



Marketing – An Introduction

Module D: Support Services

Marketing of Banking Services/Products

Principles & Practices of Banking: Marketing – An Introduction

JAIIB – SUPER NOTES

Contents

Coverage:

1. Marketing Concept
2. Marketing Management
3. Products and Services
4. Marketing Mix



1.

MARKETING CONCEPT

Market

- A situation where buyers and sellers of a commodity interact.
- Coming together of buyers and sellers of the same or similar commodities

Types of Market

Geographical Area

- Local
- Regional
- National
- World/Global

Product

- Commodity
- Shares
- Bullion
- Capital
- Real Estate
- Retail Loan

Nature of Transaction

- Cash/Spot
- Futures
- Commodity

Volume of Transaction

- Retail
- Wholesale

Marketing

Marketing is the process of determining consumer demand for a product or service, motivating its sale and distributing it into ultimate consumption at a profit

It is:

- A management function
- A Business Philosophy

Evolution of Modern Marketing



Selling vs. Marketing

Selling= Factory > Products > Selling and promotion > Profits

Marketing= Target market > Needs > integrated marketing > Profit by customer satisfaction

Selling vs. Marketing

Selling	Marketing
Selling is an operational activity	Marketing is a total management
Selling is product focused	Marketing is customer focused
Selling is oriented to the needs of the firms	Marketing is oriented to the needs of the buyer
Selling encashes profitable opportunity	marketing covertes customer needs into such opportunities
Selling aims at maximizing sales volume	Marketing aims at maximizing customer satisfaction

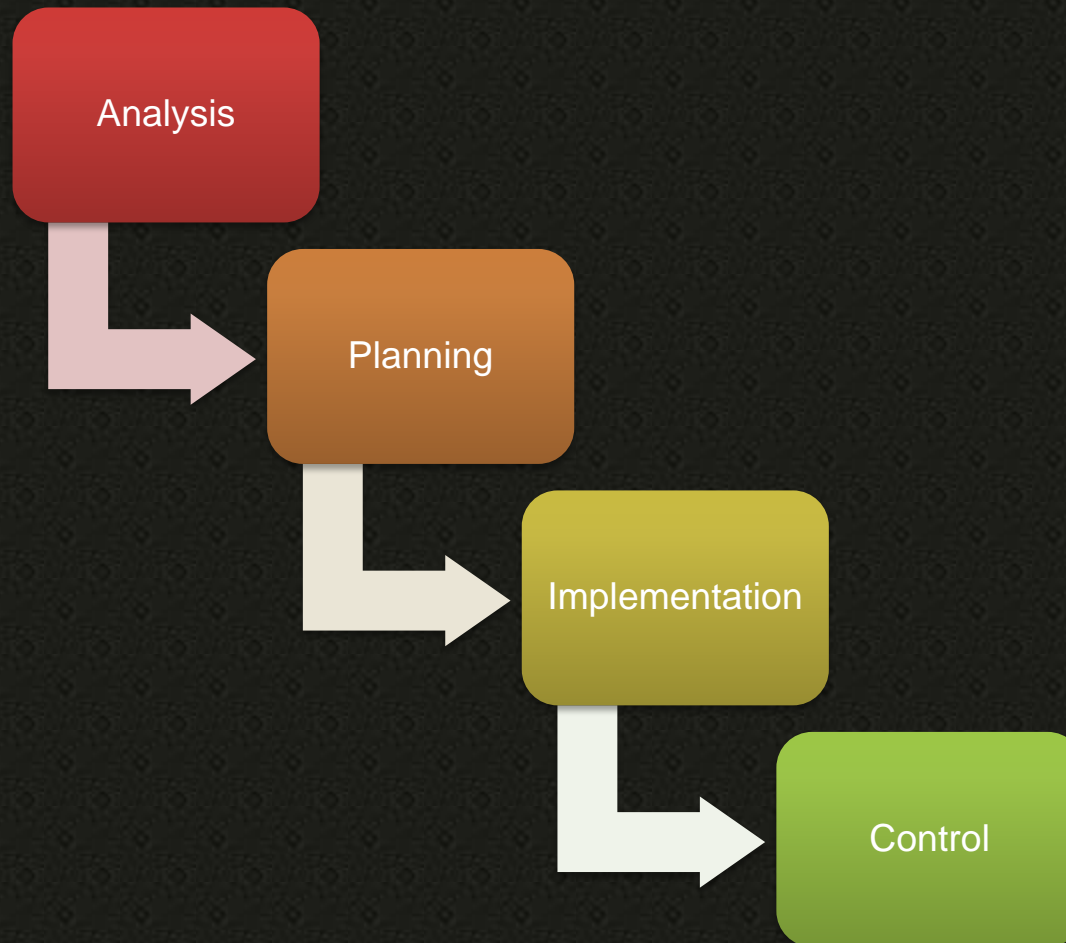
2.

MARKETING MANAGEMENT

Definition

- A process of planning and executing the conception, pricing , promotion and distribution of goods and services and ideas to create exchanges with target groups that satisfy customer and organizational objectives.

Functions



Importance of Marketing for Indian Banks

"The relevance of aggressive marketing in banks has come to the fore as never before"

- M N Goiporia.

3.

PRODUCTS AND SERVICES

Definitions

Product:

- Product is defined as “ anything that can be offered to a market for attention, acquisition, use or consumption.

Service:

- A service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. It's production may or may not be tied to physical product.

Characteristics

Products

- Tangible
- Homogeneous
- Product and distribution separated from consumption
- Core value produced in factory
- Customers do not participate in the production process
- Can be stored
- Transfer of ownership possible

Services

- Intangible
- Heterogeneous
- Inseparable: Production, distribution and consumption re simultaneous process
- Core value produced in buyer-seller interaction
- Customers participate in production
- Perishable: Cannot be kept in stock
- No transfer of ownership

Marketing of Financial Services

- Intangibility, inseparability and heterogeneity are manifested at both strategic and tactical levels in services marketing.
- Marketing strategy provides the organisation with a sustainable competitive advantage in the markets it operates.
- Organization should understand consumer needs and identify how those consumers should be grouped into different market segments.
- Product attributes, pricing decisions, methods of distribution and communication should all seek to reflect the chosen position.

Types of Financial Markets in India

The credit market

The money market

Equity and term lending market

Debt market

Insurance market

Foreign exchange Market

Stock markets

Mutual Funds

Consumer finance market

Marketing of Banking Services

- Aimed to satisfy customer's needs and wants
 - Needs and wants may be non financial in nature
- Competitive element, efficiency and effectiveness
- Organizational objectives are still the driving force
 - Commercial objective to make profit
 - Social Objectives
- Organizational design should be oriented to the customer
- Customer satisfaction is affected by the performance of all the personnel of the bank.

4.

MARKETING MIX

Definition

- It is the set of tools that the firm uses to pursue its marketing objectives in the target market
- Decisions must be made about both the distribution channels and the final consumers

Tools of Marketing Mix (Products)

P's

- Product
- Price
- Place
- Promotion

C's

- Consumer
- Cost
- Convenience
- Communication

A's

- Acceptability
- Affordability
- Accessibility
- Awareness

Looking Inside



Winning companies are those that can meet customer needs economically and conveniently and with effective communication.

Tools of Marketing Mix (Services)

Services Mix

- Product
- Price
- Place
- Promotion
- People
- Physical Evidence
- Process

Thank You!

Do you have any questions or queries or some feedback to give?

Just mark and email to super.msahluwalia@yahoo.com

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