

# Marketing of Financial Services

## **Challenges:**

- Lack of qualified personnel
- Lack of investor's awareness
- Lack of transparency
- Lack of specialization
- Lack of up to date information
- Lack of efficient risk management system

# Measurement of service quality is difficult

due to

- Intangibility
- Inseparability
- Heterogeneity
- Perishability
- Different service sectors measure quality on different grounds

# Deciding the service quality

Number of questions to be answered suitably.

Some of the important questions are:

- Is there gap between service promised and service offered?
- Do we assess the quality of service offered?
- Do we find our employees maintaining the time schedule?
- Do we find our employees showing decent behavior?

# Deciding the service quality

- Do we find our frontline staff showing empathy?
- Do we find accessibility?
- Do we find our services world class?
- Do we make time to time rating of our services?
- Do we find due weight age to the customers complaints?
- Do we find redressal measures sufficient?

# Concept of benchmarks in service quality

- Sales force call to order ratios, training, customer retention
- Administration –response time to written and telephone enquiries, quality of literature used, expertise on both company and range of service.
- Resources-implementation and management of system premise utilization, staff development etc
- Finance-profitability level, return on investment, cost reduction

# Effects of Total Quality Management (TQM) on service marketing

- Helps in energizing the innovation process
- Makes the ways for cost effectiveness
- The productivity is accelerated
- Profitability is found high
- Creates good image

# Understanding customer expectation

## **Purposes:**

- Filling the gap between expected service quality and delivered service quality
- Establishing benchmarks
- Understanding zone of tolerance
- Service and succeed in the long run
- Win the cut-throat competition

# Bases of segmentation used by banks

- An important criteria for segmentation is the economic system such as :
- Agricultural segment
- Industrial segment
- Service segment
- Household segment
- Professional segment
- Institutional segment



# Sub-segment of agricultural segment

- 10 acres and above
- 5 to 10 acres
- 2 to 5 acres
- Marginal

# Sub-segment of industrial segment

- Large sized
- Small sized
- Co-operative
- Tiny

# Sub-segment of service segment

- **Profit making**-Bank, insurance, transport, hotel, tourism, consultancy, communications, electricity, personal care
- **Not for profit**-education, hospital, social welfare, religious, political

# Sub-segment of household segment

- High income
- Middle income
- Low income
- Subsistence
- marginal

# Sub-segment of profession segment

- Technocrats
- Bureaucrats
- Corporate executive
- Intellectuals
- White collar employees
- Blue collar employees

# Sub-segment of institutional segment

- Cultural/social organizations
- Charitable trusts
- Industrial organizations
- Chamber of commerce
- Trade and commerce
- Health/education/sport organizations
- Philanthropic organizations

# Marketing mix for the banking organizations

## **Product:**

- Savings and recurring account
- Fixed deposit
- Current account
- Retail loan product
- Commercial loans
- Credit cards
- Debit cards etc.

# Marketing mix for the banking organizations

- **Pricing of financial products**-conform to RBI regulations
- **Place (physical distribution)**
- **Promotion**
- **People**
- **Process**-product differentiation, accurate credit appraisal system, strong MIS, effective account receivable management
- **Physical evidence**



# Measures to improve bank marketing

- Attracting urban non-bank savers
- Crop insurance scheme
- Door to door collection
- Investment services
- Attracting young

# Essentials of life insurance services marketing

- Determining financial insecurity of the customers
- Designing new schemes and policies and innovating the old ones as per customers needs
- Developing consumer awareness about life insurance schemes
- Saving mobilization in the form of premium

# Essentials of life insurance services marketing

- Providing continuous improvement in customer care and services
- Strengthening of customer base
- Developing a corporate image
- Reporting a marginal profit