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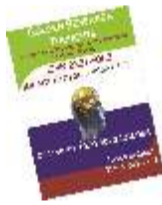
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CHALLENGES AND STRATEGIES OF BANK MARKETING IN INDIA



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ABSTRACT

The banking organizations are continuously working in improving service quality to enhance customer satisfaction. The service quality has an impact on customer defection and retention. The mantra of effectively marketing bank products lies in the systematic and professional approach towards satisfying customers' needs. To make Indian banks competitively strong, they should follow latest technology, innovative and globally accepted products /services followed by appointment of experienced, skilled and tech-friendly professionals. Banks should provide on-the-job training to the efficient staff to make them capable to understand and work with latest technology and its application. Banks should open their branches not only in the urban and semi-urban areas but also in the rural areas. 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. All the promotional campaigns should refer the product by its brand name only so that to strike the same in the customer's mind. Banks should do something to improve women's access to credit.

KEYWORDS :Bank Marketing ,semi-urban ,skilled , tech-friendly professionals.

INTRODUCTION

The banking industry at the global level is rapidly changing. The banking organizations are continuously working in improving service quality to enhance customer satisfaction that leads to higher profitability. The service quality has an impact on customer defection and retention, and

improvement in service quality enhances customer loyalty, moreover it also gives opportunity to cross sell and enhances corporate image. Therefore, banks have to formulate sustainable service strategies not only to provide better service deliveries and improve corporate images well as profitability.

MARKETING APPROACH TO BANKING:

After the banking sector reforms, marketing has developed as a more integrated function within financial service organizations like banks largely as a result of rapid changes in the operating environment. Bank Marketing is defined as an aggregate of functions directed at providing services to satisfy customers' financial needs and wants, more effectively than the competition, keeping in view the organizational objectives of the bank. 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 customers' needs.

CHALLENGES OF BANK MARKETING:

VARIOUS CHALLENGES HAVE TAKEN PLACE TO TACKLE THE PROBLEM ARE:

- Competitive Environment:** The Foreign Banks and New Private Sector Banks have witnessed a significant growth but on the other side, Public Sector Banks are at the edge of survival among them with huge capital base, latest technology, innovative and globally tested products/services are fetching the consumer's attention. To make Indian banks competitively strong, they should follow latest technology, innovative and globally accepted products /services followed by appointment of experienced, skilled and tech-friendly professionals.
- Technology:** Another important challenge is that Indian public sector banks should have used innovative technology to facilitate financial inclusion for the unbanked population of India through use of biometric techniques and rapidly growing mobile network. However, this customer experience and tailored offerings are increasingly becoming key to bank profitability. Further, the operation by computer is delayed by the fact that some operating staff is not very skilled and thus it takes more time. An inexperienced person means more time and more delays in providing services of the customers.
- Transformation of Human Capital:** Another important challenge is the transformation of human capital. There is the need to develop and manage the human resources to make them adaptable to the changing environment. It is a challenge for banks that how to manage their human capital to make it productive. However, banks should provide on-the-job training to the efficient staff to make them capable to understand and work with latest technology and its application.
- 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 only in the urban and semi-urban areas but also in the rural areas.
- Customer Focus & Awareness:** The banks require improving on providing services and profitability efficiency of services. The banks have to explore out fastest and efficient means of providing services with the use of IT applications, tele-banking, internet banking and improving delivery system by improving the attitude and behavior of the staff also. 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.

•**MARKETING STRATEGIES:**

The banks are required to devise suitable market strategies to augment the volume of business level. So, the banks should research on the vast knowledge they have about the consumer, devise about specific products for specific segments, differentiate according to consumer potentials and its expectations, and focus on few potential customers with customized products and services rather than serving all customers with universal products. Using Customer Relationship Management, appointment of young employees with fresh and creative minds with expertise in latest technology, as a matter of choice is desirable to survive in the globalised market.

•**EFFECTIVE BRANDING:**

Considering the features of products and target group of customers, the product can be effectively branded so as to sound it catchy and appealing. The branding should be done in such a way that the brand name must attract the attention of the target group and the salient feature of the product should resemble brand name. All the promotional campaigns should refer the product by its brand name only so that to strike the same in the customer's mind.

•**IMAGE BUILDING:**

The Public Sector Banks should start on massive scale the image-building exercise. The banks should focus their attention on creation of such an outward look that it feels like anything entering the bank. The regent of the bank should be user-friendly with good quality furniture and other attractive infrastructure.

•**PRODUCTS FOR WOMEN:**

The national perspective plan for women states that most of women workers are engaged in the agriculture and allied activities like dairy, animal husbandry, sericulture, handloom, hand crafts and forestry. Banks should do something to improve their access to credit which they require.

•**ADVERTISEMENT:**

Advertisement is an eminent part of marketing of bank products. Advertisement should be such that appeals to people. It should not follow the orthodox pattern of narrating a product. For effective advertisement, bank should understand people's tastes and choices.

•**PRODUCT INNOVATION:**

The present era of competition has witnessed various large multinational banks like American Bank, Hong Kong Bank, Swiss Bank, City Bank, etc. and other multinational banks coming very aggressively. They have set the tone and to an extent also the standard for technological improvements with product innovations, which dominated the traditional public sector banks. So, these banks have to run in a market which has no geographical barriers and will have to develop abilities of product innovation as well as delivery comparable to the best in the world.

•CUSTOMER ADOPTION:

Nowadays the public sector banks are presenting various products and services to their customers online, that they will have to be work hard to attract more number of customers. This is possible only when they assure security of online transactions. Moreover, banks that have created a distinctive online offering could attract more number of customers when compared to those banks which are using almost similar products and services.

CONCLUSIONS:

The banking organizations are continuously working in improving service quality to enhance customer satisfaction. The service quality has an impact on customer defection and retention. The mantra of effectively marketing bank products lies in the systematic and professional approach towards satisfying customers' needs. To make Indian banks competitively strong, they should follow latest technology, innovative and globally accepted products /services followed by appointment of experienced, skilled and tech-friendly professionals. Banks should provide on-the-job training to the efficient staff to make them capable to understand and work with latest technology and its application. Banks should open their branches not only in the urban and semi-urban areas but also in the rural areas. 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. All the promotional campaigns should refer the product by its brand name only so that to strike the same in the customer's mind. Banks should do something to improve women's access to credit.

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