

РОЗДІЛ 5. ГРОШІ, ФІНАНСИ І КРЕДИТ

EVOLUTION AND ESSENCE OF BANKING MARKETING

ЕВОЛЮЦІЯ ТА СУТНІСТЬ БАНКІВСЬКОГО МАРКЕТИНГУ

Theoretical approaches to determining the essence of banking marketing have been studied. The definition of "bank marketing" has been proposed. The article identifies the similarities and peculiarities of bank marketing. The process of evolution of banking marketing has been analyzed. Common features and differences of evolutionary processes of bank marketing have been substantiated. Marketing management is considered from the point of view of transforming the bank markets into the buyer's markets. Bank marketing is the philosophy, strategy and tactics of the banking business, based on the complex analysis and segmentation of the market of banking services, implementation of the optimal product, price, sales and communication policy and aimed at harmonizing bank interests, existing and emerging needs of existing and potential banking clients and society in general. Moreover, it is correct to say that banking marketing has accompanied banking since its inception, that is, since the earliest hours. However, this statement only concerns the understanding of marketing as a tool of market behavior. At the same time, the modern understanding of bank marketing from the standpoint of a systemic approach represents the unity of the following constituent elements: banking marketing as a philosophy of the banking business; Banking marketing as a way of entrepreneurial policy and behavior in the market; banking marketing as a separate branch of knowledge and science; banking marketing as a separate area of professional activity. The main factor and the internal spring of strengthening the dynamic influence of banks on socio-economic processes is the transition of banking activities from an operational orientation to a marketing one, between which there are fundamental differences. If the operational orientation of the banking business is focused on technological, organizational and accounting business procedures, then the marketing orientation is fundamentally client-centric, i.e. it involves the concentration of the bank's efforts on identifying existing and potential requests of economic market subjects and developing, on this basis, strategies and tactics for their best satisfaction on mutually beneficial terms based on resource, personnel, organizational, technological, regulatory and other limitations. Ultimately, the bank should strive to meet the specific objectives of an existing or potential customer in the most rational way from the latter's point of view. It is shown how the strategy of specific directions of bank marketing is determined by features of bank product.

Key words: Bank engineering, marketing, bank product, business policy, bank.

Досліджено теоретичні підходи до визначення сутності банківського маркетингу. Запропоновано визначення дефініції «банківський маркетинг». Визначено спільні риси та особливості банківського маркетингу. Проаналізовано процес еволюції банківського маркетингу. Обґрунтовано спільні риси та відмінності еволюційних процесів банківського маркетингу. Маркетингове управління розглядається з позицій перетворення банківських ринків збуту в ринки покупця. Банківський маркетинг – це філософія, стратегія та тактика банківського бізнесу, що базується на комплексному аналізі та сегментуванні ринку банківських послуг, здійсненні оптимальної продуктової, цінової, збутової та комунікаційної політики та спрямована на гармонійне балансування інтересів банку, існуючих та виникаючих потреб наявних і потенційних банківських клієнтів та суспільства в цілому. Загалом правильним буде твердження, що банківський маркетинг супроводжував банківську справу з моменту її зародження, тобто ще з прадавніх годин. Однак таке твердження стосується тільки розуміння маркетингу як інструменту поведінки над ринком. Водночас сучасне розуміння банківського маркетингу з позицій системного підходу є собою єдність наступних складових елементів: банківський маркетинг як філософія банківського бізнесу; банківський маркетинг як спосіб підприємницької політики і поведінки на ринку; банківський маркетинг як окрема галузь знань і науки; банківський маркетинг як окрема сфера професійної діяльності. Головним фактором і внутрішньою пружиною посилення динамічного впливу банків на соціально-економічні процеси є перехід банківської діяльності від операційної орієнтації до маркетингової, між якими існують принципові відмінності. Якщо операційна орієнтація банківського бізнесу зосереджена на технологічних, організаційних та облікових процедурах бізнесу, то маркетингова орієнтація є на своїй основі клієнтоцентричною, тобто передбачає концентрацію зусиль банку на виявленні наявних і потенційних запитів економічних суб'єктів ринку та розроблення на цій основі стратегії та тактики їх найкращого задоволення на взаємовигідних умовах на основі ресурсних, кадрових, організаційних, технологічних, нормативних та інших обмежень. В кінцевому підсумку банк повинен прагнути задовольнити конкретні цілі наявного чи потенційного клієнта найбільш раціональним, із точки зору останнього, способом. Показано, яким чином стратегія конкретних напрямів банківського маркетингу зумовлюється особливостями банківського продукту.

Ключові слова: банківський інжиніринг, маркетинг, банківський продукт, бізнес-політика, банк.

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Formulation of the problem. In the conditions of dynamic and often contradictory changes in the modern market of banking services in Ukraine, the desire of each bank to ensure the maximum satisfaction of the requests of existing and potential

customers on mutually beneficial terms remains unchanged. Successful achievement of such a goal is possible only on the basis of comprehensive use of marketing tools, which objectively requires a comprehensive study of all theoretical and practical

aspects of banking marketing. Recognizing scientific completion domestic and foreign scientists, note that bank marketing is in constant dynamic development. This fact underlines the need to systematize the practical innovation and improvement of the scientific and methodological foundations of marketing, understanding which allows you to form a competitive bank marketing policy.

Analysis of recent research and publications.

Research of theory and marketing practices in banks are devoted to the work of such foreign scientists, as J. Burnet, A. Dayan, E.P. Golubkov, E.V. Yegorov, E.F. Zhukov, G.L. Makarov, D. Mak-Noton, A.O. Romanov, V.T. Sevruk, E.A. Utkin and others. Among domestic researchers of various aspects of banking marketing I. V. Alekseeva, I.G. Britchenko, O.D. Vovchak, A.V. Voichak, L.A. Hayduk, S.S. Garkavenko, S.M. Kozmenko, I.O. Luty, A.V. Nikitin, L.F. Romanenko, O.O. Solodka and others should be noted. The works of the above-mentioned scientists made it possible to form a range of questions related to the formation of bank marketing as a separate branch of science, to determine the main directions of its development and mechanisms of influence on the activities of commercial banks. At the same time, while acknowledging the existing theoretical and methodological developments, it should be noted that it remains insufficiently clarified and requires scientific comprehension of the question of development of theoretical ideas about the essence of banking marketing [5].

Highlighting previously unresolved parts of the overall problem. Giving credit for the scientific work of domestic and foreign scientists, we note that bank marketing is in constant dynamic development. This circumstance emphasizes the need to systematize practical innovations and improve the scientific and methodological foundations of bank marketing, the understanding of which makes it possible to form a competitive marketing policy of the bank.

Formulation of the goals of the article. The purpose of the article is the study of theoretical approaches to the definition of the essence of banking marketing, the definition of its features as one of the branch types of marketing, and a retrospective analysis of the process of its evolution.

Presentation of the main material. Over a long period of development in the real economy and the banking sector functioned quite apart from each other. However, the current state of economic and social processes is characterized by an increasingly close combination of them and interpenetration. This interdependence allows us to conclude that increasing influence on the economic and social parameters of society banking sector. A clear confirmation of this is statistics number of banking groups. As of mid-2020 in Ukraine 28 banking groups are registered and their number continues to grow,

despite a significant decrease in the number of banks [1].

Marketing is known as a system of management and organization of activities of companies, firms, banks, comprehensively takes into account the processes taking place in the market. Due to its specificity, banking marketing is a special branch of marketing. This is the external and internal ideology, strategy, tactics and policy of the bank's activity, determined by the specific socio-political and economic situation. Recent changes in the banking systems of countries with a developed market economy, the real economic situation in Ukraine today have led to the vital need for commercial banks to master the most modern techniques and methods of marketing. The universalization of banking activity, its departure from the boundaries of traditional operations, increased competition with foreign banks, the appearance of competitors in the form of non-banking institutions, the outflow of deposits from banks as a result of the development of the securities market are oriented towards this.

The main elements of the banking marketing system are: the market, development and implementation of the market strategy on this basis. The bank's use of marketing is characterized by the presence of the following features in its activity, which are essential features of marketing: the bank's orientation to the needs of customers; application of a whole set of market policy instruments; systematic coordination of all activities in the field of sales.

Marketing management should be considered from the point of view of the transformation of banking sales markets into buyer markets. Today, the concept of marketing in the banking sector includes the identification of existing and potential markets for the provision of services; selection of areas of the most profitable offer of banking services and determination of customer needs in these areas; establishing short- and long-term goals for the development of existing and creation of new types of services; service offers in such a way as to attract the attention of customers to their receipt, subject to the condition of constant control by the bank on their quality performance and profit from their implementation.

The main factor and internal spring of strengthening the dynamic influence of banks on socio-economic processes was the transition of banking activity from an operational orientation to a marketing orientation, between which there are fundamental differences. If the operational orientation of the banking business is focused on technological, organizational and accounting business procedures, then the marketing orientation is fundamentally client-centric, it involves the concentration of the bank's efforts on identifying existing and potential requests of economic market subjects and developing strategies and tactics for their best satisfaction on mutually beneficial terms

based on resource, personnel, organizational, technological, regulatory and other limitations. In the end, the bank should aim to satisfy specific goals of an existing or potential client in the most rational way, from the point of view of the latter. Marketing in the bank is also defined as a business strategy and philosophy, which require careful preparation, deep and comprehensive analysis, active work of all bank divisions at all levels of its organizational structure. It is specified that: marketing approach assumes the bank's priority orientation is not to create the product, but to study the real needs of the bank's customers. Obviously, such definitions are also characterized by the absence of a complex and comprehensive approach and do not reflect all the diversity of aspects of banking marketing [6].

The analysis of various approaches and interpretations of the essence of banking marketing make it possible to formulate the main methodological principles that should be followed when constructing the definition of banking marketing: adherence to a comprehensive universal approach to the definition of the essence of banking marketing; taking into account the modern concept of social and ethical marketing as a means of balancing the main goals of marketing: the bank's profit, customer requests and the interests of the bank's staff and society as a whole; clear outline and full coverage of the main tools of marketing activity without their excessive detail; differentiation of marketing and management tools. Taking such methodological principles into account makes it possible to propose the following definition: banking marketing is a philosophy,

strategy and tactics of banking business, based on a comprehensive analysis and segmentation of the market of banking services, implementation of optimal product, price, sales and communication policy and aimed at harmonious balancing of the bank's interests, existing and emerging needs of available and potential banking clients and society in general. This definition of the essence of bank marketing, in our opinion, most fully meets the practical needs of the effective organization of marketing activities of banks. The study of banking marketing as one of the sectoral types of marketing makes it possible to highlight their common and specific features, the totality and characteristics of which can be illustrated with the help of Table 1.

For a deeper study of the essence and patterns of development of banking marketing, it is important to study its evolution.

From a methodological point of view, the study of the evolution of any object requires the determination of two initial conditions: determination of the starting point of evolution; establishing certain criteria on the basis of which we can distinguish individual stages of evolution.

In general, it would be correct to say that bank marketing has accompanied banking since its inception, that is, since ancient times. However, such assertion concerns only understanding marketing as a tool behavior on the market. At the same time, the modern understanding of banking marketing from the standpoint of a systemic approach represents the unity of the following constituent elements: banking marketing as a philosophy of banking business; bank

Table 1

Common features and peculiarities of bank marketing

Common features	Substantial characteristics
Primary focus on pleasure the customer needs	The basis of marketing in any field of activity is the identification of requests and the most rational their satisfaction
The single overall scheme and organization of marketing activity	The starting element of such a joint scheme is an analytical comparison of consumer requests with the possibilities of their optimal satisfaction with the tools of product, price, sales and communication policy
The need for constant and systematic market analysis and segmentation	Market monitoring enables a prompt correction of marketing tactics with consideration of all impacts
Common criteria for marketing efficiency	Such criteria are indicators of trends in market share growth and relative growth of the customer base in relative to the development of costs marketing
The peculiarities of bank marketing	Substantial characteristics
Specificity of banking services as object of sale on the market	The monetary form of most banking services
Orientation of bank marketing not only to existing and potential customers, but also to the bank staff	Bank employees are both manufacturers, and sellers of services, and therefore each of them must possess techniques and marketing tools
The abstract of the vast majority banking services	Intangibility of the banking service makes it difficult to use all the marketing tools, especially in the field of communication policy
High degree state regulation of banking business	Causes a system of restrictions on the use of marketing tools

Source: generated by the author [1]

marketing as a method of business policy and market behavior; banking marketing as a separate branch of knowledge and science; bank marketing as a separate field of professional activity [2].

The beginning of the 60s of the 20th centuries should be considered the starting point of the evolution of banking marketing in developed countries, particularly in Western Europe. As for the choice of criteria for the selection of evolutionary stages, in our opinion, such criteria can be significant changes in the range of services, large-scale development of new market segments, introduction of significant technological and service innovations, changes in the criteria for the effectiveness of bank marketing, changes in the system of relations with clients, other market participants and society in general.

Specificity of banking marketing is determined by the features of banking product. Banking product (Service) – is various actions in the financial market, money transactions carried out by commercial banks for certain fees on behalf of and for the benefit of their customers, as well as actions, must improve and increase the efficiency of banking entrepreneurship (for example, improving the organizational structure). Purpose of banking marketing – is creating the necessary conditions for adaptation to capital market requirements, development of a system of measures to study the market, increasing competitiveness and profitability.

At present, credit institutions in developed market economies provide services to individuals and legal entities in about 270 different types of services.

An important feature of the bank's product is its image. Image is a common and sufficiently robust understanding of characteristic or exceptional characteristics of a product that makes it special and makes it stand out similar products. Product image is influenced by the following factors: bank, developer's or distributor's image; the quality of a product; characteristics of similar product of other banks; criteria, the norms and advantages of the customers who use this product.

Product image does not take a passive position in relation to the above. It, in turn, has a significant influence on them, which leads to their transformation. These factors, in turn, are in an active interaction and affect both each other and the entire data of set factors. The main direction in the development strategy of banks is the development of new banking products (or their upgrading) because they consider them to be essential means of ensuring the stability of its functioning, economic growth and competitiveness. Without this it is simply impossible to cooperate on the modern market. For successful implementation of the new product on the market, it should comply with the following basic provisions: any type of product must be in full compliance with consumer needs; should be based on the strengths of the bank or its branch;

the products of the credit institution is designed to be better than its offers competitors; any new products that the bank provides to customers must support its management; products developed (Services) must be proactive (strategic).

For the bank, the use of new products in business practice is an opportunity to penetrate new markets, their development, satisfaction that the wishes of customers appeared again and obtaining new revenues on this basis. Especially high income occurs when a bank enters the market with a qualitatively new product that other banks have used and at some stage becomes a monopoly, allowing for some time to earn a monopoly high profit. This period is usually short, as other banks try to quickly catch up, develop, prepare and offer their customers a similar service. But even in a short time, it is possible, especially in Russian conditions, to make "big money", and, most importantly, to attract new customers and significantly replenish the customer base.

The process of development or improvement of a banking product (Service) begins with the presentation of an idea. The object of innovation can be a banking product (service), its implementation technology, software, as well as the application of a previously known banking product (Services), technology and software for a new purpose.

The design of new banking products that meet the increased requirements of banks and their counterparties in terms of profitability, liquidity and risk management is at the current stage the dominant direction of banking development.

Banking engineering as an economic concept reflects on the one hand, the process of designing, developing, and practical implementation of competitive innovative banking products and business processes, and on the other hand, virtuoso mastery of the system approach method in the realm of creative search and solutions to current problems of banking practice. The essence of banking engineering is the creation of innovative banking products and services that are used by banks to redistribute financial resources, risks, liquidity, profitability and information in accordance with their own interests, the specific needs of counterparties and changes in the bank's macro and microenvironment. The main goal of banking engineering is to extract additional profit considering the skilful use of "white spots" of the market (free segments and imperfections) by means of achieving the optimal ratio between competing characteristics (risk, profitability and liquidity) in innovative banking products. The sub-goals of banking engineering include: first, creating the necessary conditions for the movement of fictitious capital. Adhering to the Marxist terminology regarding financial capital, which is interpreted as fictitious capital, one of the main functional and objective tasks of banking engineering is the creation of fictitious

capital and ensuring its movement. Secondly, obtaining an additional rate of profit based on the use of legislative imperfections, a free "niche" in the market infrastructure and its insufficient development. Third, diversification banking risks Bank engineering aimed, on the one hand, at "dispersing" risks to third-party investors, and on the other hand, to obtain increased risk tolerance for reduction cost their expenses. Fourthly, risk-free withdrawal profit. One of the sub-goals of bank engineering is to fine-tune the mechanism of speculative operations for risk-free profit. Various options can serve as an example of speculation.

Thus, banking engineering, acting as the art of creating innovative products, enhances the ability to manage liquidity, risk and profitability of banking transactions. This is a multifaceted way of solving the problems related to the formation and movement of money capital. Based on it, the target is achieved on the design of such parameters of the bank product, at which, on the one hand – the structure of the bank product and the monetary formed by the cash flows generated by them correspond to the greatest extent to the main interests of the issuer (the Bank), and on the other – the maximum possible investment attractiveness of the product is guaranteed. This goal is achieved through the informed choice and careful design of each individual parameter of innovative banking product that requires skilful application of specific, for this segment of banking activities, banking engineering methods and using its instruments.

It should be noted that the banking product will be considered innovative, if it has the following qualitative characteristics: it is special created to manage specific cash flows and implemented in market structure for the first time; was present earlier on the market, but at least one of its parameters or elements (banking instrument, banking business process, banking strategy) applied for the first time on given market way; constructed packet product, in which for the first time on given market applied a combination existed before banking products. In other words, the concept of innovation is tied to the national market, which allows in the process of market analysis to consider as innovative banking products whose structures are copied products that are sold in foreign markets. This approach is legitimate, since most banking counterparties invest in the domestic market, and therefore will perceive the banking product first appeared on the national market as innovative. It's important to get away from the blind copying, «mirror» reflection of western products in the national banking practice. The conducted research shows that a banking innovation justifies its design if it satisfies the interests and needs of at least one of the parties – the buyer or the seller. It can be a higher return for the investor or a lower cost of capital for the issuer, a reduction in the tax base, bypassing

regulatory requirements, risk hedging - in short, all those aspects that relate to intrabank activity. At the same time, the benefit from innovation should exceed the costs of its creation and promotion or, to a lesser extent, be equal to them [4].

It is quite important that the costs of innovation are especially large in the part of its promotion in the market. As with any innovation, consumer acceptance of an innovative banking product takes time. So, if the time for the formation of demand for a new product is divided into five equal segments, then on average, only 2.5% of potential buyers (innovators) will purchase a new product at the first stage, 13.5% at the second stage (early followers), at the third – 34% (early majority), on the fourth – 34% (late majority), on the last – the remaining 16% (lagging). The listed circumstances make it possible to call banking innovations a product that requires accelerated promotion in the modern financial market. The development of competitive relations in the banking sector requires the fastest possible use of innovative banking products, before their advantages become obvious to both most consumers and competitors. It is obvious that banking innovations developed by large banks, which have a good reputation and experience in promoting innovative banking products, are most likely to succeed today.

Conclusions from the conducted research.

Banking marketing is a philosophy, strategy and tactics of banking business, the intensive development and whose tools ensure business efficiency and achievement of set goals. Banking marketing today stands in the inseparable unity of its understanding as a philosophy of banking business, a method of business policy, a separate field of knowledge and science, and a separate field of professional activity. Banking marketing as one of the industry types of marketing is characterized by the presence of both common features and certain features. Their study and use are a prerequisite for effective marketing policy. The process of evolution of banking marketing in the domestic market of banking services is also characterized by certain differences. The logic of the evolution of bank marketing shows that in the near and medium term, the bank's success will depend on its ability to find an optimal balance between maintaining the trust and loyalty of customers based on live communication and the wide implementation of digital technologies based on artificial intelligence.

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