A Study on Marketing Strategies of Banking Services during Covid times

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ABSTRACT

The main intent of this paper is to assess the prevailing literature on marketing of banking services in Kerala. The Indian banking system, by custom and practise, considered deposit growth as the business objective and other parameters such as productivity, profitability, beneficiary satisfaction, etc. were considered less important. Banks today are functioning in a highly competitive and briskly changing environment. In the fluctuating economic scenario, a professional approach to business development is vital and the persistence of a banking institution depends on its capacity to take up challenges coming up in the environment. Developing business through marketing of bank's services is one of the crucial areas which need attention of the bankers to ensure profitable survival. A marketing strategy, in general, is a systematic, appropriate and feasible set of concepts and actions through which the institution strives to achieve its goal of beneficiary satisfaction and profitable survival. Strategy should be designed after taking into account the strengths and weaknesses of the organisation. The operational aspects of strategies for marketing contain actions such as development of Relationship Banking, designing of effective delivery system, ensuring beneficiary-oriented services and modifying the system into a personal selling organisation. In western banking, officials assigned the job of personally contacting the beneficiaries and offering the services at doorsteps was been able to make a significant impact on the development of business for their organisations. The importance and role of personal selling and beneficiary contacts in the marketing efforts of a banking institution stem from the success of such efforts in many banking institutions all over the world.

Keywords: *Indian banking system, Relationship banking, Marketing mix, Product/Service mix, Promotion mix, Beneficiary satisfaction.*

1.0 Introduction

Banks are the most important constituents of the financial infrastructure of a country. They play a vital role in bringing about desired change in the economic development of the country. The size and composition of banking transactions mirror the economic happenings in the country. Banks provide a convenient avenue for investment of surplus funds, and to the investor a source to finance. Thus, they, as 'Repositories of People's Savings', mobilise small and scattered savings of the community and as 'Purveyors of Credit' channelize the savings so mobilised into the production of capital goods and thereby facilitate capital formation. By providing cheap and timely credit to the best of the schemes, they help in optimum utilisation of scarce productive resources and in keeping the production cost low. Further, by providing remittance facility with their vast branch network help free flow of funds over different parts of the country wherever there is a need for it instead of allowing them to lie dormant in stagnant pools. They help in the implementation of various welfare programmes of the Government and are also of tremendous help to the Government in meeting plan objectives by directing the resources through desired channels.

Market development and Market penetration were the focus in 1970s when banks expanded their area of operation by opening more branches. Banks developed new products and services in the 1980s to cater to the various needs of increasing number of customers.

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With the advent of banking sector reforms in the 1990s the scenario of banking has totally changed. In order to bring efficiency, accountability and high degree of customer services, competition has been induced by granting license for banking business to new operators like private banks, regional rural banks and cooperative banks. In such a competitive environment the ability of a bank to achieve growth rate depends on how well the needs of customers are identified and effective Marketing strategies evolved. This involves developing new and improved products and services, providing better amenities and facilities, exploring new distribution channels, and evolving effective Marketing strategies so as to continuously meet the changing customer needs. During 1990s the financial sector and implicitly the banking sector experienced a significant growth in the developed countries.

During the 21st century, the banks act in a dynamic environment, where the Market and the other factors (components of the political, economic, social, juridical, cultural, demographical and technological environment) frequently raise problems, forcing them to additional efforts or offering them opportunities that need to be fructified as well as possible; they need to integrate their current actions to their long term objectives which were previously determined by the bank Marketing policy. Adapting the banking institutions activity to the environment requires a continuous tracking of the structural quality and quantity changes which the environments register or will register. In order to successfully achieve the purpose of the Marketing process the banks should perform analysis in order to know the bank customers to the highest possible extent, so that the offered banking products/services match their needs and the sale is ensured, systematically analyse the financial Market identifying the profitable Markets, the new agencies, intermediaries and entrepreneurs acting on these Markets and efficiently using their own resources in order to create new banking products/services and to diversify them according to the consumers' wishes and expectations. Hallowell Roger conducted a research on customer satisfaction, loyalty and profitability and found that as compared to public sector, private sector bank customer's level of satisfaction is higher.

Today banks can look back with satisfaction by having responded effectively to the challenges put before them from time to time – whether of social control or of reforms. In future, the banks will have to adjust their system of functioning, venturing into new areas, improve efficiency levels by inclusion of trained and skilled manpower and restructure their organizations. Then only they can face the challenges of the future more confidently and proactively.

2.0 Literature Review

Marketing by service industries is yet to gain momentum, especially when it comes to marketing by commercial banks. Marketing orientation of banks is imperative for survival and success. Marketing of financial services by banks is under active and extensive discussion among academicians and bank personnel survey and research have been conducted by both academic researchers and practitioners on the various aspects of services marketing in general and financial services marketing by banks in particular both in India as well as abroad.

Leorge William R and Hiran C Barksdale studied the marketing activities in the service firms and discovered that services' marketing is generally on the low ebb. Service firms tend to be less marketing oriented less likely to have marketing mix activities carried out in the marketing department; less likely to perform analysis in the area of service product more likely to undertake advertising internally rather than go to specialized advertising agencies less likely to have overall sales plan less likely to develop sales training programmes less likely to utilize the services marketing consultants and marketing research firms and less likely to spend much on marketing, as a percentage of gross sales'.

Bessom, Richard M and Donald W Jackson jr referred that 400 service and marketing firms revealed that service firms are less likely to have marketing departments, to make use of sales planning and training, and to employ marketing professionals like consultants, advertising firms and market research agencies. Today, the banking sector is changing in terms of providing the customer with what he wants, when he wants and where he wants. Thus, the element of marketing which was unheard of in earlier days of banking has assumed great significance in today's world of stiff competition. As such, no bank today can do without marketing its services.

Sarkar, Kaptan and Sagane reveal that most of the work in the area of marketing of financial services has been undertaken in countries like USA and U. K. This area of research has not received much attention of the researchers in India. A few studies which have been conducted in India reveal that no comprehensive study has been carried out to make a comparative analysis of marketing strategies of the public, private and foreign banks in India.

B. N. Bhattacharya, Koparkar, Sreedar have dealt with marketing in commercial banks. They have emphasized motivation research, marketing research and promotional aspects in marketing of services and suggested to improve the marketing strategies to cope with the changing environment. Nascenzi pointed out that though bankers use market segmentation they were yet to identify and locate their best customers. He suggested that market segmentation must be used to define profitable target customers.

R.M.Chidambaram and K. Alamelu enunciated the measures to face the challenges in marketing of services in view of proliferation of financial services. They emphasized the need for learning about the customer and developing strategies for future. Berry, Kehoe and Lindgreen's found that most frustrating aspects of bank marketing were 1) lack of management support 2) lack of interdepartmental co-operation 3) crisis management 4) government intrusion 5) advertising and media problems.

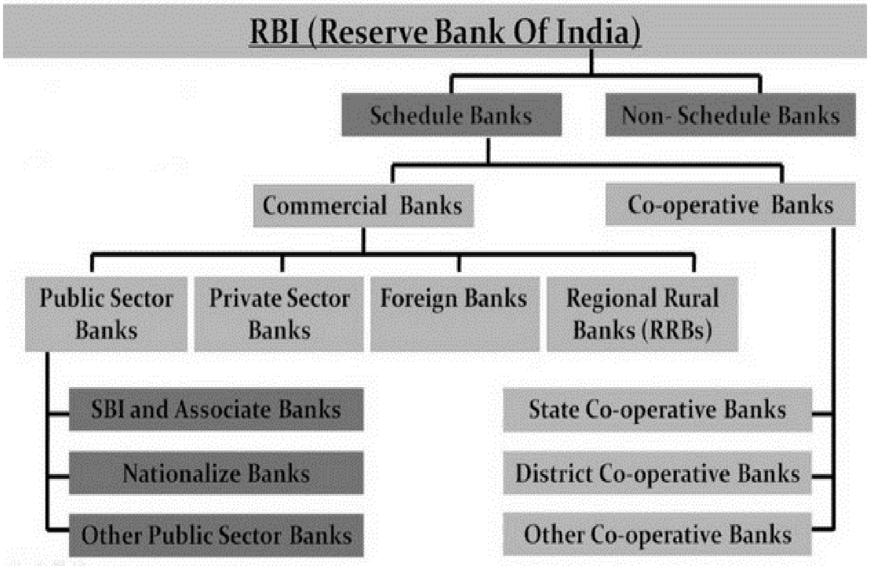
Zeitham and Bitner identified that one of the most basic concepts in marketing is the marketing mix, defined as the elements of an organisation controls that can be used to satisfy the customers unlike marketing of products. The services also have four elements in the marketing mix, viz. product, price, place and promotion. Apart from that, there are three more elements, people, process and physical evidence, in the marketing mix for service marketing. A combination of these seven Ps makes marketing offers of the service provider. Kaptan studied marketing aims not only at delivering (selling) whatever products (schemes and services) banks have but also creating products as per customer needs.

3.0 Objectives of the Study

- To investigate into the marketing process
- To understand the banking behaviour
- To study the present banking scenario
- To analyze the 7p's of marketing mix

4.0 Structure of Banking Industry

The organised banking system in India can be broadly divided into three categories, viz., the central bank of the country known as the Reserve Bank of India, the Commercial banks and Cooperative banks. Another and more common classification of banks in India is between scheduled and non – scheduled banks. The Reserve Bank of India is the supreme monetary and banking authority in the country and has the responsibility to control the banking system in the country. It keeps cash reserves of all scheduled banks and hence it is known as the "Reserve Bank".



5.0 Types of Banks in India

5.1 Commercial Banks: Commercial Banks in India consist of Public Sector Banks, Private sector Banks and Foreign banks in India.

i. **Public Sector Banks:** Public Sector Banks include State Bank of India and its associate banks called the State Bank group, 20 nationalized banks and Regional Rural Banks mainly sponsored by Public Sector Banks.

ii. **Private Sector Banks**: Private Sector Banks includes Old generation private banks and new generation private banks in India.

iii. **Foreign banks:** The foreign banks were referred as "Exchange banks" as their transactions primarily related to foreign exchange and foreign trade. The 'Indian Central Banking Enquiry Committee Report' (1931) pointed out that the entire foreign exchange was virtual monopoly of these banks.

5.2 Cooperative Banks: Cooperative Banks in India consists of State Co-operative Banks, Central Co-operative Banks, Primary Agriculture Credit Societies, Land Development Banks, Urban Co-operative Banks, Primary Agricultural Development Banks, Primary Land Development Banks and State Land Development Banks.

5.3 Development Banks: Development Banks in India are Industrial Finance Corporation of India (IFCI), Industrial Development Bank of India (IDBI), Industrial Credit and Investment Corporation of India (ICICI), Industrial Investment Bank of India (IIBI), Small Industries Development Bank of India (SIDBI), SCICI Ltd, National Bank for Agriculture and Rural Development (NABARD), Export Import Bank of India and National Housing Bank.

6.0 Nationalization of Banks

Nationalization of banks began with the passing of the Reserve Bank (Transfer of Public Ownership) Act 1948, which became law on the 3rd September, 1948. It was thought desirable to nationalize the bank to ensure greater co-ordination of monetary, economic and Fiscal policies. The nationalization of the Reserve Bank was, indeed, necessary in the interests of large–scale planning upon which the Union Government had embarked. The objective of this nationalization was to enhance the ability of the banking system to meet more effectively the needs of the development of the economy and to promote the welfare of the people more adequately. The nationalized banks play a new and pioneering role in helping the public sector get on its feet. If banks do not function effectively, nationalization may promote serious dislocations and distortions in the economy, and a transfer of deposits may take place from the nationalized banks to the smaller banks which are still in the private sector.

6.1 Reasons for Nationalization

The important reasons for the nationalization of major banks in India can be enumerated as follows:

- ❖ Equitable distribution of economic power
- ❖ To provide finance to neglected sectors of agriculture, small-scale industries etc.
- ❖ Removal of malpractices
- ❖ Expansion of banking facilities

6.2 Objectives behind Nationalization of Banks

The main objectives behind the nationalization of banks are as follows:

- ❖ Social Welfare
- ❖ Controlling Private Monopolies
- ❖ Expansion of Banking
- ❖ Reducing Regional Imbalance
- ❖ Priority Sector Lending
- ❖ Developing Banking Habits

7.0 Economic Reforms of the Banking Sector

Indian banking sector has undergone major changes and reforms during economic reforms. Though it was a part of overall economic reforms, it has changed the very functioning of Indian banks. This reform has not only influenced the productivity and efficiency of many of the Indian Banks, but has left everlasting footprints on the working of the banking sector in India. Some of the important reforms in the banking sector in India are:

- ❖ Reduced Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)
- ❖ Deregulation of Interest Rate
- ❖ Fixing prudential Norms
- ❖ Introduction of Capital to Risk Weighted Asset Ratio
- ❖ Operational Autonomy
- ❖ Banking Diversification
- ❖ Emergence of New Generation Banks
- ❖ Improved Profitability and Efficiency

8.0 Challenges faced by Indian Banking Industry

- ❖ **Rural Market:** Banking in India is generally fairly mature in terms of supply, product range and research even though reach in rural India, still remains a challenge for the private sector and foreign banks.
- ❖ **Management of Risks:** With gradual deregulation, banks are exposed to different types of risks. Banks face various market risks like Interest rate risk, Liquidity risk, Exchange risk etc.

- **Growth of Banking:** As the Indian banks move gradually beyond universal banking and position themselves as financial service providers, banking business is getting redefined. The structure of Indian banking system may be expected to undergo a transformation, the main drives of which will be consolidation, convergence and technology.
- **Market Discipline and Transparency:** Banks are expected to be more responsive and accountable to the investors.
- **Human Resource Management:** On account of introduction of certain advanced technology, there would also be a strong case for recruiting fresh talent with attractive pay and perquisites.
- **Global Banking:** It is practically and fundamentally impossible for any nation to exclude itself from world economy. Therefore, for sustainable development, one has to adopt integration process in the form of liberalization and globalization
- **Financial Inclusion:** Financial inclusion has become a necessity in today's business environment. Whatever is produced by business hours, that has to be under check from period with continuous net losses for over 6 years, erosion of entire net worth, adverse media publicity, consequent low morale of staff, and a throttled decision making process.
- **Employee's Retention:** Long time banking employees are becoming disenchanted with the industry and are often resistant to perform up to new expectations. The diminishing employee morale results in decreasing revenue.
- **Environmental Concerns:** The object is to assist in enhancing the public and political awareness of the actions that could have a significant impact on global emissions growth and to disseminate the message that it is time to act.
- **Social and ethical aspects:** There are some banks which proactively undertake the responsibility to bear the social and ethical aspects of banking.
- **Customer retention:** In India, currently, there are two types of customers – one who is a multichannel user and the other who still relies on a branch as the anchor channel. The primary challenge is to give consistent service to customers irrespective of the kind of the channel they choose to use.

9.0 Banking Marketing Period

It is also known as modern period. The frantic pace of branch expansion and credit disbursement during the development banking period has direct impact on the health of public sector banks. The real outcome was the proliferation of loss-making branches. The problem of communication and transport network in the countryside, rising customer dissatisfaction with banking services, and resultant apathy of bank staff towards developmental work are the basic reasons for this. The RBI urged commercial banks to take stock of the state of affairs, to consolidate their gains and go slow on branch expansion, thus ushering in the period of consolidation. The bank visualises the risk inherent in continuing to do business as before. So there is a growing awareness that marketing was an essential tool in the hands of the banker, an inescapable necessity without which perhaps survival itself might become difficult in future.

Bank Marketing is defined as "identifying the most profitable markets now and in future, assessing the present and future needs of customers, setting business development goals and making plans to meet them, managing the various services and promoting them to achieve the plans – all in the context of a changing environment in the market". Marketing thus aims not only at delivering whatever products banks have but also creating new products as per customer needs. As far as India is concerned, the position of marketing in the banking industry has been quite dismal.

Banks essentially deal in services and not products. "Financial service is any act or performance that one party can offer to another; it is essentially intangible and does not result in ownership of anything. It broadly includes investment activities in terms of investment management, investment advice and investment arrangement. Berry28 has contrasted services from goods by defining "a good as an object, a device or a thing. A service is a deed, a performance and an effort. When goods are purchased, something tangible is acquired. When a service is purchased, there is generally nothing tangible to show for it. Services are consumed but not possessed.

According to Federal Express, the giant express delivery organization, services have been redefined as all actions and reactions which customers perceive they have purchased. The above definitions clearly show that services do have certain specific characteristics which make them different from goods. These are broadly defined as intangibility, perishability, heterogeneity and inseparability of production and consumption.

10.0 Marketing Mix for Banking Services

The formulation of marketing mix for the banking services is the prime responsibility of the bank professional who based on their expertise and excellence attempt to market the services and schemes profitably.

The bank professionals having world class excellence make possible frequency in the innovation process which simplifies their task of selling more but spending less. The four sub mixes of the marketing mix, such as the product mix, the promotion mix, the price mix and the place mix, no doubt, are found significant even to the banking organizations but in addition to the traditional combination of receipts, the marketing experts have also been talking about some more mixes for getting the best result. The "People" as a sub mix is now found getting a new place in the management of marketing mix. It is right to mention that the quality of people/employees serving an organization assumes a place of outstanding significance. This requires a strong emphasis on the development of personally-committed, value-based, efficient employees who contribute substantially to the process of making the efforts cost effective. In addition, we also find some of the marketing experts talking about a new mix, i.e. physical appearance. In the corporate world, the personal care dimension thus becomes important. The employees re supposed to be well dressed, smart and active. Besides, we also find emphasis on "Process" which gravitates our attention on the way of offering the services. It is only not sufficient that you promise quality services. It is much more impact generating that your promises reach to the ultimate users without any distortion. The banking organizations, of late, face a number of challenges and the organizations assigning an overriding priority to the formulation processes get a success. The formulation of marketing mix is just like the combination of ingredients, spices in the cooking process.

11.0 The 7 P's of Marketing Mix

The marketing mix is a key foundation on which most modern marketing strategies and business activities are based. The concept of the 'Marketing Mix' came about in the 1960s when Neil H. Borden, professor and academic, elaborated on James Culliton's concept of the marketing mix. Culliton described business executives as 'mixers of ingredients': the ingredients being different marketing concepts, aspects, and procedures. However, it's now widely accepted that Jerome McCarthy founded the concept. After all, it was McCarthy who offered the marketing mix as we know it today; in the form of 'The 4Ps of Marketing': Product, Place, Price, & Promotion. The 4Ps then paved the way for two modern academics, Booms and Bitner, who, in 1981, brought us the extended version of the marketing mix: the '7Ps'. The 7Ps comprise McCarthy's 4 original elements, and extend to include a further 3 factors: Physical Evidence, People, & Processes.

11.1 Product / Service

Product/ service define the core offering of a business. In banking industry, managers must strive to satisfy customers as customers are after value and benefits. Kotler and Armstrong (2013) define product as anything tangible or intangible offered to a market for attention, use and consumption with aim of satisfying needs and wants of customers. In this definition, they consider product to include services. Products in banks includes different accounts for customers to use for example current accounts, savings accounts, save for children, other products are investment advice, loans and agencies. Researches have established relation between product and customer satisfaction. Banks must encourage customers to open account and increase the service quality with different product innovation in order to achieve competitive advantage. Therefore, the relationship between service and customer satisfaction has been established.

The main products of Banks are Saving Account, Current Account, Forex Department, Salary Accounts and Demat Account. The other products are Home loan, personal loan, Insurance, Credit cards, etc.

11.2 Price

Bank offers an assortment of financial services to its esteemed customers. It has a very clear-cut pricing policy. It deals in a competitive market and so it has a policy that involves improvisation at each level. The bank's value added strategies are made keeping in mind and analysing the customer's mind set and economic changes happening in the market. It has also started an aggressive pricing policy that involves acquisition through low-cost funds. The bank's main aim is to eliminate competition in the banking field. The bank offers loans and schemes to attract its customer. The rates are evaluated at regular periods and changed to suit the needs and demands of both the bank and the customer. The price of the product depends upon the services provided by the Bank on the respective product to the customers.

11.3 Place

Place plays an important role in tangibilizing service offerings. Quality of service is perceived by many customers in the form of place of delivery- locational appeal, interiors, ambience, etc. If a bank is located in a crowded market the place or location will be a negative tangibilizes. Providing excellent tangibles in the form of place or location and interiors is particularly important for appealing to the customers segment. More recently, some of the private banks in India are providing very attractive tangibles in the form of their locations, exteriors and interiors.

The places acts as a distribution channel for the banking facilities where services are provided anytime 24*7.The concept of Internet banking and using of technology for any kind of services is encouraged. All its branches are equipped with modern facilities. The bank has opened various information centres where all the related queries can be answered.

11.4 Promotion

The promotion strategy of Banks comprises of direct and indirect communication to the customers. Besides emphasizing on the modernization of its banking facilities stress is also laid on the benefits one gets on using the banks services. The benefit of each product is highlighted so that the clients become impressed and they are forced to grasp the services of this bank. Promotion can tangibilize services in different forms:

- Visualization
- Association
- Physical representation
- Documentation.

Visualization tangibilizes services through hoardings, TV and print campaigns or advertisements. Physical representation in services has a good promotional appeal to customers like use of colours to symbolize wealth and status. Service providers use documentation in their promotions in support of their claims for dependability, popularity and responsiveness

11.5 People

People, refers to those involved in service delivery. Their level of training, interpersonal behaviour, discretion in rendering the service and appearance matters a lot in customer satisfaction in banking industry. Thorsten (2004) opines that customer orientation of service employees is a key driver of customer satisfaction. The interaction of employees and customers create good customer satisfaction. Customers rely on bank employees for advice, complaint and direction towards some of the banks' products and channel of distribution. Interaction quality is an important factor when customers evaluate service quality.

People are a common factor in every service. And people tangibilize services. Good people (means good performance) make good or successful services. Bad performers deliver bad services.

11.6 Process

Process shows procedure of rendering services. Banks should create a good service process to maintain satisfied customers and attract potential customers. Banks are constantly taking initiatives to offer the best in class service that seek to enhance customer experience.

11.7 Physical evidence

This deals with environment where business operates. It includes reducing of paper usage, gives higher standard of services through product innovation, Satisfies the diverse need of individual and corporate clients, customer centric, and service oriented.

12.0 Perceptions of Beneficiaries

With the current change in the functional orientation of banks, the purpose of banking is being redefined. The main driver of this change is changing beneficiary needs and expectations. Beneficiaries in urban India no longer want to wait in long queues and spend hours in banking transactions. This change in beneficiary attitude has gone hand in hand with the development of ATMs, phone and net banking along with availability of service right at the beneficiaries door step. Further, the world class banking experience provided by private and multinational banks with their ever evolving products and services has raised the bar of beneficiary expectations.

With the emergence of universal banking, banks aim to provide all banking product and service offerings under one roof and their Endeavour is to be beneficiary centric. The Indian banking industry is also embracing technology rapidly. Big players among the private and public sector banks are reengineering and automating their core banking processes.

Beneficiary Satisfaction is a key indicator of the operational and financial performance of a bank. Due to an increase in the number of beneficiaries, traditional one-to-one beneficiary interaction has become unsustainable. This sets the goal for the financial services sector to use sector insights to understand how to create an effective multi-channel beneficiary experience that is personalized and relevant, differentiated by value and respectful of privacy concerns. As global competition increases and products become harder to differentiate, banks have begun moving from their product centric attitude to beneficiary -centric one.

13.0 Discussions

13.1 Findings

From the inception of civilization the banking sector has dominated the economic development of a country by mobilizing the savings from the general people and channelling those savings for investment and for economic development and growth of the country. The issues of marketing and promotion in the banking sector are becoming more and more important and complicated as internationalization of financial services continues to increase. In recent years, India has emerged as an attractive market for many western countries and several banks have started their operation here. So, the industry has become competitive and the banks essentially need to look for unique and competitive promotional activities in order to stay in competition and to retain prospective beneficiaries. To keep itself up-to-date banking industry is adopting these new services in their portfolio. For success it is important to make the beneficiaries aware of the new products. So it becomes the duty of the commercial banks to provide more information to their target beneficiaries about themselves & their products. Here comes the need for introducing marketing strategy in banking industry. For this aspect banks are now adopting different promotion activities to make their products acceptable and familiar in the market.

The present study falls under the area of marketing. The theme in broad is to analyse the marketing mix and how far this tool useful in the present situation. The objective for which this research has been undertaken is to investigate into the marketing process. i.e. 7P's of services marketing. In present day context banking industry is mainly focusing on marketing practices to attract the beneficiaries.

The scope of the present study extends to the attitude and perceptions of bankers and beneficiaries towards bank marketing and is confined to the bankers and beneficiaries of commercial banks operating in Thrissur District, Kerala. For this purpose it is proposed to elicit the perceptions from managerial and non-managerial staff of the banks. An attempt has been made to elicit the opinions from beneficiaries, because they are having their own banking behaviour.

The preliminary limitation of this study relates to the behavioural sciences. The basic limitation of behavioural sciences is that they would deal with attitudes. These attitudes differ from individual to individual. The preliminary limitation of this study relates to the behavioural sciences. The basic limitation of behavioural sciences is that they would deal with attitudes. These attitudes differ from individual to individual.

Today, the banking sector in India is fairly mature in terms of supply, product range and reach. As far as private sector and foreign banks are concerned, the reach in rural India still remains a challenge. In terms of quality of assets and capital adequacy, Indian banks are considered to have clean, strong and transparent balance sheets relative to other banks in comparable economies in its region. The Reserve Bank of India is an autonomous body, with minimal pressure from the government. The stated policy of the Bank on the Indian Rupee is to manage volatility but without any fixed exchange rate. Till now, there is hardly any deviation seen from this stated goal which is again very encouraging. With passing time, Indian economy is further expected to grow and be strong for quite some time-especially in its services sector. The demand for banking services, especially retail banking, mortgages and investment services are expected to grow stronger.

13.2 Suggestions

The following are some of the suggestions made to the branch managers and employees of the banks.

Technology: Banks need to continue their focus on the innovation required to compete and grow while coping with the instability engendered by reform. Banks will need to rethink their strategies as they respond to the sweeping changes in their markets and the regulatory environment.

Knowledge Management: The value of the knowledge must be recognized in order to successfully implement knowledge management measures in the banks. Banks have to emphasize on information technology and the dissemination of information. Banking industry must strengthen their research and development work encourage flow of ideas, develop new non-conventional strategies, introduce more professional human resources management policies which can address all the issues.

Expansion & Diversification: Expansion and diversification by a bank leads to increase in operational risk. However, higher risk leads to higher returns so long as the bank has adequate systems in place to handle such risks.

Marketing Strategy: Banks have to market their products and services by giving the proper knowledge about the product to beneficiary or by awarding the beneficiary about the products. Bank should literate the beneficiaries. In the wake of the changing dynamics in the financial services sector, banks in the region have the uphill task of retaining their existing beneficiaries, acquiring new beneficiaries, building beneficiary confidence and maintaining a robust financial performance. For these challenges, the Indian banks need to adopt and implement innovative relationship marketing strategies to maintain the competitive edge in the market place.

Increased competition: The liberalised policies of RBI and Govt. of India relating to Indian Banking have set the stage for a competitive banking. The banks should add intense competition; all the banks are increasingly subjected to severe regulatory and prudential measures that are intended to ensure the viability and substance of the business as well as the safety of its stakeholders.

Banking Ethics: The performance of Indian banks has to be judged on the basis of growth, credit quality, strength, soundness, efficiency and profitability. The ethics of banking is based on the trust of the depositors and the borrowers. The measure of this trust is the strength and soundness of a bank.

Human Resources: HR plays a pivotal role at the Bank, by implementing the strategy for recruiting, developing and retaining the talented people needed to deliver against its objectives. Human Resource Management is important for banks because banking is a service industry.

Customer Relationship Management: The marketing strategy consists of a very clear definition of prospective beneficiaries and their needs and the creation of marketing mix to satisfy them. A recent development in this regard in banks is Customer Relationship Management (CRM). 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 beneficiaries to generate value for the bank and its beneficiaries.

Build Customer Trust: Provide beneficiaries with required information for making financial decisions. Build loyalty through superior banking service and consistent messaging. Expend bank's share of wallet by providing innovative financial products, value pricing and having a clear understanding of individual financial goals.

14.0 Conclusion

This project is all about identifying the Role of marketing in banking industry. Use of marketing mix in banking sector is increasing day by day with 7‘Ps. Thus, 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 the role of marketing in the banking industry and see how marketing mix (product, price, place, & promotion) is most important for a bank. Use of 4 p’s for banks and implementation of that in bank’s marketing concept and finding out why marketing is important for a bank. And combination of extra 3‘Ps (people, process, Physical evidence) are also very important for a bank in the present scenario. To summarize all these, the project comprises detailed study of the role of marketing in banking sector. 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 beneficiaries. Technology innovation and fierce competition among existing banks have enabled a wide array of banking products and services, being made available to retail and wholesale customer through an electronic distribution channel, collectively referred to as e-banking. Technology is altering the relationships between banks and its internal and external beneficiaries.

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