

Section 1. Marketing

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THE NEED TO IMPROVE MARKETING RESEARCH IN COMMERCIAL BANKS OF UZBEKISTAN

Abstract. This article describes the essence of marketing, the factors of organizing marketing activities, the need for marketing research in the banking sector. In order to reveal the topic and study the current state of marketing research in commercial banks of Uzbekistan, separate sections of marketing research of JSCB “Kapitalbank” were analyzed.

Keywords: banking sector, consumer, client, bank marketing, marketing research, advertising, questionnaire, commercial bank, competitiveness.

Introduction

Marketing in the banking sector is based on the experience of financial institutions and has incorporated all the achievements of general marketing theory. If the purpose of marketing in the market for other goods and services is to identify all the needs of consumers and identify opportunities and ways to satisfy their problems, then marketing in the banking sector, along with the above, also means a bank risk level.

Bank marketing acts in accordance with foreign and domestic policies, ideology and tactics and the specific socio-political and economic situation. Marketing activities begin with an analysis and potential demand for banking services. Having a portfolio of ready-made services, the bank enters the market, determines their price in advance, depending on the level of costs and market conditions, and receives a certain profit after its implementation. Decision-making in a banking institution is carried out on the basis of a marketing information bank.

The organization of marketing activities depends on many external and internal factors. Internal factors include economic and psychological. The main economic factors include the size of the bank’s authorized capital, the number and quality of clients, etc. Psychological factors are determined, first of all, by the attitude of the bank’s management, its founders and counterparties to marketing activities. There are several options for creating marketing services. In particular, a marketing service may include [1]:

- 1) part of any organizational direction of the bank;
- 2) independent activity of a commercial bank;
- 3) a means of coordination and control of all activities of a banking institution.

In banking practice, the following types of marketing activities can be used:

- a) the functions of individual employees of the marketing department, organized by geography, i.e. they serve separate geographically separate markets;

b) the market principle, according to which the specialization of employees is carried out in certain social groups and communicative audiences that make up their market segment;

c) the commodity principle, which determines the distribution of marketing functions of employees in the field of banking services, regardless of the market affiliation of consumers;

d) a matrix system of marketing organization based on the specialization of both goods (types of banking services) and markets, depending on the specific situation.

The peculiarities of marketing in the banking sector are associated not only with the development of banking activities and thus with the efficient use of funds, but also with the peculiarities of monetary circulation, which is the object of all banking activities. It follows that marketing in the banking sector should be aimed primarily at accelerating cash flow.

The end result should be the collection, analysis and marketing research of marketing information in the banking sector and, on their basis, the preparation of proposals for the bank's commercial services on the prospects for the development of banking services and pricing policy.

However, not all commercial banks in Uzbekistan have a developed marketing system and are not considered one of the main means of obtaining information about customers. Also, in most commercial banks, marketing consists of advertising and PR. There are practically no areas such as questioning, segmentation and the development of competitive strategies that are used in the experience of commercial banks in foreign countries.

In accordance with the Decree of the President of the Republic of Uzbekistan "On the Strategy for Reforming the Banking System of the Republic of Uzbekistan for 2020–2025", ensuring the financial stability of the banking system by attracting current managers, introducing technological solutions for assessing financial risks, expanding the scope and improving the quality of banking services by attracting

the best world practices and technologies [2]. The implementation of these measures will require, first of all, improving the marketing activities in banks, studying the market opportunities of the bank and the risks that await it in the future.

It should be noted that marketing research in commercial banks should become one of the main tools for assessing competitiveness, otherwise the rating of commercial banks in the country may not withstand international competition and may not achieve strategic goals.

In this regard, the study of this topic is also relevant.

Literature review

Marketing research in banks and their content is as relevant as in other areas of the service sector, focusing on determining the wishes of bank customers and the level of satisfaction with the quality of service. This topic is relevant in the modern era of the banking and financial system and is in the spotlight of marketers, researchers and scientists.

Market analysis is the determination of the market situation and the current sales opportunity. Its main tasks are to identify and segment the bank's competitive position in the market. Competitive position is a position of a particular bank in the trade markets according to the results of its activities, as well as its advantages and disadvantages over other credit institutions [3].

Chinedu Ogbonnaya Sofonia, Ike-Elechi Ogba, Ernest Emeka Izogo examined how customers perceptions of a bank's marketing communication tools affect customer loyalty. A survey of 313 correct answers was received from Nigerian bank customers. To partially test the measurement model and test the research hypotheses, the procedure for modeling the structural equation of the smallest squares was used. The results show that the elements of bank marketing communications, including advertising, sales promotion, public relations and personal sales, are important predictors of customer loyalty, as opposed to direct marketing. This study will influence the renewal of marketing communications and the

formation of customer loyalty policies in commercial banks in Nigeria and other developing countries with similar business and economic histories [4].

It should be noted that a bank's marketing research should not consist only of advertising or community relations. It should include the development of strategies and bank tariffs aimed at the segments of the bank, the implementation of rebranding, regular surveys of consumer opinion. However, marketing research in developing countries, including commercial banks in Uzbekistan, is narrow in scope and includes advertising and PR.

There are many theoretical and practical researches in various areas of marketing research in the banking system, but it should be noted that the main purpose of this research is to prove the need for marketing research in commercial banks of Uzbekistan and to develop marketing research.

Research methodology

In this scientific article, the descriptive method was used in conducting the research. The content, essence and reasons of application of bank marketing research were revealed. The role of marketing research in the activities of JSCB "Kapitalbank" was also analyzed.

Analysis and results

The most traditional view of marketing research by banking services is as follows:

The market share of the bank's services is determined by the borrowed and placed funds. An important point in the study of market share to determine the development prospects of the bank is the structuring: on the sources that make up the passive part of the bank's balance sheet.

The market share for a particular service is determined by comparing it to the competitors in the market. It also processes demographic data by age, income, gender, etc., and if necessary, a model of the client's demographic development trend is created. Competition requires banks to fight on the basis of knowing the potential needs and opportunities of each customer and, most importantly, to determine

the motivation of bank customers to use its services or the reasons for switching to another bank. In its activities, the bank's marketing services work on the basis of the chosen concept. Client classification provides an information basis for an individual approach to the client, taking into account his or her needs and traditions [5].

The study should also take into account the main assumptions that customers provide to banks:

- capital adequacy and market position strength;
- Ability to make express payments within the CIS and abroad;
- convenient territorial location;
- Possibility to open an account in foreign currency;
- access to loans.

Banks that meet these requirements have large and wealthy customers. Their mission is to improve services, protect these customers for themselves by providing new services.

As of 2021, there are 33 commercial banks in Uzbekistan. These include state-owned, foreign-invested and foreign banks. One of the most stable banks in the country is the National Bank. However, its organizational structure does not include departments conducting marketing or market research [6].

Among the joint-stock commercial banks, Kapital Bank is one of the banks that deserves the key indicators provided by the Central Bank and the positive assessment of international rating agencies. There is also a Marketing Department of this bank, which is one of the key links in the structure of the bank [7]. He also conducts marketing research at the bank. According to a survey conducted by the department, 76% of bank customers are satisfied with the quality of service. At the heart of this result, along with quality service, is active marketing research.

The Bank conditionally divides corporate clients into two main segments:

- large corporate clients;
- small business representatives.

The large business segment consists of the most demanding customers, who prefer to use the services of several banks, have large funds and use a full range of financial services. These customers require complexity in making payments and lending, as well as complex financial instruments. They prefer to work with highly qualified bank employees who know the specifics of the industry in which the client works.

The small business segment is important for the Bank because it provides an acceptable level of income, while at the same time effectively diversifying its customer base. Due to economic reforms and active support of small and medium-sized businesses by the state, the number of potential customers of the Bank is growing rapidly. In 2021, the customer service policy of this segment will consist of the development of customer service through remote or digital channels, where they will be provided with convenient solutions to monitor and manage the financial condition of their businesses. Further development of the digital channel will facilitate the work of client managers and open up opportunities for the introduction of new packages of personalized services, taking into account the specifics of the industry.

In the formation of the customer base, the main focus is on customers who have large funds in their accounts and have a good degree of stability of these funds. This will increase the balances on the accounts of legal entities to 2.5 trillion soums (including in foreign currency) by the end of 2021.

According to forecasts, the maintenance of corporate clients' accounts in the national currency will bring in at least 64.8 billion soums in commission income, and the maintenance of foreign currency accounts and support of foreign economic activity will bring in 165.0 billion soums.

Particular attention is paid to attracting time deposits of legal entities to ensure the stability of the resource base. By the end of 2021, it is planned to increase their balance to 1160.1 billion soums (including in foreign currency), while their interest expenses will amount to 98.3 billion.

The attracted funds will be the main source of financing the Bank's active operations, ie lending. In 2021, it is planned to increase the loan portfolio to 5.9 trillion soums, of which 3.2 trillion soums are loans in national currency and 2.7 trillion soums in foreign currency equivalent.

During 2020, lending to small and medium-sized businesses has been singled out as a separate area. The actual financial results for 2020 showed that this step was taken correctly. This was also confirmed by the optimization of credit allocation processes, the level of profitability and the small share of problem assets. In 2021, the balance of loans under the small loan portfolio is projected to reach 0.8 trillion soums.

In 2021, the Bank will strengthen its work in the field of trade finance. Active operations in this direction fall into the group of small risk categories and are a source of sustainable profitability. It is planned to increase the portfolio of new investments in this area to 0.9 trillion soums [8].

As can be seen, conducting marketing research in banks ensures that both the bank's mission and strategy are accurate and targeted.

However, in order to improve the quality of banking services, it is necessary to use questionnaires more often. For example, the following questions can be used to evaluate the effectiveness of bank advertising:

- Did you see the last advertisement of the bank?
- What is this advertisement aimed at?
- From what source did you see the advertisement?
- What color do you remember in the ad? and others.

Conclusion and recommendations

As a result of the analysis, the following conclusions and recommendations were made:

- Ability to study, analyze and predict the market, the position of consumers and competitors, due to the fact that the banking system is characterized by high risk and is directly related to the behavior of consumers and competitors among the service sectors,

primarily for marketing research. The visitor must have a dedicated department or department, or use outsourcing services that conduct marketing research;

– It is very important that banks have their own segment. To do this, it is important that the key customers are a legal or natural person, have statistics on the age of the customers and the services they consume the most, and on this basis, create a marketing strategy;

– Marketing surveys of the bank should not consist of a single question, as in the case of JSCB

“Kapitalbank”. It should consist of separate areas to evaluate the effectiveness of advertising, a separate analysis of consumer preferences, a separate assessment of the usefulness of the bank site, a separate section to determine whether the brand needs updates, each containing at least 10 questions.

It should be noted that as a result of effective marketing research, the quality of services will increase and bank revenues will grow. This is why every commercial bank needs properly focused marketing research.

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