balance, lending debts or credits etc. that can be retrieved.
- *Service Provide Network of Tomorrow*: System provides networks (SPNs) can be clarified ad generic and specific SPNS. A Generic SPN provides methods and mechanizes which are independent of the application or activity.
- *Electronic Clearing Services*: The Electronic Clearing Services (ECSs) benefit bank customers and investors in shares, debentures and deposits.
- *Directed Debit*: It deals with the payment of telephone bills Electricity bills, loan installments, Insurance premises fees of school and college, clubs and credit card dues, property trances and any such of her regular payments where in these are directly. Debited from the bank account. The resultant benefits of ECS are as follows:
 - ◆ It eliminates portal losses and delay as well as paper work and lengthy procedures.
 - ◆ It saves cost on stationery, printing and postage.
 - ◆ It ensures that no fraudulent encashment takes pace.
- ◆ It facilitates immediate receipt and payment of dues.
- ◆ It leads to Automatic reconciliation.
- ◆ It turns appreciation inventors and customers.

Net Banking:

The internet banking will become a channel for the distribution of banking services in the next few years. Net banking includes on live Internet banking. When a customer makes a transaction it affects his balance. He doesn't have to wait for it to be updated; it is instantly reflected in his account balance. He can even view it in his statements. The key benefits that the customer can avail of the net banking are as follows:

- *Electrician funds – Transfer*: It helps the customers to transfer funds between any of their accounts in any of their branches eatery.
- *New fixed Deposit request*: It facilitates to open a fixed deposit account on the net. The customers are only required to provide details on the transfer of funds from their specific account, account number, amount and tenor and its relevant maturity terms. The customers can also specify mode of receipt of interest on maturity date as the case may be.
- *Banker's cheque request and demand draft facility*: The important constraint that the bank can issue demand draft provides that it has the branch or on arrangement with a correspondent bank. The processing of bankers cheque and or demand takes place in the next working day after a customer sends in the requisition/instruction.
- *Face deducted at source inquiry*: It helps customer by providing information and the concerned the source on any of the concerned banks branches for the current and or previous financial year.
- *Stop payment facility*: One can request stop payment and a cheque or service of cheques on live. To do so needs to enter the cheque number and the reason for stopping payment.
- *Cheque status inquiry*: Net banking is to find out the status of a specific cheque that has been issued from any of the accounts.
- *Cheque book request*: One can request for a new cheque book online. It will be couriered to the address as per the records in the bank.
- *Account balance inquiry*: Any one can check their account balances in any accounts namely savings and or current account including the details of available family unclear founds, ledger balance, overdraft limit in net banking.
- *Account statement inquiry*: In this a customer can view all the transactions that he/she has completed

on his/her account either the current period or a specific period as the case may be and customers can also collect statement via mail as per the records in the bank.

- *Fixed deposit inquiry*: It is to access the details about his/her deposit account namely principal balance, terms of deposit, rate of interest, maturity date, maturity amount, interactions for payment on maturity an lien account. Policy perspectives regarding technological developments in banks per soul loans under deposit schemes.
- *Security of transactions*: It ensures that only the customer concerned can access the information. Many banks offer benefit of leave us an instruction. It means that the bank would carry out any such request like change in name, address, telephone number, charge in or renewal of fixed deposit as provide to them by the concerned customers as the case may be.

Findings of the study:

The following findings are made from the study of customers.

Banks create awareness about the facilities like ATM, Credit card, Debit card, Tele banking etc. at the time of account opened by the customers. Customer can draw money from Account at any time and at any ATM center in the world. Banks provides this facility at free of cost. Now-a-days most of the bank customers use credit and debit cards.

- With regard to frequency of using ATM's 50% of the respondents are using ATM on sometimes, followed by 40% are frequently and 10% are rarely. 60% of customers are satisfied about ATM facility and remains satisfied at some extent. Some customers expressed their problems regarding ATM stuck up's, print out paper of balance etc.
- With regard to facility of Tele banking only 10% of accountholders are using frequently. They are satisfied about this facility. Banks create awareness through advertisements like journals, T.V., newspapers, magazines etc.
- Other services offering by banks like anywhere banking, online banking, net banking, online debit technology etc. are not familiar when comparing with ATM, Credit card, Debit Card. Somehow this technology is using by some accountholders whom have awareness on these services.

Suggestions:

The following are some suggestions regarding services offered by the banks:

- To introduce some services through ATM like part of house face, electricity bill, telephone bill etc.

- ATM of particular bank should locate at more than two or three places for easy accessibility which is nearer to customer convenience.
- Try to reduce the technical problem which occurs in the machines rarely.
- Provide publicity about ATM that facilitates easy accessibility of cash and it reduces the work load of bankers in banks.

Conclusion:

The achievements in communication techniques and e-trade gave rise to many results for marketing practices and perceptions. But, one of them is especially important that occurred in banking sector in marketing. Today, marketing services are of great emphasis on both customer and bank. The quality and quantity of banking products increased and a result of these recent developments in marketing thoughts in services such as internal marketing, network marketing, data base marketing and relationship marketing became more favorable practices.

In addition to above conclusion the data was collected from the bank customers during 2004-05. When comparing to bank customers in above period and at present there is lot of difference occur in banking products. Banks uses latest technology and they are able to offer different products like ATM, credit cards, debit cards, net banking, mobile banking etc. Through this technology customers are able to pay their telephone bills, electricity bills, house tax etc. from the home itself through internet, mobile banking. But there is a need to create awareness among the bank customers about the bank products like mobile banking by which they can do all the transactions though mobile phone.

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