1.1. INTRODUCTION

The chosen subject Marketing of Banking Services and Products is a wide range of subject so many experts defined marketing in their own way. Bank marketing is different from product marketing. Before nationalization very few percentage of our population enjoyed the banking services. Bank marketing is the aggregate of functions which are directed in providing services to satisfy customers' financial needs and wants more effectively and efficiently than their competitors keeping in view the organizational objectives of the bank. The customers’ expectations are more and demanding in nature. Private Banks and Foreign Banks have introduced some innovative services. The concept, relationships and techniques used for goods marketing may not be wholly applicable to service industry like the Indian banking sector. Marketing of Bank deals with providing services to satisfy the customers’ financial needs and wants, In other words Bank marketing is all about creating, winning and keeping customers. Marketing should be given importance and existing products should be reviewed.

Marketing of banking services and products deals with providing services which helps to satisfy the customers' financial needs and wants. Banks have to discover, anticipate and ascertain the financial needs of the customers and offer the services which can satisfy those needs. The individuals and corporate bodies have certain needs in relation to money and commodity. To satisfy these financial needs customers want specific services. Different banks
offer different benefits by offering various schemes which can take care of the wants of the customers.

The Indian banks have dual organizational objectives:

i) Commercial objectives to make profit.

ii) Social objective which is a developmental role.

Marketing is an organizational philosophy. The philosophy demands the satisfaction of customers' needs as the prerequisite for the existence and survival of the bank. Marketing for banks is a philosophy to be understood by the whole organization from the chief executive to the person working at the counter.

During the pre-nationalization period banks were accepting deposits and lending to the customers based on their standing and the security backing. Customer had limited choice of products and services with a take it or leave it approach.

After nationalization, public sector banks went for massive branch expansion. The situation had prompted the banks to develop products to meet the social objectives of nationalization. Banks developed more products on compulsion rather than option to meet the social objectives of nationalization.

Banks are now in a heavy competition situation from Private sector banks and Foreign banks. The customers are now aware of banking services and products. Banking industry has to maintain affable relationship with its
customers to survive in the cut-throat competition. Almost all the service industries now metamorphosed to become customer specific. Gone are the days when customers did not mind to spend hours together to complete the banking transactions. Internet era opened so many ways to transact with the banks. Today banking is customer-centric rather than transaction centric. Customers select the bank which provides quick and efficient service.

Customer expectations are increasing like sea tidal. Banks have to design the products and services according to the taste of their customers. Today's consumer is challenging the banking industry to actively respond to consumers needs. Bankers now understand that losing the existing customers and acquiring new customers is in expensive affair. Inefficient and improper service is a major cause for loosing the customers.

There is no shelter for the banks who stick on to the traditional banking. Fifteen years ago banking companies competed on price. Today, it is quality. Tomorrow, it may be design. Banks in future cannot survive without the support of information.

The banking profession in our country is under close watch. A single bad experience of the customer can condemn the entire banking industry and a pleasant experience can produce very favourable comments. Bankers are walking on a razor's edge.
Banks must have new need for the new hour. The bankers are the indispensable pillars of the Indian society. Banking in olden days must have meant largely money lending, financing kings and their wars. Banks in our country have been recognized as very important members of the community. Land revenue was collected through bank. It provides consultancy services to the state. Public used to deposit their jewellery, cash for safe custody purpose in bank. In the pre-nationalisation era, the focus of the banks was on accepting deposits for the purpose of lending, the basic principle of banking, customers approached bankers for making deposits which bankers accept for lending and making profit. Loans were disbursed only against tangible securities with the result that only very few people got loans. Customers went to the bank and not vice versa. Customers who avails lots of loans went to the desk of manager to open their accounts. Bank manager saw himself as a professional man offering professional services.

The banking institutions are the custodians of public hard earned savings. There were a lot of complaints that The Indian commercial banks were granting loans and advances to large and medium scale industries and big business magnets and neglected priority sector, the SSI and exports. Local money lender played very important role in the credit, Government wants to bury the local money lenders. The initiation of the green revolution required certain amounts of seed capital on a concession or free basis to farmers. Such capital and widespread disbursement could be achieved through nationalised banks. The Government felt that nationalisation would effectively decentralise
credits with the result that the priority sectors get complete planned food and grow fastly. With a view to bring the commercial banks into the mainstream and tap the national wealth in an effective way and deploy their resources for production purposes in conformity with the national policy and objective, the government nationalised 14 major banks in 19.7.69 and 6 banks on 15.04.1980.

After nationalization banks were called upon to shoulder new social responsibilities and there was a major change of traditional concept of class banking to the mass banking. Nationalised banks are expected to give priority to the neglected and suppressed sector at concessional rate of interest. There were few products and services available for customers.

1.2. STATEMENT OF THE PROBLEM

Banking services and products are designed and produced by the marketing department in corporate office. Based on the field experience products are designed, sometimes it is a brain child of any top executives. After completing the formalities of the Corporate Office, the details of products are communicated to each branch through the Regional Office in the form of circulars.

They take their own time to inform to the customers who walks in. Branches not even display the posters and pamphlets of new schemes. Ultimately the pain taken, time consumed and money spent on the scheme get defeated. Sometimes, it is not known even to the staff members who work at the
counters. Very few staff members use to read the circulars received from controlling offices. Supervisory staffs are also reluctant in updating their job knowledge. Some of the supervisory staff takes interest to understand the new products but they do not initiate interest to educate their subordinates. Even, if they take interest to educate their subordinates some of them do not take it in right spirit and some of them do not even feel to read the details of new products. It shows their level of commitment in the industry.

Staff members are promoted from the rank and file. Unfortunately, few branches have been provided with promoted clerical staff. They are poor in understanding the functions of banking system. Branch management finds very difficult to run the branch smoothly. Some of the clerical staff members do not equip themselves to face modern requirements of the industry and the customers.

They are not interested in getting their promotion and afraid to take risk and go on transfer to other places than where they are settled. Most of the banks have their own software packages for their services and products. But advance technology requires much more than what they have in their hands. There are certain products which do not attract customers in the entire centre resulting the corporate office discard the products. At the time of launching the new products itself, all the relevant literature of the product/stationeries/software packages are not made simultaneously. The staff at desk level should be equipped to handle any situation. He/she should be receptive and understand
the corporate goal in correct perspective. The human tendency is to resist any change and it takes a long time to get a new concept/scheme established.

Hence, the researcher made an attempt to analyse the above problems by selecting the captioned title.

1.3. REVIEW OF LITERATURE

Marketing is an integral part of any organizational activity and encompasses the functions of all the activities of the organization for achieving its objectives. Marketing permits into the daily lives and functions of any industry and users of the industry. Banking industry is not an exception to that. In the changing environment where technology holds the key for banking activities and the entire concept of banking undergoing a rapid change from the conventional approaches, marketing is a function, which has to be given the highest priority for success of the organization. Marketing is the vehicle, which transforms an organization’s functioning into profits by effective strategies and implementation of the same.

Marketing is an attitude of mind. The central focus of all the activities of a bank is customer. In this context, let us try to understand what exactly is marketing.

The American Marketing Association has adopted the following definition, Marketing (management) is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services
to create exchanges with target groups that satisfy individual and organizational objectives". ¹

Philip Kotler defined marketing management as, 'the analysis, planning, implementation and control of programs desired to create, build and maintain mutually beneficial exchanges and relationships with target markets'. ²

Mc Carthy and Perrault gave the meaning of marketing as 'an organisation's efforts for satisfying its customers at a profit'. ³

Kotler and Zaltman explained marketing concept as 'the effort to be spent on discovering the wants of a target audience and then creating the goods and services to satisfy them'. ⁴

Derek Vander Weyer explained marketing as "identifying the most profitable markets now and in the future assessing the present and future needs of customers setting business development goals and making plans to meet them; managing the various services and promoting them to achieve the plans, also adopting to a changing environment in the market". ⁵

---

¹ The Indian Institute of Bankers, Marketing of Banking Services, Rajiv Beri for Macmillan India Ltd, New Delhi (2003) p-11
³ Ibid.
⁵ Ibid.
Kolter further explained that, "the key to achieving organizational goals consists in determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than the competitors".6

According to Kumar, L N, 'bank marketing is the creation and delivery of customers satisfying services at a profit to the bank'. He further explained that 'as applied to banking services, marketing may be described as:

(i) Identifying present and future markets for services,
(ii) Selecting which markets to service and identifying customer needs within them,
(iii) Setting long and short term goals for the progress of existing and new services and Managing the services as to persuade customers to use them at a profit, and controlling our success in so doing.7

Derek Vander Weyer further emphasized that marketing is an essential element in the management of a modern bank. Bank Marketing has additional qualities that differentiate it from other commodities and consumer goods marketing.8

Kevin Sheridan explained bank marketing thus; indisputably, marketing is the main event for most banks in most circumstances. The profession has

just not come of age; it has come into its own. But paradoxically it is this recognition that marketing is an essential component to strategic plans, business plans, and even day to day lobby operations’.  

Tony Martin explained the unique characteristics of financial services marketing as:

(i) Intangibility,

(ii) Heterogeneity,

(iii) Inseparability and

(iv) Perishability.  

Marketing as applied to banking has been defined by Lord Seebohm as

(I) Identifying present and future markets for services;

(II) Selecting which markets to serve and identifying customer needs within them;

(III) Setting long and short term goals for the progress of existing and new services;

(IV) Managing the services so as to persuade customers to use them at a profit, and controlling of success in so doing. 

One definition of bank marketing, as referred to by the NIBM, Pune, is as follows: “Bank marketing is the aggregate of functions, directed at providing

---

9 ibid
11 D.G. Hanson, Service Banking, the Institute of Bankers London, 1979, P 282
services to satisfy customers' financial (and other related) needs and wants, more effectively and efficiently than the competitors keeping in view the organizational objectives of the bank".

This definition highlights the following points:

i. Banks provide services - with all the characteristics discussed earlier, being associated with them.

ii. Aim is to satisfy customers, needs and wants.

iii. The needs and wants are by far financial in nature, and some may be even incidental to or related to the main function.

iv. The competitive element, efficiency and effectiveness are major factors in the process.

v. Organizational objectives are still the driving force.  

As per definition coined by NIBM, Pune…

"Marketing of bank products is the aggregate of functions, directed at providing services to satisfy customers financial and other related needs and wants, more effectively and efficiently than the competitors keeping in view the organizational objectives"  

Sethuraman, Officer, The Indian Overseas Bank conducted a research study on marketing strategies of The Indian overseas bank in 2000 under the

---

13 The Indian Banks' Association Bulletin, April 2004 Vol XXVI---No.4, P--9
supervision of Dr.RM. Chidambaram, Head of Department of Bank Management, Alagappa University, Karaikudi.

His major finding suggests that the following areas need further research so as to enable to market the bank products and services effectively.

1. Too Many Products are Designed.
2. Lack of Product Knowledge among Staff
3. Lack of Team Effort
4. Customer’s Data Base is not available.
5. Cross Selling can be done.
6. Attitude Gap should be improved
7. Poor Customer Service
8. Branch Environment is not Good
9. Internal customers are to be molded, educated and strengthened.  

Vinad C Dixit has described the following as important components of marketing approach.

(1) Determining in rational, informed and strategic manner derived from customer base.
(2) Identifying the current and future needs of desired customers and customer prospect segments.
(3) Creating need and satisfying benefit.

---

14 Sethuraman, Marketing Strategies of The Indian Overseas Bank, Department of Bank Management, Alagappa University, 2000.
(4) Communicating and delivering these benefits effectively and efficiently to market place.

(5) Covering the employees of the organization into a well informed disciplined and professional force committed to the organization’s values and objectives.\(^\text{15}\)

Manoj Kumar Sarance, Deputy Manager, Bank of India, Sambalpur, Marketing Bank products, IBA April 2004.

He suggests in his article on Marketing of Bank Products that

Main emphasis is to be given on

(i) Efficient and courteous customer service

(ii) Attractive and innovative scheme

(iii) Developing subsidiary services

(iv) Aggressive personalized selling strategies.\(^\text{16}\)

Ananthakrishnan, Faculty member, Regional Training Centre, Nabard, Bangalore says in his article on marketing of bank products that

1. Bank will have to target the women folk constantly as they, invariably are the ultimate decision influencer.

2. Banks have to set up Research and Market Intelligence wings.\(^\text{17}\)

Vincent Kumar Ojha, The Mercantile Co-operative Bank Limited, Gandhidhan,Kach (Gujrat) suggests that

---

\(^\text{15}\) Vinad C Dixit, Bank of India, Ahmedabad, Marketing Bank Products, The Indian Banks’ Association April 2004., Vil XXVI No.4 p.14

\(^\text{16}\) Manoj Kumar Sarance, Marketing Bank Products, IBA. Apr2004 , P 8.

1. Keep the branch premises clean and beautiful

2. Place banners, posters, brochures at appropriate places in attractive manner.

3. Keep your employees well informed about various bank products

4. Train your front office employees for effective selling and cross selling

5. Be friendly and loyal to your customers. Never mislead them.

6. Always maintain database of your customers.  

Rajeev has quoted that Marketing orientation is basically on attitudinal dispositions of banker which enables him to anticipate customer need(s) and also inspires him to satisfy that need.

Bank marketing is the aggregate of functions directed at providing services to satisfy customers' financial needs and wants more effectively and efficiently than competitors keeping in view the organizational objectives of the bank.

Generally it is accepted and expected that any subject starts with the definition. The chosen subject marketing is a wide range subject, so many expect defined marketing in their own way. Bank marketing is different from product marketing before nationalization very few percentage of our citizen enjoyed the banking services. Bank marketing is the aggregate of functions

---


directed at providing services to satisfy customers financial needs and wants more effectively and efficiently than competitors keeping in view the organizational objectives of the bank. 21

1.4. SCOPE OF THE STUDY

The present study covers the Marketing aspect of Banking Services of the Indian Overseas Bank with reference to Chennai Metro. The study does not cover other banks and the areas such as job satisfaction of the employees, Customer service, status of bank employees and the like.

1.5 OBJECTIVE OF THE STUDY:

The following are the objectives of the present study.

1. To trace the origin, growth and development of the Indian Overseas Bank with specific reference to its product and services.
2. To analyze the operational efficiency of the Indian Overseas Bank.
3. To measure the behaviour of staff towards marketing of the IOB products and services
4. To measure the awareness of customers towards the products and services of the Indian Overseas Bank with reference to Chennai metro.
5. To offer summary of findings and suggestions and conclusion.

21 Ibid.
1.6. OPERATIONAL DEFINITIONS

Bankers were transacting business efficiently and profitably without having to bother much about marketing. The likely users of bank products have to be identified first.

“Marketing orientation is basically on attitudinal dispositions of banker which enables him to anticipate customer need(s) and also inspires him to satisfy that need”\(^{22}\)

Bank marketing is the aggregate of functions directed at providing services to satisfy customers' financial needs and wants more effectively and efficiently than competitors keeping in view the organizational objectives of the bank\(^{23}\).

1.6.1. MARKETING

The competitive climate in the Indian banking marked has changed. The customer’s expectations are more and demanding in nature. Private Banks and foreign banks introduced some innovative services. The concept, relationships and techniques used for goods marketing may not be wholly applicable to service industry like The Indian banking. Bank marketing deals with providing services to satisfy customer’s financial needs and wants. Bank marketing is all

\(^{22}\)Rajeev K Seth, Marketing of banking services, by Rajiv Beri for Macmillan India Ltd, New Delhi, 1997, P 25.

\(^{23}\)“Bank marketing, market research and The Indian banks, Prajnan vol. xx no.1 , jan-mar,1991
about creating, winning and keeping customers. The Indian banks have dual organizational objectives.

1. COMMERCIAL OBJECTIVE. Being commercial organization, banks have to earn profit.

2. SOCIAL OBJECTIVE. Being Public Sector Banks, social responsibilities are inevitable.

The existence of the bank purely depends on the satisfaction of the customers. Marketing for bank is a philosophy to be understood by the whole organization from the Chief Executive to the person working at the counter. All employees should commit themselves. Marketing is an attitude of mind. Branch staff themselves are the marketing persons. Traditionally banks used to concentrate on deposit growth as the starting point. Instead of trying to maximize profit from each and every transaction, relationship marketing focused on maximizing profits over the lifetime value of the customer by creating and sustaining relationships. Collaboration marketing requires firms to collaborate with customers and make them an integral part of the firm's marketing activities.

Most of the bankers are really committed to the women's market opportunity. We have to learn more about women customers and how they buy is potentially more important than the product or service we are selling. Once we understand the profitability level of certain customers we know whether to customize service. If they are very profitable, we may waive fees. Knowing
our customer we can deliver the expected service and help them to increase the value of their investment. Manager has to change the quantity not quality of service to meet the needs of profitable customers.

Marketing is all about creating and keeping customers. By doing continuous services which are expected by our customers, banks can get fresh connections and retain the existing customers. Cost consciousness needs to be developed in resource mobilization and deployment of funds. Marketing should be given importance and existing products should be reviewed. Professional staff should not be assigned operational role function and given freedom to directly approach Top Management. Banks do not really pay adequate attention to fee based business which attract more customers and help us to retain the valuable existing customers. Our marketing strategies should be refined. The manager should not be allowed to stay away from the branch. He should be assured, motivated for his tenure in rural area. The Man on the spot has to survey the needs of his service area. He has to study whether available products and services suit the requirement of his customer. If the demands of the customer warrant any modification in the product, he has to take up with his corporate office and shape the product according to the needs of the customer by absorbing all precautionary measures to safeguard the institution. Consumer needs and technologies were changing rapidly and have drawn the attention of manufacturers or industrialists to look at market and analyses their business from the consumers' perspective.”From the mid 60s onwards, marketing thought grew and matured. Marketing began to be seen as relevant NOT only
to commercial organizations but also important for service organizations which are not necessarily traditional project led businesses.

1.6.2. MARKETING CONCEPT

a) Bank cannot exist without the existence of customers
b) create, win, keep the customers
c) services should be designed for customers' convenience
d) deliver total satisfaction to the customer

Marketing for banking is a concept to be adopted by all employees of the organization. Having separate marketing department may dilute the involvement of other department staff to care about the customer relations and handle operation and other duties mechanically. Market orientation and customer consciousness among all the persons working in the bank is needed.

1.6.3. MARKETING DEPARTMENT

1. How they design the new product?
2. Pricing
3. Distribution - circulars
4. Monitoring - post introduction of products
5. Steps taken to popularise the schemes.
6. Bankers have to use marketing tools and techniques for getting their raw materials.
1.6.4. INTERNAL MARKETING

Internal Marketing is an important concept which helps us to market our banking services to the public through our own internal customers. Being a service industry we are bound to earn profit to pay attractive return on investment to the share holders and also provide adequate welfare measures to enable our own internal customers (staff) to maintain their standard of living. Gandhiji said that “employers are parent figures and the employees are their children. Loving parents never expect from their wards that they have to ask them for their requirements. It is quite natural if the employees' problems and feelings are well taken care of by their organizations. The internal customers will also commit themselves for the growth of their organization. Of course there are employees who always expect more and more welfare measures but do not feel committed to contribute their skill to the mite level. Branches of the bank are facing numerable day to day problems because of the poor internal marketing. Majority of the staff do hesitate to develop their professional knowledge for the reason minor responsibility is fixed on them. It does not mean that they are incapable. They are not interested to acquire recent developments in banking sector, even few staffs afraid to accept promotion. The management has to place employees according to their skill and attitude. There are employees having strong professional back ground but undesirable attitude towards the job and customers.
1.6.5. APPRECIATION

Appreciation letter is one of the Non-Financial incentives that tune the Human Resource. But practically mere appreciation letter is given for the performer who would have contributed for the growth of his organization to the maximum extend does not help him to claim up the ladder. The personnel policy should be in such a way so that each appreciation letter carries weightage in career development path. Management has to identify the employees segment.

a) Highly qualified but working at lower level.

b) Always think about the financial benefit.

c) Afraid to take responsibility

d) Settled at a place

e) Do not accept transfer and higher responsibilities.

f) Employees expect fast track promotion.

It prevails at the decision making level that subordinates do not have mind to think and they are incapable to act on the line drawn by his boss. Allow your staff to give feed back on your performance. You may be happy to listen appreciation from your boss likewise your loyal subordinates may expect the same and always act for your career. It is not understood how top executives expects that his subordinate should have the equal level of skill, feeling and attitude towards the work. Leaders are not born but they are made. Maintaining a satisfying atmosphere and positive work relationship at the work place will definitely improve the business. Action speaks louder than words, but
attitudes speak louder than mannerism. EVERYONE IN THE organization must treat other employees as customers. Service marketer must play many drama related roles. The skill of the service actors in performing their routines, the way they appear and their commitment to the show are all pivotal to service delivery. Aircraft scheduled to take off at 9 AM from Chennai to Madurai cannot sell empty seats once the aircraft has left. The service offer disappears and spare seats cannot be stored to meet a demand at 10 am. Mood will often play a large part in the quality of a delivery of a service. When a person is preoccupied or not feeling well, the delivery of the service may well be affected. Even during the course of a day a receptionist who was friendly and helpful at the beginning of the day may become tired, irritable and most unhelpful by the end of the day. Marketing should be given importance and existing products should be reviewed. Marketing for banking is a concept to be adopted by all employees of the organization. Market orientation and customer consciousness among all the persons working in the bank to be geared up.

Internal marketing is more important majority of the staff do hesitate to develop their professional knowledge for the reason minor responsibility is fixed on them. It does not mean that they are incapable. The management has to place employees according to their skill and attitude. There are employees having strong professional back ground but undesirable attitude towards the job and customers. Internal marketing is an important concept which helps us to market our banking services to the public through our own internal customers.
Being service industry we are bound to earn profit to pay attractive return investments to the share holders and provide adequate welfare measures to enable our own internal customers to maintain their standard of living.

It is quite natural if the needs of employees are properly taken care of by the management. Psychologically they feel that they are bound to commit themselves and contribute their skills for the betterment of organization. Decision making level also needs positive approach. Subordinates should be given a chance to ventilate their views and their positive approach should be appreciated and given weightage in their career path. Mere occupying higher position does not yield result to the bank which provides all sorts of facilities. Leaders are not burn but they are made. Everyone in the organization must treat other employees as customers. The service offer disappears and cannot be stored to meet demand at latter time. Keep cool your subordinates, there are higher officials use meaningless and worst words in the office and unnecessarily show their anger on their subordinates. Unnecessary strike on the hot iron spoils the shape. Unnecessary strike on the hot iron spoils the shape and increase the scrap. Leader should have a skill to understand his subordinates most of the executives on the rolling chair act in a indecent manner in front of thrid person by pressing the calling bell continuously and show their ugly face on their subordinates for a reason not known by his subordinates.

Try to accommodate the customers in a profitable way. Value added service can be provided to the customer. Today banking industry is facing
severe competition. Customer satisfaction is the real and important factor which leads to attain the profitability. We cannot take a shelter that customers expect more and they have lot of choices available in the market. The employees are internal customers like any other external customer of an organization. Tuned employee-customer would always commit himself and contribute towards the organization goal. Internal marketing is practiced within the organization. Front line staff should have thorough idea about their bank products and services sometimes we feel anybody can do banking job, of course passing credit/debit in the ledger alone is not banking. It is more than what we practice in the banking. The computer world does not allow a customer to wait for more times to have a transaction. Customer needs/expectations have to be identified on the spot and deliver the required service immediately. Banking services designed to suit the customers but not for the convenience of employees. Right man for right job principle has to be identified. Wrong employee spoils the value of service designed to meet the requirement of particular elite customers. We have seen that there are employees having negative attitude scold their own bank in front of customers and sometimes offer angry advice to the customers to go to some other banks. It shows the efficiency of the organization, how this type of internals customers have been chosen to market the banking service to the (external) customer who enter into your bank branch with a lot of expectations and dreams. There is no place for a bank doing traditional banking accepting deposits for lending. The banking is the only industry which provides lot of employment opportunities i.e. eight lakh
families leading a comfortable life. But we are more concern about the education of our children and marriage of their own wards than how much business our bank generates. Compensation should be fixed based on the skill, performance and commitment of the internal customers and not based on the social and the political compulsion. But we are paying equal pay to the performers and non performers. We have a lot of human force but not adequate human resource. Banks cannot be milking cows and employment factories. We have to create a climate that let the employees earn their salary and not paid by us proving their skill and performance. Jack-of-all-trades and master of none is not acceptable concept today. Scan the potential employees, enlarge their unutilized inherent talent instigate their hunger for achievement. The race is about winning in a competitive field, foreign banks and technology based private sector banks smashing the business share of public sector banks. It is our responsibility to place cream at the top. Close the tracks which allow average employees to claim up slowly. Mettle and not rank that gets respect.

1.6.6. BANK MARKETING

Generally it is accepted and expected that any subject starts with the definition. The chosen subject marketing is a wide range subject, so many expect defined marketing in their own way. Bank marketing is different from product marketing. Before nationalization very few percentage of our citizen enjoyed the banking services. Bank marketing is the aggregate of functions directed at providing services to satisfy customer’s financial needs and wants
more effectively and efficiently than competitors keeping in view the organizational objectives of the bank.

We can say banking services were not known by lower and middle income group. The reasons for non utilization of banking services were

a) Here and there bank branches were functioning
b) Business community were given importance and given a way to enjoy the banking services i.e., loan facilities were extended on the basis of security back up.
c) Because of small net work of bank branches, extensive and fast service could not be provided by bankers.
d) Much importance was given to profit.

After nationalization mass banking started. Government compelled that 17000 people should be served by one bank branch. Many rural and semi urban branches were opened to serve public. The impact of opening of more number of bank branches reduced the unemployment situation. Social banking concept was practised. Government formulated novel loan schemes and implemented through bank branches to provide financial assistance to needy poor people. Banking industry identified the needs of its customers and designed the banking services in such a way to meet their requirements. At this point we can understand how the situation has been changed to tune the bankers to understand the concept of marketing. The mass banking helped the poor to get some sort financial assistance and they could be able to save small portions of
savings out of their hard earned money. The neglected sector i.e. agriculture sector has been given importance. Commercial banks came forward to extend their lending hands to the farmers who were wasting their 6 months period in a year without doing any job since our agricultural activities mostly depends on rain water which is not timely available and small quantity of water is available for cultivation. Value addition to the product is more important each employee in the bank is a marketing person who contributes to total satisfaction of customer Bank marketing deals with providing satisfies customers, financial needs and wants Bank has to find out the financial needs of the customers and offer the services which can satisfy these needs.

1.6.7. INFORMATION TECHNOLOGY

The 21st Century banking is going to be highly competitive and information technology driven. The networking of banks, the ATM facilities Tele banking, Any Time Any Where Banking would reduce the manpower and handle large volume of business. There is need for Re-Engineering and Redesigning systems. IT would considerably help banks to improve their decision making capabilities particularly in respect of high risk areas. To meet the challenges of a fast growing knowledge economy the thrust needs to be on Human Resource Development for which the training systems need to be revamped.
1.6.8 EVOLUTION OF BANK MARKETING

Bank is now turned into buyer's market and the customer could demand not merely necessities but also luxuries. The customers have choice of banks and a variety of products to choose from other banks.

A lot of changes are taking place in banking sector

a) Strengthening of financial sectors through merger and amalgamation

b) The gradual introduction of prudential norms

c) Transparency in bank balance sheet

d) Deregulation of interest rates

e) Up gradation of technology

f) Privatization of public sector

g) Providing autonomy to public sector banks

h) Reduction in CRR and SLR

i) Dilution of government stake in public sector banks to 33%

1. Banks are flushed with high liquidity and there is dearth of quality assets as investments have slowed down.

2. Deregulation of interest rates, margins has thinned out and the resultant profitability has gone down.

3. Banks have pushed out senior employees through VRS but still labour cost eats away a lion's share of profit

4. After introduction of information technology banking industry needs skilled, committed and disciplined work force in large number.
1.7 METHODOLOGY

The present study intents to examine the marketing of products and of the Indian overseas bank. The research type was exploratory as it was conducted to develop a concept about the marketing of the IOB products. This study is an empirical research based on the survey methods. The data which collected for this study include both primary and secondary data. The primary data were generated after conducting survey on a sample size of 450 respondents out of which 150 respondents were staff and the remaining 300 respondents were customers using two different questionnaire, one for staff and another for customer, that included dichotomous, multiple choice questions and the required secondary data had been collected from the web portals, published records, journals, magazines, newspapers, encyclopedia and the like.

1.8 SAMPLING DESIGN

In order to study the marketing of products by the Indian Overseas Bank 150 staff and 300 customers were surveyed. In case of staff, 1285 staff are working in Chennai metro. Out of the total staff in the study area, 150 sample respondents were selected at random.

The aggregate staff includes 469 officers, 654 clerical officers and 162 sub staff All the staff in each group were arranged in alphabetical order. The sample respondents were selected by way of lottery method, 54 respondents from officer grade, 76 respondents from clerical officers and 20 respondents from sub staff were selected . Thus a total of 150 samples were selected.
And in the case of the customers, 300 The Indian Overseas Bank customers were surveyed. The sample was selected on the basis of convenient sampling method. The survey was conducted outside the banks. The people, who were coming out of the banks after their transactions, were asked to fill the questionnaire. The objective of the study was clearly explained to them to ensure co-operation, sincerity and accuracy in their response.

1.9 TOOLS OF ANALYSIS

The data were collected, coded, tabulated and analyzed using statistical tools.

Data collected through questionnaire were presented in a Master table. From the Master table Sub-tables were prepared. The statistical techniques used in this study are Percentage analysis, Trend analysis, Kruskal Wallis test, Coefficient of Variation and Likert Scaling Technique and the Financial tools such as Ratio Analysis has also been adopted.

1.10 HYPOTHESES FRAMED

The following hypotheses are framed for the study

For Staff

- There is no significant difference in the awareness level among the different groups of members classified according to age
- There is no significant difference in the awareness level among the different groups of members classified according to gender
• There is no significant difference in the awareness level among the different groups of members classified according to education

• There is no significant difference in the awareness level among the different groups of members classified according to joining post

• There is no significant difference in the awareness level among the different groups of members classified according to present cadre

• There is no significant difference in the awareness level among the different groups of members classified according to the years of services

• There is no significant difference in the awareness level among the different groups of members classified according to the years of services in present cadre

• There is no significant difference in the awareness level among the different groups of members classified according to section attached

For Customer

♦ There is no significant relationship between the age of the respondents with the perception level of 7Ps.

♦ There is no significant relationship between the sex of the respondents with the perception level of 7Ps.

♦ There is no significant relationship between the education level of the respondents with the perception level of 7Ps.

♦ There is no significant relationship between the occupation of the respondents with the perception level of 7Ps.
There is no significant relationship between the number of years of maintaining the account by the respondents with the perception level of 7Ps.

There is no significant relationship between the income level of the respondents with the perception level of 7Ps.

1.11 PERIOD OF THE STUDY

This study was conducted during the year 2000-2010. The fieldwork was carried out during the months of December 2009 and January 2010.

1.12 SCHEME OF THE REPORT

The first chapter contains the Introduction and Design of the study. It includes Objectives, Statement of the Problem, Review of Literature, Scope and Geographical Coverage of the Study, Methodology, Sampling Design, Tools used for Analysis and Chapter Scheme.

The second chapter deals with an overview of the Indian Overseas Bank and the researcher has also provided the information about the performance of the Indian Overseas Bank.

The third chapter presents the analysis of the operational efficiency of the Indian Overseas Bank. The researcher has adopted various ratio techniques and growth models to analyse the operational efficiency of the bank.
The fourth chapter deals with the attitude of the staff towards the product and services of the Indian Overseas Bank. It includes the classification of the respondents by Age wise, Education wise, Occupation wise and Income wise.

The fifth chapter deals with the attitude of the Indian Overseas Bank customers towards the Bank products. It includes the classification of the respondents by Age wise, Education wise, Occupation wise and Income wise. It also analyses the perception of the customers towards components of 7Ps such as product, place, price, promotion, people, physical evidence and processes.

The sixth chapter provides the summary of Findings and Suggestions to improve the marketing of The Indian Overseas Bank products.