

Marketing of Bank Services in Kazakhstan

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INTRODUCTION

Marketing is known as a control system and organization of activity of companies, firms, banks, comprehensively considering processes occurring in the market. Bank marketing by virtue of its specificity represents special branch of marketing. It is an external and internal ideology, strategy, tactics and a policy of bank activity, defined by a concrete political and economic situation. Last changes in bank systems of the countries with the developed market economy, a real economic situation in Kazakhstan today have led to vital necessity of development by commercial banks of the advanced receptions and ways of marketing.

In sphere of services banks the second after airlines have addressed to marketing, and began to use actively first it's separate elements, and then it's concept and strategic planning.

It has been caused by following factors:

- Penetration of banks on the foreign markets and their competition with local banks; globalization of a bank competition;
- Occurrence and development practically in all countries of huge number of non bank establishments which have made a competition to banks;
- Expansion of a services spectrum rendered by banks, and development of non bank methods of money resources loan (for example, release of bonds);
- Development of information technologies and means of the communications on the basis of modern technics and as consequence - expansion of a regional and national field of activity of financial-credit institutions;
- Development of a competition inside bank system, and also between banks and non bank institutes both in the field of attraction of means, and in the field of granting credit services;

Marketing strategy assumes prime orientation of bank not on the product as those, but on real needs of clientele. Therefore marketing assumes careful studying of the market, the analysis of varying propensities, tastes and preferences of bank services consumers. The bank employee becomes the seller of financial products and it is the most essential shift in comparison with a situation 20-30 years ago.

1. FORMATION BASES OF MARKETING OF BANK SERVICES

1.1 Essence and value of bank marketing

Marketing today is a strategy and philosophy of the bank, demanding thorough training, deep analysis, and active work of all divisions of bank from heads up to local parts. The prime orientation of bank must be done not on the product itself, but on real needs of clients. Therefore the law becomes detailed studying the market, the analysis of changing tastes and preferences of bank services

consumers. Under the attitude of each client it is necessary to define concrete forms of financial service, to show advantage of each transaction.

The general principles on which marketing activity of bank is based, are those.

- Achievement of the concrete market purposes - moving motive of all bank workers work.
- Marketing is a system which functioning should be complex (planning, the analysis, regulation and the control).
- Marketing planning should be carried out both for the current period, and in interrelation.
- The Basis of a practical embodiment of marketing is the constant control for accepted marketing decisions.
- Successful marketing leans on constant improvement of professional skill and initiative stimulation and activity of each worker.
- Successful marketing is possible only in conditions of harmonious collective with favorable psychological climate.

The objectives of bank marketing are:

1. Formation and stimulation of demand;
2. Validity of working plans and accepted solutions
3. Expansion of services ranges;
4. Maximization of bank income and expansion of market shares.

In conditions of increasing social factor's role, the treatment of marketing as combinations of concrete techniques to carrying out of purposeful social policy and introduction of new thinking of bank staff becomes more popular. In a basis of the new approach the principle " all for the client " lays. The bank is completely responsible for reception by the client the stipulated profit. Sequence of priorities is following: first - profit of the client, and then interests of bank. Orientation to the client - main factor leading to success.

The primary goals of marketing in bank.

- Maintenance of profitable work of bank in conditions of constant changes in the financial market.
- Maintenance of bank liquidity as major condition of cooperation with creditors and investors and creation of positive bank image.
- Formation of steady attitudes with clients through best satisfaction of clients inquiries on volume, structure and quality of services.
- The Decision of commercial, organizational and social problems of bank in a complex, interrelation among themselves.

The successful decision of these problems should lead to achievement of high parameters socially-economic development of bank, such as number of clients and quantity of their accounts, the sizes of operations made, volumes of deposits, investments and credits, levels of income and charges of bank, speed of a turn of means, level of banking computerization, satisfaction of clients inquires on volume, structure and quality of the services rendered by bank, vocational structure of workers, a degree of social problems solution.

1.2 Specificity of bank marketing services

Bank marketing is realized through carrying out certain kinds of activity, interrelated among themselves and mutually defining each other

They are:

- Carrying out marketing researches, gathering and analysing information.
- Development of a bank product (services, operations).
- An establishment of the prices for services and operations.
- The organization of bank product distribution.

Key problem of marketing is the research of market. Without it it is impossible to define the market opportunities that is the mortgage of success accepted by administrative decisions. In the frameworks of this problem, the gathering of information necessary for research of the market is carried out. The collected information allows to reveal real and potential commodity markets of bank production, study needs and prospects of these markets. The information analysis concretizes market shares of loans and deposits, market share of various kinds of services, compares competitors market shares.

The bank should carefully define the purpose or the purposes of the marketing. They can be: maintenance of survival, maximization of current profit, capture of certain market share, etc. Further it is necessary to define an available and expected demand on bank production, to calculate how the sum of charges varies at various levels of production. Bank studies the prices of competitors to use them as a basis of defining own prices. Thus degrees of bank risks, its insurance, specifications and parameters, necessary for bank, and other bank specificity are defined and compared.

2. ANALYSIS OF BANK SECTOR DEVELOPMENT IN REPUBLIC OF KAZAKHSTAN

2.1 Development of bank services marketing in Kazakhstan

The development of bank services marketing in Kazakhstan occurs in very complex conditions. In the situation which have developed in Kazakhstan state financing is noticeably reduced and carried out through commercial structures. It in turn leads to a wide scope by commercial banks of significant number of the enterprises, having powerful financial resources. As creation of new banks becomes more inconvenient, the reference to functioning banks services extends. In this conditions the banks attention amplifies to marketing problems. At

absence of experience, methodical development, qualified experts, information environment each bank independently with trial and error method, masters such uneasy sphere of activity, as marketing.

Before taking advantage of marketing methods, it is necessary to study its whole complex, and then define what aspects of marketing to give more attention and to what - less in the given concrete conditions.

The first stage (1988 – 1991y.y.) there were reorganized state branch banks, created institutional bases of banking, created first commercial banks.

The second stage (1992 -end 1998 y.y.) was characterized by extensive growth of bank system in conditions of inflation. This period was accompanied by negative value of real interest rates and prompt rates of rouble falling. It has created preconditions to formation of numerous banks - ephemeral taken incomes from short-term speculative operations. It was also promoted by rather easy access to reception of the license for fulfilment of bank operations and the small size of the authorised capital. As a result the role of bank sector in industrial process degraded.

The basic features of the second stage: gradual transition of National Bank to performance of functions of the central bank, extensive formation and development of commercial banks.

The third stage of bank system development, began in 1999 and proceeding nowadays, is characterized by adaptation of bank system to varying conditions of the activity, by development of stabilization processes first in financial sphere, and then and in economy as a whole.

As a whole the bank system operating in the country formally meets all requirements shown to any organic system, namely contains all the necessary elements, carries out necessary interaction between elements and as a whole carries out the functions assigned to it. At the same time to consider bank system of Kazakhstan finally generated is impossible.

CONCLUSION

The bank marketing can be defined as the search of most favorable (existing and the future) markets of bank products in view of real clientele needs. This process assumes precise statement of bank purposes, formation of their achievement ways and development of concrete actions for realization plans.

Real bank marketing can be developed in Kazakhstan if banks will consider, first of all, standard methods of marketing connected with credit investments in the industry and other spheres of economy. It shows the practice of the western banks at which due to an investment in industrial, processing, building and other enterprises, and also in securities the profit increases.

In Kazakhstan bank marketing strategy and a policy were done without the main element - careful studying of the market and its breakdown by segmentation on the target homogeneous markets of clients.

However, last time leaning on foreign experience and on the, already earned mistakes, the Kazakhstan banks actively apply all the ways and methods of marketing. They are guided not only by expansion of a circle of investors, but

also on constant improvement of quality of their service.

Summing up all above said, it is possible to draw following:

- Banks of second level of RK apply in their activity principles of strategic managements that is shown not only in business-plans of development used by them, but also in improvement of organizational structures, uses of marketing methods and researches in the activity.

It becomes clear that without carrying out marketing researches bank cannot correctly choose a necessary product, circle of clientele, cannot enter and win the market strongly and forever and in general can fail in the shortest time.

References:

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Summary

Marketing is known as a system of management and organization of companies, firms, banks, fully taking into account the processes occurring in the market. Bank marketing is external and internal ideology, strategy, tactics and policies of the bank, determined by the specific socio-political and economic situation. Based on the study of theoretical and analytical material, it is clear that without the marketing research bank will not be able to select the desired product, for him - "the same range of clientele, would not be able to go out and win market well and forever, and in general may soon collapse.