9. ABSTRACT

Marketing of financial services is a concept which is required in current scenario to identify the need and development of banks and its allies so as to offer and understand exactly the mindset of the customers and reach the customers in the best possible time. Financial Institutions (Banks) being the trusted body in the world have to be extra cautious before giving any false and misrepresentation of the financial services being offered by banks. The list of financial services being exhaustive, therefore specific focus on Mutual Fund has been given as a preference to identify the marketing strategies been applied by the banks to target the segmented customers.

During the last few years banks have realized the importance of marketing strategies in particularly the promotional mix also referred to as Integrated marketing communication as a tool to reach the customers in the best possible manner. Banks have taken a lead to connect and attract as much as possible with the customers, but customers with many awareness programs have been focused on the area of investments. The traditional products of banks have been a normal hit, but with more and more competition in banking industry, the financial product innovation has been the key for the banking growth and future prospects.

The marketing strategies have been used by banks in a niche way, but now banks have turned themselves into a major arm of aggressive marketing strategies to cover the market depth and valuation. In traditional era, marketing was never a tool of business importance, but now after the understanding the imperativeness the banks have used it to the core strength so as to relate the business in the best possible manner and cover the business and reach to more target customers. While the banking sector major business is on the word of mouth as a communication to tool to satisfy and connect to customers there are other major innovative tools that have been used by banks to reach the correct audiences for the benefit of the customers.
The Indian financial system is a complex and competitive technique for the business to be dealt with, so to reach the customers, investors, individuals, institutions, etc. the banks were designed to justify the gap there by offering the financial services to the customers. Due to financial illiteracy, lack of knowledge and understanding it would be difficult for the customers to have the best of the products being reaching the customers, so to overcome the scenario banks have been using one of the crucial arm for the success of banks identity in the market and that is called as Marketing.

Marketing of financial services is designed with the help of various tools and techniques comprising of a sequential process starting with Segmentation, Targeting, Positioning and Seven P’s which comprises of tools such as Product, Price, Place, Promotion, People, Process and Physical Evidence. However it isn’t easy to identify for the banks that which marketing tool will help them for promotion of financial services and guide to reach maximum number of customers and neither there have been many studies been done on the comparison whether the commercial banks are more powerfully marketing their financial products or industrial banks have been aggressively promoting the products to the customers and so for that reason the research was taken up. Also limited research gives guidance on whether and what extent there has been an impact on the marketing of financial services of banks to the bottom lines of the banks. This is the basic reason based upon which the research has been carried out. The research focuses on the leading banks in their own sector namely, for Commercial Banks (SBI) and Industrial Banks (IDBI). One of the aspects of the research was done to identify the mechanisms how financial services, in particularly the investors have not only just the literacy or illiteracy of the financial services products in particularly mutual fund knowledge but also which promotion tools connects the banks and customers for mutual benefit.

Thus the topic selected “A Comparative Study of Marketing of Financial Services between Commercial Banks (State Bank of India) and Industrial Banks (Industrial Development Bank of India) in Central Mumbai” is of critical importance with the focus been on connecting the banks and customers with the right tool for wealth management and betterment of the society at large.
Key Words: Marketing, Financial Services, Commercial Banks, Industrial Banks.