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## *Bank Marketing in India in the Current ICT Era: Strategies for Effective Promotion of Bank Products*

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*Abstract: Fast proliferation of Information and Communication Technology (ICT) has brought about radical improvements in the field of banking at all levels, right from marketing of products, delivery of services, and making day to day transactions with customers. In the ongoing era of banking sector reforms in India, there has been fast adoption of ICT by banks as is reflected by the ever growing network of ATMs, large number of delivery channels especially technology-based services like online banking, e-commerce etc. Customers are becoming highly discerning and providing 'as you like it' products has become an imperative rather than option. There has been fierce competition in the industry, with banks vying with each other for greater market share. In the above context, marketing of bank products has become essential for survival and growth of every bank, including the giant public sector banks. The paper looks into the need for marketing of bank products in India in the ongoing reforms era, special features of bank marketing and strategies for promotion of bank products in the current ICT era with highly discerning customers.*

*Keywords: Banking Technology, Technological Innovations, ICT, Online banking, Services Marketing, 7Ps Model.*

### I. INTRODUCTION – CONCEPT OF MARKETING AND ITS APPLICATION IN BANKING INDUSTRY

Al Reis and Jack Trout (2001) [1] have pointed out that in order to succeed in an over communicated society, a company should carve out a unique position in the mind of the prospect, a position that takes into consideration not only a company's own strengths and weaknesses, but those of competitors as well. The Banking industry is undergoing very rapid changes. Banking in India is revolutionizing itself to gratify the awakened customer's needs. The customers have become more demanding and growing competition has forced the banks, like any other industry, to take new initiatives to delight the customers. Today, customers want to have a better quality of lifestyle and they are buying against future cash flows. The opening of new career options has fuelled the aspirations, backed by the rise in salary. Emergent middle-class population, changing demographic pattern and emerging psychological shift would be key drivers of growth. This response of the customers has created an enormous business opportunity for the banks and they have responded promptly with the new products, quick and efficient service and new delivery channel of banking. There is an urgent need not only to quickly comprehend behaviour and expectations of today's customers but bank also requires deep and profound understanding of differences between today's customers and those who are likely to be in the years ahead. To offer the customer friendly services and products, it is necessary to understand the expectations and requirements of the customers on an ongoing basis. The financial services sector has experienced many upheavals in past resulting in an environment, which was marked by deregulation, globalization etc. Indian banking industry is in transition phase and it is the need of the hour that we adapt ourselves to the changing scenario. Good marketing is to adapt and change. Good Marketing practice helps us to respond quickly to the changing dimensions of the external competitive environment.

Marketing is considered to be an important function in today's competitive world. It has been defined as an integral and indispensable part of an organisation in today's world. The marketing dynamics change quite fast that the organisations find it hard to cope up with the challenges in the marketing environment. Marketing is acting not only as diagnostic tool but also acting as remedy to their problems. If we look at any top organisation of the world we would be finding marketing to be an integral component of its success. The main task of marketing becomes STP (i.e. Segmenting, Targeting and Positioning) of the offerings of the organisation. But before going for the steps to marketing banking services in the competitive scenario we must understand what marketing is. If we go for a theoretical definition of marketing, according to Philip Kotler [11] Marketing is (i) both a social process and managerial process, (ii) by using such a process (i.e. marketing) individuals as well as groups of individuals (eg. an association or society or club) obtain what they need and what they want, and (iii) they obtain these (i.e. their needs and wants) through creating, offering and exchanging with others 'products' of value. Here, the term 'products' is used to include both the tangible (physical) products like manufactured goods as well as intangible products like banking services (bank products). According to Kotler [11], marketing management is concerned with the process of planning and executing the (i) conception, (ii) pricing, (iii) promotion and lastly (iv) distribution of goods, services and ideas to create exchanges with target groups which satisfy customers and help attain the objectives of the organization. Bank marketing is the aggregate of functions, directed towards providing services to satisfy the financial needs and wants of the customers, and that to in a way more effectively and efficiently than their competitor organisations (i.e other banks) keeping in view the organisational objectives of the respective bank. Bank marketing is purely a services marketing as banks offer only intangible products (banking services) to their customers.

Everybody practices marketing in day to day life, in one or the other. Every one offers himself/herself for a service and exchanges it for value. We face interview for job, there we are offering our services in exchange of money. Prospective bride shows all his virtues, earnings to get a favourable life partner. In a way, all of us are practising marketing in our day to day life in one way or the other, though we are different from marketing professionals. If we take the definitions mentioned above, than the crux of all definitions is that all the activities targeted towards achieving the customer satisfaction better than the competitors is marketing. In other words achieving the customers delight is the task of marketing. In banking sector marketing is playing very important role. Competitive pressure is pushing the banks to adopt new marketing initiatives. Marketing is going to play very important role in this changing scenario. Employees have to realise the importance of marketing. The old methods of banking where walk-in customers were the source of business is not applicable in present scenario. The customer's expectations are changing. Now customers want the banks to visit them instead of them visiting the bank. Competition has set the reversal of roles. Customers are also expecting better services. Bank has to identify the financial needs of the customers and offer services, which can satisfy those needs. Marketing is about understanding, creating and retaining customers. All strategies are formulated to ensure that customers ultimately deal with us. Marketing is an important tool, which helps us in achieving organizational objective of the bank. Marketing concept specifically speaks about the following few points which contribute to the bank's success:

- We (Bank) cannot exist without customers.
- We (Bank) have (has) to understand, create and retain customers.
- We (Bank) should ensure that services are performed and delivered in a way that satisfies customers in a way that satisfies customers.
- Product and Services should be designed in such a way that they conform with the convenience and requirements of customers as much as possible.
- Ultimate aim of the bank is to deliver upto the total satisfaction of the customers and fulfil his/her expectations.

Before going for marketing of the banking services a few basic questions should be asked from self. Answers to these questions would help to frame the bank's strategy towards marketing of its products and services, more effectively. Typically, these questions include the following:

- *What business I am in?* The business environment and the related aspects of business. The techno-legal and political environment the factors related to the business should be continuously monitored for new happenings.
- *Who is my customer and what benefits does he seek?* The target customers its needs, wants and perception. What is the customer's expectation from the bank?
- *How does he distinguish my services from my competitors?* Product and services differentiator should be understood. In banking sector where all products are same or similar, perceived difference matters a lot in the minds of the customers.
- *How do competitors create and offer value?* Understanding the competition and the way they operate is critical for survival in competitive scenario.
- *What criteria of selection do my customer's apply?* Understanding the customer buying behaviour and the factors affecting their buying behaviour. This helps in designing of better products and service offerings.
- *How do I segment and position myself?* The question, 'Where I am and where to position myself?' needs to be addressed. The strategy for differentiation of one's product, and that regarding the image to be projected in the minds of the customers etc. need to be understood well. The first step to marketing is to understand self by the marketer and then to understand whom the marketer wants to target. Identification of the right target, and matching self strength and weakness help in achieving the above goal. The bank's core competencies need to be matched with the target segment so as to achieve the objectives of the organization.
- *What dissatisfies the customers?* The factor dissatisfying the customers should always be avoided. Herzberg's motivation hygiene theory clearly states that organization should identify the dissatisfiers and avoid these dissatisfiers.
- *How do I strengthen/ retain competitive position in future?* Future strategy and how to strengthen my competitive position with new innovations in products and services delivery as new things are copied very fast in this new competitive scenario so maintaining a competitive edge with one innovation is not enough. You have to continuously innovate not only products but processes and delivery to maintain competitive advantage.
- *How do I grow?* What are my future goals and what are the steps to be taken to achieve those goals also help in chalking the different marketing strategy.

## II. LITERATURE REVIEW

The present author in his research paper, "Retail Banking: Strategies for Success in the Emerging Scenario" (Manoj P K, 2003) [13] has pointed out the added significance of promoting retail banking products in the early 2000s in view of the general recession in the economy. According to the author, retail banking products could effectively help banks to tide over their slow credit off-take situation and also help to 'kick-start' the economy from its slump. This is because of the vast linkages, both forward and backward, of retail banking products relating to housing. Strategies for promotion of retail banking products have been suggested by the author. In his another paper, 'Success Strategies for Marketing of Bank Products' the present author has pointed out the utmost need for aggressive marketing of their services by the banks in India in the ongoing reforms era for their survival and growth, and suggested broad strategies for marketing of bank products by the banks in India (Manoj P K, 2006) [14]. In another study by Neeraja James and Manoj P K (2014) [18] entitled, "Relevance of E-Banking Services in Rural Area – An Empirical Investigation" the authors have pointed out the utmost significance of E-banking products in rural areas of India, its relevance for better reach of banking services in rural areas is highlighted. A study by William George A. J and Manoj P K (2013) [19] entitled, 'Customer Relationship Management in Banks: A Comparative Study of Public and Private Sector Banks

in Kerala' has observed the vital significance of customer relationship management (CRM) for Kerala-based banks because of the fierce competition in the industry. It has been noted that private sector banks are ahead of public sector banks (PSBs) in adoption of CRM. An empirical study on electronic customer relationship management (E-CRM) by Manoj P K, Jacob Joju and Vasantha (2014) [16], "Impact of E-CRM on Commercial Banking: An Empirical Investigation with Reference to Private Sector Banks in Kerala" has noted that majority of the customers of private sector use CRM and many ICT-based services and that vast majority of the customers and bank staff prefer E-CRM and ICT-based services, and they prefer banks to market their products actively. Manoj P K (2010) [15] in his research paper "Determinants of Profitability and Efficiency of Old Private Sector Banks in India with Focus on Banks in Kerala State: An Econometric Study" in International Research Journal of Finance and Economics (IRJFE) has sought to identify the determinants of profitability and efficiency of Old Private sectors Banks (OPBs) in India with a focus on Kerala-based OPBs (or, KOPBs). It is noted that adoption of ICT is one of the major factors that significantly influence the profitability of KOPBs.

In spite of a number of studies, including a few in the Kerala context, on bank marketing, promotion of bank products, and allied aspects of banking, it may be noted that studies focusing on the significance of marketing in this era of fast adoption of ICT by banks era acceptance are very scarce. Hence, this study seeks to bridge this research gap by focusing on marketing of bank products in the ongoing reforms era in India characterized by fast ICT adoption and large number of delivery channels, so that strategies for more effective marketing could be suggested.

### **III. SIGNIFICANCE OF THE STUDY**

Today, satisfaction of customers and their sustained patronage is the key to maintain the competitiveness of any business including banking. As customer centricity forms the focus of all banking strategies, banks should learn as to who their customers are, which customer group produce higher profits and what factors keep them happy and influence their loyalty. As banks and their branches increase exponentially and so also the variety of services that they offer, customers are easily switching banks whenever they find better services and products because switching costs are becoming virtually nil. Banks are finding it tough to get new customers, and more importantly, retain existing customers. The situation in India in the ongoing globalized regime is no exception. In this context aggressive and tailor-made marketing strategies are essential, particularly those using ICT-based tools or in the electronic format (like, E-CRM). Because customers significantly influence the success of any bank, it is pointed out that winners are those who can succeed in managing their relationship with customers in an effective manner and in quick time (Mylonakis, 2009) [17]. This in turn necessitates systematic efforts towards marketing of bank products, particularly with the aid of ICT-based tools, using electronic medium or using such other modern delivery channels.

### **IV. OBJECTIVES OF THE STUDY**

- (i) To study the concept of marketing and its relevance and significance in the commercial banking industry in India;
- (ii) To examine the approach towards bank marketing in the context of rapid technological innovations taking place in the banking industry, changing customer preferences and large number of delivery channels.
- (iii) To suggest suitable marketing strategies for enhanced competitiveness of banks, particularly through the use of ICT-based marketing strategies.

### **V. RESEARCH METHODOLOGY AND DATA SOURCE**

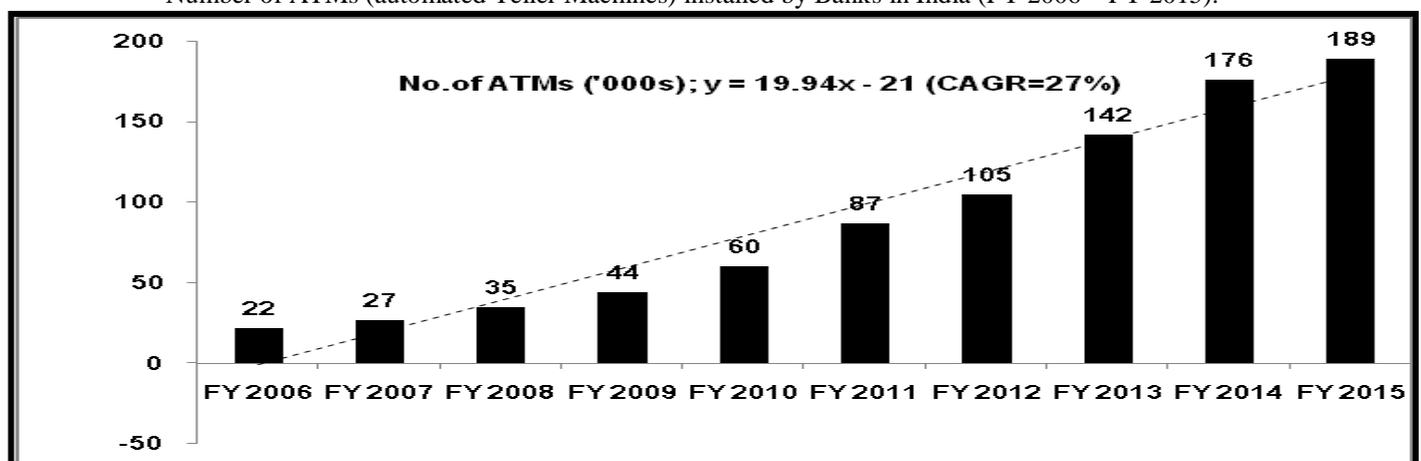
The study is primarily of descriptive-analytical in nature. It uses secondary data from authentic sources, like, the publications of the Reserve Bank of India (RBI), Government of India, Government of Kerala etc. as well as industry reports of reputed organizations. Basic statistical tools are used for data analysis and interpretation.

## VI. TECHNOLOGICAL INNOVATIONS IN BANKING INDUSTRY IN INDIA

Many technological advances are being embraced by the players in the banking industry in India, so as to improve the competitiveness of their services, enhance operational efficiency by reducing costs, attract and retain their customers etc. Fast adoption of E-CRM in the place of (traditional) CRM, rapid growth in the number of ATMs (automated teller machines), focus on SMAC (Social, Mobile, Analytics and Cloud) techniques etc. by banks in India are just a few examples in this regard. These technological innovations help banks to enhance the customer experience as well as gain competitive advantage. It is noted that over the last few years, banking technology has been undergoing radical changes in India. Banks in India have started adopting modern technology at different levels, right from back-office processing to providing large number of delivery channels as per the growing expectations of the customers. Use of many IT-enabled services has resulted in BPR (business process reengineering) of their systems and procedures. Communication with customers has become real time and instantaneous (like, Mobile alerts on all transactions). It is estimated that banks in India devote about 15 per cent of their total spending on technology. Besides, technology spending by Indian banks has been expected to grow at a yearly rate of 14.2 per cent in the next few years. (IBEF, 2016) [8]. Banks in India are about to gain benefit further because they have already initiated implementing additional advances in the technology front, as is evident from the fact that Indian banks and various securities organizations have spent not less than USD 8.89 Billion on various IT products and services in FY 2015, thus registering a growth of about 15.2 per cent over FY 2014. Some of the implications of the fast technological innovations invading Indian banking industry are as follows:

- Wide use of RTGS (Real Time Gross Settlement Systems) and NEFT (National Electronic Funds Transfer) by banks,
- Rapid scaling up of services and enhanced operational efficiency resulting from lower operational costs,
- Wide use of digital analytics for obtaining deeper insights into the customer needs, thus enabling them to offer highly customized ('tailor made') products to their customers who in turn are becoming discerning day by day,
- Adoption of modern channel integration technologies enable banks to provide more seamless end-to-end experience to their customers, and this in turn can attract new generation customers,
- Use of social media and such other modern means for facilitating opportunities to engage and interact with the new generation customers, thereby building relationships and generating business and that too at low cost.

FIGURE I:  
Number of ATMs (automated Teller Machines) installed by Banks in India (FY 2006 – FY 2015).

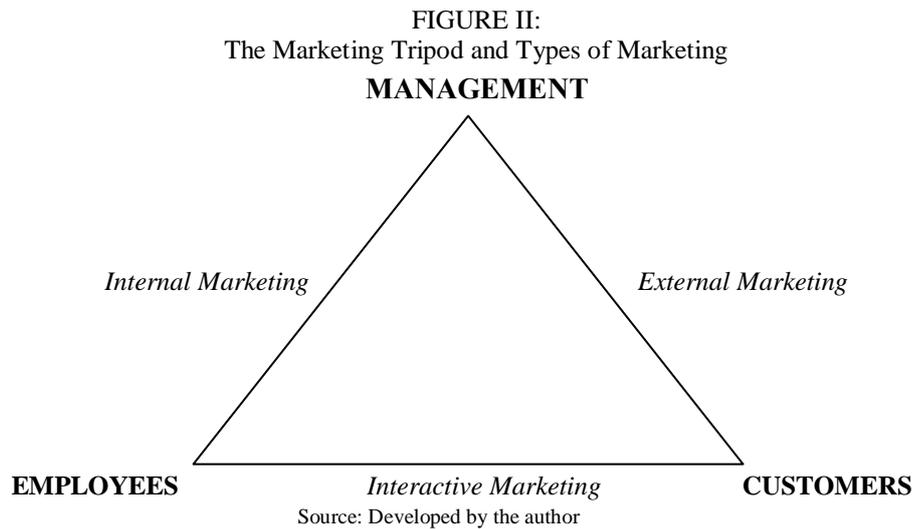


Source: Based on RBI Data, *Statistical Tables relating to Banks in India*, Mumbai. [21].

**VII. APPLICATION OF MARKETING CONCEPT IN COMMERCIAL BANKING INDUSTRY**

As noted above, marketing concept can be meaningfully used in the context of banking industry. There are three major stakeholders in this regard viz. (i) Management, (ii) Employees, and (iii) Customers. Depending on the interactions among these three stakeholders, there could be three different types of marketing (Figure II) as discussed below:

- ❖ **Internal Marketing:** The biggest brand ambassador of any organisation is its own satisfied employee. Hence, the first step to marketing is to market the bank’s services and products to the staff and employees of the bank. If the bank’s employees are convinced with the product offerings and the services rendered by their own employer bank then they would hard-sell these products and services offerings to the customers. If the employee is satisfied from his organisation then he/she would devote his/her 100 per cent towards the organisation and market its products and services. (Figure II).
- ❖ **External Marketing:** Use of all the 4Ps of traditional marketing mix which consists of (i) Price, (ii) Place, (iii) Product and (iv) Promotion to market the bank’s products to the customers by the management of the bank concerned. (Figure II).
- ❖ **Interactive Marketing:** The customer interaction points between the front line staff and the employees is the key to marketing. Currently there are many points of interactions between the bank’s staff and the customers. (Figure II).



Judicious use of all the three kinds of marketing becomes an imperative for survival and growth of banks in the reforms era in India, initiated in the early 1990s and still continuing; because of the ever-growing competition in the banking industry.

**VIII. MARKETING OF BANK PRODUCTS – STEP INVOLVED**

Five broad steps are involved in the marketing of bank products which are briefed below:

**Step- 1: Identification of Target Market (Market segment) / Customer Identification:**

Every bank needs to analyse its environment and decide what its market consist of. It has to identify the environmental variables acting upon it. Every bank should study as to who exactly are their customers and what exactly are their pshychographic and demographic profiles of the potential customers in the given target market. All these considerations are to be taken care of while identifying the target market. Then the market is classified according to the different psychographic and demographic parameters, such as age, sex, trade, profession, lifestyle, georaphical location, income group etc. the bank has to decide what kind of marketing strategy it wants to adopt in the different market segments. It can be niche player in one particular market, it may have an aggressive marketing strategy in the second market, it may have the strategy of a follower in the third market, so on and so forth.

TABLE I:  
Cross-Selling of Bank Products

To Whom (Existing Customers)	What to Sell	How to Sell
Salary account customers	All loan and deposit products and services	Direct mailers / Organising meets or by Tele-calling.
Corporate Term Loan, CC, OD, Working capital account customers	All Loan and deposit products to them and their employees	Via tie-ups, presentations to employers and employees.

Lockers/Loans/FD/GOI bond customers	All Loan and deposit products and services	Direct mailers, Tele-calling and Organising meets.
Service tax or Govt tax depositing customers	Current account with Internet banking facility and other CBS products.	Direct mailers / Organising meets
Demand draft customers	ECS, EFT, NEFT/ RTGS,	Through notices near draft counters, bill boards, direct mailers and meets.
Housing customers	All Loan and deposit products and services	Direct mailers and organising meets
Third party products (eg. Mutual funds, Insurance etc)	Loan & Deposit products and services of all types.	Direct mailers and organising meets
Student Loan	All loan and deposit products to their parents.	Direct mailers and tele-calling.

The different types of marketing strategy are based on the type of target market, its potential, the competitors and the external environment. In a remote place where a bank is already present then it can go for niche marketing strategy by exercising its influence over the niche market. In a market where other players are present then it has to adopt a different marketing strategy. Ideally there should be no customer segment untouched so that we give no scope for others to enter into competition. It may be noted that banks function in an environment that is subject to various regulations. So, all the marketing strategies of free market are not applicable to banks (eg. Cross selling of services shown in Table I).

**Step-2: Sales forecasting/Focus (Decide what to sell and when to sell):** After identification of target market the bank has to decide the potential of the market based on its products. It should decide as to whether it should offer standard (one product fits for all) products, or customised products as per the needs of individual clients or groups thereof, or a mix of both. Standard product can be offered for mass and customised products for high value clients.

**Step-3: Communicating with customer (Communication Mix):** The brand/image building exercise is very important for the banks. The brand plays a very important role in influencing the buying behaviour of the customers. What media vehicle to be used for communicating with the customers. Whether to go for advertising or publicity. If going for advertising then which media vehicle to use- TV, Print-Newspaper or Magazine, Radio, Outdoor, etc.

**Step-4: How to sell? Which delivery channel to be used for selling the service?** Bank Branch selling, Tele-selling, personalised selling. In services sector personalised selling is treated as the most effective form of selling but the costliest form of selling. Branch walk-in is also treated as the second most effective means of selling the products. This form of selling is mostly effective in cross selling of products to the existing clients. Depending upon the products, the objective of the organisation and the target customer's different form of selling methods can be adopted. e.g. if the product is to be targeted at high value clients like portfolio management service then personalised selling is the most effective way but in case of student loan tele-calling can be more effective. In similar manner different approaches can be used.

**Step-5 – Customer feedback and service recovery (After sales service):** Last, but not the least is a comprehensive system for customer feedback and after-sales service. A satisfied customer can bring many prospective customers through his 'word of mouth'. So, constant monitoring and follow up of all clients, existing and prospective, should be ensured always.

Pointing out the utmost significance of customer feedback, marketing expert Theodore Levitt has observed, "One of the surest signs of a bad or declining relationship is the absence of complaints from the customer. Nobody is ever satisfied, especially not over the extended period of time." Thus, banks should carefully take care of customer feedback, especially the complaints because those customers who are complaining wish to remain with you and they want to get their problems resolved and once their complaint is resolved they are bound to remain with the bank but most of the dissatisfied customers don't complain and they gradually change their service provider. Therefore, it is must to understand the customer complaint behaviour process and why a customer complains? Banks should analyse that what proportion of their customers are unhappy and what are leading to these problems. Banks should have feedback mechanisms and proactive approaches like using marketing intelligence, market research tools like ghost shopping, online feedbacks of service, toll free number for feedback. Such proactive steps and

feedbacks not only help in service recovery but also helps in building brand image and also helps in development of new products and understanding the market in much better way.

TABLE II:  
The '7Ps' Framework that is relevant in Marketing of Bank Products

"P"s	Desirable Attributes of the "P" in a typical banking environment.
Product	(i) Products as per customers' expectations (ii) Development of new products after conducting proper market research, survey on customer expectations and buying behaviour, (iii) Value-added and innovative products to be offered; their features to be changed as per market needs.
Price	Price is fast emerging as a critical component in bank marketing. As price-driven competition takes momentum, banks have to have a close check on the determinants of price viz. various costs, like, costs of deposits, delivery, intermediation, pre-emption, default etc. – all these to be closely controlled. Models like "PRO" (i.e. Pricing and Revenue Optimization model –being used firm, M/s. Manugistics) may be employed meaningfully for pricing.
Place	Convenience is very important for modern customers. Unlike, in the past when the service delivery was through branches, many other alternative channels are available now, like, internet banking, mobile banking, ATM, phone banking etc., because of technological advancements. Banks have to keep abreast of all these to be competitive and customer-friendly.
Promotion	This P is essentially communicating. 'AIDA' [referring to Attention (Awareness), Interest, Desire and Action] is a good model that may be used.
People	People (Customers) need good buying experience apart from the product per se. Thus, creating relationships is important rather than simply giving service. Bank employees equipped with "4Cs" [viz. Customer, Company, Commodity (Product) and Competitor] could deliver meaningful service. Right person at the right place at the right time is the key to service delivery. Often customers make their judgements and deliver their perceptions of the service based on the employees they interact with. Staff should have the suitable interpersonal skills, aptitude as well as service knowledge so as to offer the service qualitatively, because customers are paying for the service delivered to them by the staff.
Process	It refers to the process (system) used to assist the organisation in delivering the service to the customer. Imagine you walk into McDonald and you receive your order with 30 seconds. What was the process that allowed you to obtain an efficient service delivery? Some banks send out Credit Cards automatically to their customer's when the old one has expired. This needs an efficient process that identifies expiry dates and renewal. Automatic replacement of old credit cards will foster customer loyalty and confidence in the bank. Hassle-free and speedy service requiring least number of visits be ensured always by all banks.
Physical Evidence	Here, physical evidence is similar to "packaging" of manufactured products. Thus, comfortable branch ambience, décor, pleasant interactions, good appearance of the staff, cleanliness of the premises, arrangement of the furniture, appearance of statements, pass-books etc. are important.

Apart from the 4Ps traditionally used (viz. Price, Product, Place, and Promotion) for marketing of physical (tangible) products, in bank marketing (or, services marketing 3Ps are additionally relevant, thus making a 7Ps model (also called the extended marketing mix) plays vital role in marketing of bank marketing. The 3Ps additionally relevant in bank marketing (services marketing, in general) are: People, Process, and Physical Evidence. The 7Ps framework that is relevant in bank marketing is discussed below (Table II).

#### IX. MARKETING OF BANK PRODUCTS IN THE ONGOING ICT ERA – SOME STRATEGIES

In view of the foregoing discussions, it is meaningful to suggest some pragmatic strategies for effective marketing of bank products in the ongoing reforms era characterized by fierce competition and fast adoption of ICT advances by banks. While all banks are embracing ICT in a big way, its most efficient use is to be ensured to get a competitive edge in the market.

**1. Alternate Delivery Channels:** With technological innovations alternate delivery channels have become means to market bank's product and services. ADC like ATMs, Kiosks, Internet, Phone calls are used to market bank's products. ATMs are not being used just as cash dispensers but are used to educate the customers (both home bank and other bank's customers) in respect of different services offerings by of the bank. The person who are interested in the bank's product can neither call on the numbers displayed or contact number information can also be captured at the ATMs. Similarly, Kiosks are used to disseminate information and offer different services to the banks.

**2. E-Commerce:** Internet is one of the strongest means to promote bank's products and services in the new technological area. Banks have started marketing their bank's services not only on the homepage of the bank's website but have also started using

the blog's, twitters and social networking sites for marketing of the bank's products and services. Even different chat rooms have also been used for marketing of bank's services. Few banks keep a close watch over the internet to manage the information related to them over the internet. Internet banking not only helps the banks in better targeting the customers but also helps the banks in decreasing their transaction costs. It also helps the banks to cross sell the products. Today when the customers do not have time to visit the brick and mortar branches, banks should use the internet as an effective means not only to disseminate information to the customer but also sell different products and services.

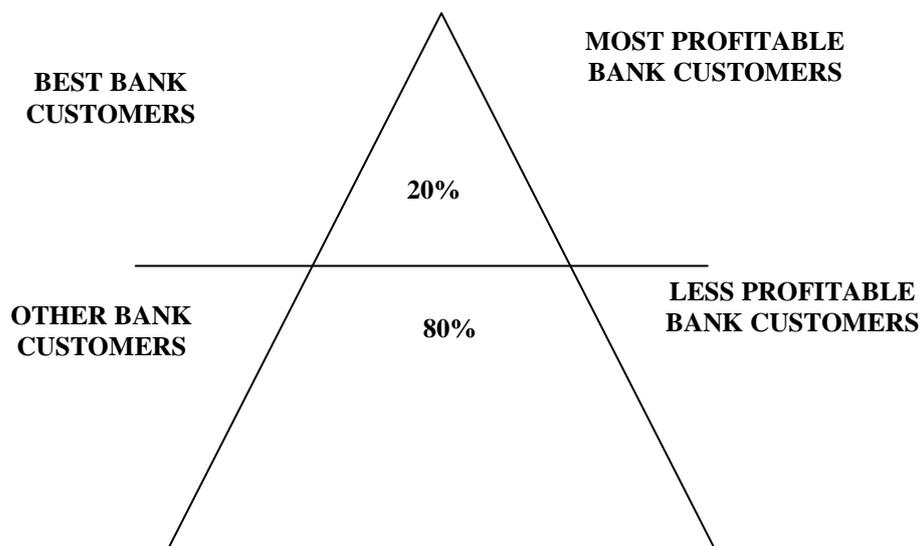
**3. Mobile Banking:** Mobile banking is a new area. Banks have started providing mobile banking services to the customers. Mobile banking services can also be utilised to market different bank products to the customers like sending selective SMS based on careful weeding by use of analytical data analysis using Customer Relationship tools and ware house data. Such effective tools can be used to target the customers in a much better way.

**4. Virtual Banking:** Use of ICT has helped banks to such an extent that in future banks can market their services in form of 24 hour banking using virtual banking concept where there is no involvement of any human and the customer is able to avail banking services round the clock. Such, steps can be effective in marketing of banks services in future.

**5. Continuous Innovation:** The key to marketing of banks services in this competitive scenario is constant and continuation innovations not only of products but also the processes and service delivery. Every bank has to evolve its products and services on continuous basis based on the changing competitor's products and offerings and the changing customer's taste and preferences. In order to enable the bank to offer services in a effective manner every processes of service delivery needs to be looked into. There is always scope of improving on the process and devise a better way to do the current work. ICT advances have made it possible to expedite the service delivery process. The place and time of delivery of the service is the key to marketing. Today's customer is highly demanding and the banking sector where competition is increasing day by day, it is need of the hour for the banks to be alert and take every cue as input and evolve accordingly.

**6. Managing Relationship and Building Loyalty:** Relationship Marketing – builds relationship from customers commences from them and extends not just up to the business level but at every level. CRM (Customer Relationship Management) tools are very effective in managing customer relationships.

Figure III: Application of Pareto's Principle in Marketing of Bank Products



CRM tools not only help in tracking the past relationship of the bank with the customer but also helps in evaluating the worth of the customers and also the products which are best suited for him and which can be offered to him. It also helps in offering better products, services and offerings to the customers who are loyal to the bank. As Pareto's principle clearly

specifies that 80 per cent revenue comes from 20 per cent of the customers. Hence the 20 per cent customers must be provided the best services. Identifying this 20 per cent 'cream' segment is the key to profitably marketing bank products in this era of competition and ICT. Marketing efforts should be focused on the cream 20 per cent clients. (Figure III).

## X. CONCLUSION

In spite of the formidable challenge posed by the ever growing competition in the banking industry and hence the need to keep abreast of the ever changing market, the fact remains that progressive banks can use this as an opportunity and excel in the market with the use of modern ICT tools for designing customized products and delivering them cost-effectively. In short, business success of banks in India will depend significantly on how effectively they foster technology and adopt the technological innovations in their business models. Adoption of E-CRM tools, integration of social media and such other modern facilities into their systems become an imperative for banks to attract the new generation customers as well as retaining the existing customers.

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