Difficulties In Service Marketing

Though in past few years various financial institutions, especially banks are investing significantly in the marketing of their services. It shows the remarkable improvement in attracting new customers. Even though banks are making progress gradually, there are various problems banks are facing for marketing of their services. This chapter will focus on the most common type of problems banks are facing and some of the remedies will be provided for elimination of these problems.

Barriers in Service Marketing:

Low Quality Services:

The quality of services provided by the banking sector these days are quite low. Majority of the customers are using these services due to the unavailability of any other suitable alternative. Once the services offered by the financial institutions or banks are below standard, customer tends to close his account or switch the bank. This is mainly due to the untrained customer service representatives and delay in resolution of problems.

Inadequate Promotional Activities:

Though the marketing of services in the banking sector has been improved quite a lot but still promotional activities like advertisement are still lacking. People are usually unaware of the services offered by their financial institutions. The advertisement channels or the methods are usually not much effective.

Inadequate Channel of Service

This is one of the major weakness of the banking sector which needs to be addressed efficiently. Usually the branch locations are not located at adequate place, which makes the bank’s branch inefficient. This significantly reduces the popularity of the bank and compromises the sustainability of that branch.

Unappealing Prices

Usually the customers are not happy with the prices charged by their bank in return for their services. Also the interest paid on the deposit are quite low comparatively to the earning yields in other sectors of the economy. The inadequate setting up of pricing of services affects the sales volume of the bank quite significantly.

Measures to Overcome Marketing Problems

Above discussed hurdles in the marketing of banking services can be eliminated by the doing effective promotional activities, introducing various sales bonuses, increasing social awareness and advertisements. Some of the key measures to eliminate these difficulties are discussed

below in depth.

Customer-Oriented Strategies

Banks should invest in the analysis of current market trends and the demands of the customers. Surveys are quite necessary in this regard. It is very crucial to keep in consideration the ever changing needs of the customers while designing the service structure. Banks should mould themselves to meet the requirements of the customers. This marketing technique requires to anticipate, identify, design and deliver the customer oriented service and satisfying the customer need effectively, efficiently and profitably. To bring the satisfaction to the customers and to develop their trust bankers had improved service quality and complain resolution service significantly to retain the customers and attract new potential ones. Customer oriented services has now been considered the key factor for the sustainability and to keep the competitive advantage over other service providers. These involves three main factors for the sustainability of the customer which can be empirically represented in the following sequence that consist of the trust, which promotes the relational commitment and which in turn influences the customer loyalty. All three aspects help banks to maintain their customer-centric orientation image for future development, growth and sustainability.

Process Automation:

In this modern era of Internet of things and Artificial Intelligence, automation of the process is basic need for any industry including the financial services providers. To avoid any human errors and to increase the processing time and efficiency of the banks integration of automation and internet is very important. Funds transfer, utility bills payment, cash withdrawal and other documentation services should be done automatically with the help of computers. Many banks has started to offer internet banking which is considered to be competitive edge in the market. Internet banking is getting very popular day by day. It has now essential demand by the customers. Its blessing for the majority of people whom it is unable to visit the branch for routine transections.

Time Stipulation

Time required for the delivery of the various services should be defined precisely in order to avoid any hassle. The defined required time should be ensured in order to increase the efficiency of the banking services. This will help customers to predict and to obtain hassle free services. The timely services provided by banks also provides the competitive edge in the market.

Extensive Branch Network

Wide branch network is also very significant to increase the sales volume. But more importantly the branches should be adequately distributed in order to facilitate the customers timely and efficiently.

Correspondent Banking

The scenarios in which it is not possible for the bank to open the branch at some specific

location, to increase the efficiency and effectiveness of the services corresponding banking relationship should be utilized.

Long Term Profitability

Banks work on the customers. Without customer any financial institution does not exist.

For sustainability of the banks the marketing should design the services and policies to retain the existing customers while attracting the potential ones.