

STATE BANK LEARNING CENTRE
KANPUR

CONCEPT OF MARKETING

Evolution Of Marketing

It goes back to 1930, when it was **Production Concept**. i.e. Efficiency in Production. Then came the **product concept** in 1940. - Quality of product. Then came the **selling concept**. It was found that the products are sold and not bought. Thereafter in 1970, the **Marketing concept** came into being. i.e.: -Product Marketed.

Trends of Bank Marketing

- Traditional Banking (up to 1969)-Accounting orientation.
- Development Banking (from 69 to Mid 80's)-Selling Orientation.
- Bank Marketing Period (After 80's)-Marketing Orientation

In 1991, liberalization process (LPG) took place, which has led to increased competition. The increased competition has narrowed the spreads. I.e. NIM (Net Interest Margin), which has adversely affected our profitability.

A major fallout of financial liberalization has been increasing competition and narrowing of spreads and its impact on the profitability of banks

A. K. Purwar, Former Chairman, State Bank Group

WHAT IS A MARKET?

Market is a place where sellers and all actual and potential buyers of a product meet.

WHAT IS MARKETING?

- SELLING?

-ADVERTISING?

-PROMOTION?

“Marketing is the performance of business activities that directs the flow of goods and services from producer to consumer or user.”

-American Marketing Association

A human activity directed at satisfying needs and wants through exchange processes”

-- Philip Kotler.

“There are three kinds of companies:

those who makes things happen;

those who watch things happen;

those who wonder what's happened”

Marketing myopia

-Focus only on Wants

-Needs underlying are ignored

Danger of one day waking up to No Demand

The aim of Marketing is to make Selling superfluous.

-Peter Drucker.

Misconception about selling:

Are Marketing and selling same? No. Actually selling is finding customers for what you have and marketing is making sure you have what customers want.

MARKETING Vs SELLING:

	GENESIS	PROCESS	OBJECTIVE
SELLING:		Design	Promote
Maximize	the product	in the market	profit from product
MARKETING:	Identify customer needs	Manage delivery to customer	Meet/Exceed customer satisfaction

So marketing is a managerial process of ascertaining, identifying and creating needs of a customer and to deliver satisfaction effectively and efficiently than the competitor at a profit on a sustained basis.

Objective of Marketing

- Total customer satisfaction
- Improvement of Market share.
- Optimization of profit.
- Retention of customers
- New connections

What should we know?

- Who are we?
- What is our area of our operation?
- What we want to do? Why we want to do?
- What we have?
- What we want to sell?
- To whom we want to sell?
- Where should we go to get him?
- Why should he purchase?
- What are the questions he would be asking?
- What should be our strategy?

So we have to scan the environment.

Is there any need of Marketing!

Before 1991, there was a monopolistic market. i.e. Sellers market. After 1991, it is now Buyer's Market. Changing life style, Increasing consumerism, Trying new products etc.

Challenges in the marketing

- Changing customer needs.
- Increasing customer expectation.
- Innovative products of our competitor.

- Internet & customer education.
- Shifting loyalties.
- Supermarket approach.

These challenges can be converted into opportunities/strengths.

We are All Sales People! It starts early in life, perhaps in the school playground.

We all have a natural desire to improve the quality of our lives.

To obtain the things we want, we must sell our talents, products and services to others.

Convincing another person to give you his valuable time and attention requires good Communication Skills. Communication, whether in writing, speech or body language is vital to the success in business and in your personal lives.

MOMENTS OF TRUTH (GOLDEN RULES)

RULE 1 : GREET THE CUSTOMER IMMEDIATELY

RULE 2 : GIVE THE CUSTOMER YOUR UNDIVIDED ATTENTION

RULE 3 : MAKE THE FIRST 30 SECONDS COUNT

RULE 4 : BE NATURAL, NOT PHONEY OR MECHANICAL

RULE 5 : BE ENERGETIC AND CORDIAL

RULE 6 : BE THE CUSTOMER'S AGENT

RULE 7 : THINK! USE YOUR COMMONSENSE

RULE 8 : BEND THE RULES SOMETIMES

RULE 9 : MAKE THE LAST 30 SECONDS COUNT

RULE 10 : STAY UP, TAKE GOOD CARE OF YOURSELF

Expectation of the Customer from Product/ Service

THEORY OF SERVICE RELATIVITY

$V = R - E$ Perceived Value = Result - Expectation

If it falls short - dissatisfied

If it meets expectation - satisfied

If it exceeds expectation - delighted

Our ultimate goal:

To strive for 'Customer Delight'.

BRAND EQUITY The art of marketing is largely the art of 'Brand Building'.

Strong brands typically exhibit an owned word, a slogan, a color, a symbol, and a set of stories.

A brand has 'Brand vitality' when it is differentiated in the consumer's mind from other brands, when differentiation is relevant to the consumer's needs.

Marketing Research is the systematic design, collection, analysis and reporting of data and findings relevant to a specific marketing situation facing the company.

There is no such thing as 'Customer loyalty' in the competitive world.

'Customer Preference' is a customer's predisposition to do business with one supplier over the other.

As the level of competition moves even higher in this increasingly chaotic business environment, ideas such as CUSTOMER LOYALTY and CUSTOMER SATISFACTION give way to delivering 'value' and earning 'customer preference'.

Marketing Environment

Demographic Environment

Economic Environment

Technological Environment

Political Environment

Cultural Environment

Strategic Marketing

- Building Profitable Businesses Through World Class Marketing
- Using Marketing To Understand, Create, Communicate And Deliver Values
- Identifying Market Opportunities And Developing Target Value Offerings
- Developing Value Propositions And Building Brand Equity

Tactical Marketing

- Developing And Using Market Intelligence
- Designing The Marketing Mix
- Acquiring, Retaining, And Growing Customers
- Designing And Delivering More Customer Value
- Planning And Organizing For More Effective Marketing
- Evaluating And Controlling Marketing Performance

Telemarketing: It is the act of selling, promoting or soliciting a product over telephone. Quite often, Telemarketers are hated members of business community because they may intrude into your privacy.

Responsible Telemarketers will take a person off their call list, when asked.

E-Commerce

E-Commerce is the name given to transactions that take place over the internet.

E-mail Marketing

E-mail marketing when used correctly, and efficiently, is one of the most effective forms of on-line advertising.

When abused, e-mail marketers are referred to as 'Spammers' (Businesses that send Unsolicited, Unwanted mails).

Consultative Banking

Branch Level marketing needs to be practiced as a consultative banking.

Bankers are expected to function as consultants to their customers. Focus is needed on building long term mutually beneficial relationships.

"It is useless to tell a river to stop running; the best thing is to learn how to swim in the direction it is flowing"

(Ravinder Jalali, Chief Manager& Faculty, SBLC, Kanpur.)