



*People's Democratic Republic of Algeria*  
**Ministry of Higher Education and Scientific Research**  
**Abou Bekr Belkaid Tlemcen University**



**Faculty of Commercial Economic Sciences and Management Sciences**

**Directed work with examples intended for L2 MANAGEMENT  
students**

**“MARKETING module”**

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**Academic year 2023/2024**

## 3-BANK MARKETING

### 1-definition:

*Philip Kotler* defines Marketing as: "the analysis, organization, planning and control of activities, strategies and resources of a company that have a direct influence on the consumer in order to satisfy the desires and needs of selected customer groups in a profitable manner."<sup>1</sup>

Thus, Bank Marketing is defined as "the application of marketing approach and techniques to banking activities" . Definitions of Marketing imply recognizing that production is no longer an end in itself, but a means to serve the satisfaction of customer needs, which becomes the main source of product and service creation and promotion. This concept should serve as the foundation for a change in mindset in our banks and businesses.

Bank marketing is the application of marketing approach and techniques to banking activities.<sup>2</sup>

Banking marketing therefore concerns the actions undertaken by banks to satisfy the needs of their customers. Definitions of marketing involve recognizing that production is not an end in itself, but a means to serving the needs of the customer who becomes the main source of product and service creation and promotion. This notion should also serve as the basis for a change in mindset in banks and businesses.

The development of bank marketing The evolution of European banks towards integrating marketing within their structure began in the early 1970s. From this date, the concept was extended to other sectors of activity.<sup>3</sup>

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<sup>1</sup> KOTLER Philip et DUBOIS Bernard, « Marketing management » Public –union 9ème édition Paris

<sup>2</sup> Michel BADOUC, «Réinventer le marketing de la banque et de l'assurance », Edition Revue Banque, paris, 2004, P.28

<sup>3</sup> BELLANGER « Initiation à la mercatique bancaire, banque et marketing » Edition banque, Paris, 1977, P 19

This discipline emerged in the USA, starting in the 1970s with the creation of the Bank Marketing Association. The association's focus is solely on stimulating the exchange of ideas and information among bank advertising executives.

According to P. Komer,<sup>4</sup> banking marketing has gone through 5 successive stages:

- Advertising
- Friendliness=smile
- Innovation
- Positioning
- Analysis, planning, control

## **2-The characteristics of banking marketing:**

- Strong state and interprofessional regulation;
- High level of risk (handling money);
- Bank's strong position in selling (credit), but weak in purchasing;
- Lack of protection for innovation (no possible patent leading to difficulty in differentiating products in a sustainable way);
- Low level of customer knowledge when it comes to individuals, facing the abstract nature of some banking services;
- Existence of a permanent relationship between the bank and its clients.

## **3-MARKETING TOOLS IN BANKING:**

The development of the marketing mix aims to harmonize all decisions and efforts in marketing and sales that the bank must implement to achieve its goals and reach its target audience. The main components of the marketing mix typically include actions related to product policies, pricing, distribution, sales, communication, monitoring, and quality.

Since the development of the Internet, certain marketing strategies of banks have integrated this tool into various policies derived from the marketing mix (creation of services from the

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<sup>4</sup> P.KOMER « Rapport sur l'évolution du marketing bancaire », Conférence E.F.M.A, paris, juin 1977, P 6

Internet, offering virtual distribution channels, assistance to the sales force and direct sales, communication, etc.)<sup>5</sup>

The marketing manager's task is to achieve the best combination or "mix" of each of these components in order to achieve maximum effectiveness overall.

1- **The products/services** : policy Banking activity originated from a specific conception of the product policy that has remained very traditional and regulated by strong state and interprofessional regulations governing money and imminent risk, as well as:

- The supremacy of technical perspective over commercial in the design of new products and services;
- The importance of government authorities in the creation and discontinuation of products, defining, controlling, and modifying them through their influence;
- The involvement of customers in the realization of services in servuction. The role of the product policy is in fact to achieve maximum alignment of banking production with the needs expressed by targeted consumers, making it a very important element of the marketing policy: it involves the creation of new products, as well as the maintenance of existing products.

## **2- Pricing policy:**

Traditionally, the marketing mix of any company is presented in its four major components: product, price, distribution, and communication. In the case of banking, these four variables have long played unequal roles.

A consumer does not only choose a product because of its design, qualities, or brand; the consumer also has an attitude towards the price of the product, and the pricing policy, as part of a business development strategy, is an aspect of a firm's marketing action. Pricing policy plays a limited role in banking marketing.<sup>6</sup> A certain number of prices are set by monetary authorities: interest rates on accounts (savings, deposits, etc.); □ Other prices are set at the level of the banking profession, after agreement between the major credit institutions, such as debit interest rates; □ Knowledge of the costs of the main banking products is relatively

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<sup>5</sup> M. BADOUC « réinventer le marketing de la banque et de l'assurance », Revue Banque Edition, paris, 2004, p 206

<sup>6</sup> Michel BADOUC, Op.cit. , P142

recent. To explain this minor role, it is first necessary to highlight the close links between monetary policy and the prices charged for banking products.

### **3-Distribution policy:**

The distribution policy is based on:

- Optimization of the point of sale / population ratio: this distribution strategy is called extensive as it allows increasing the number of counters;
- Optimization of the customer / point of sale ratio: optimizing this ratio corresponds to an intensive distribution strategy; it is about stopping watering a point of sale to attract a larger number of customers to the agencies;
- Optimization of the resources / clients ratio: in order to optimize this ratio, an intensive marketing policy in agencies must complement the intensive distribution strategy; it is no longer about developing the number of clients but rather the resources that these clients bring.

However, distribution methods are tending to change, with current techniques becoming more akin to computerized management advice. As a result, it is impacted by the diversification of new technologies:

- Establishment of specialized advisory agencies;
- Reduction of counter space in favor of seated interactions;
- Increasing use of direct sales channels;
- Establishment of referral networks.

Developing personnel closer to customers is not only an important aspect of distribution policy but also a component of communication policy.

In addition to the widespread use of modern communication methods, new externalized distribution channels are being established: Internet, phone platforms, e-commerce. These new methods multiply the opportunities for contact with customers who, in turn, are increasingly seeking proximity and ease of use. However, the challenge for banks lies not in the development of these technologies but rather in the integration of these channels, particularly in relation to traditional channels.

#### **4- Communication policy:**

The content of a communication policy is to make the company and its expertise known in a comprehensive manner in order to give it an image that reflects its identity. To do this, the company acts simultaneously on two dimensions: Namely, a dimension that includes external communication to the various audiences of the company and internal communication focused on employees.

#### **4.1 Internal Communication**

Its main goal is to ensure a good flow of information within the bank. Internal communication must inform all members of the bank about the objectives set by the top management, the means implemented to achieve these objectives, the strengths, and weaknesses of the company. However, it is not enough to just inform; rather, it is necessary to get the staff to adhere to the set objectives and develop a sense of belonging to the group and share the same values.

#### **4.2 External Communication**

It deals with the bank's relationships with its environment, which is made up of a whole set of groups, each having very different behaviours, needs, and expectations:<sup>7</sup>

- Clients/ Suppliers/ Shareholders.
- Other providers of capital.
- Public authorities/ Associations.

#### **5-Banking marketing: the key to facing competition.**

In an environment where the clientele is increasingly large and demanding, banking marketing is an essential aspect of the modern financial industry. Banking marketing is the set of strategies and actions implemented by financial institutions to attract, retain, and satisfy their customers. It provides the necessary tools for the development of customer relationships while improving competitive positioning.

*\*So you are probably wondering how a company can achieve such results?*

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<sup>7</sup> Salma Mokrarram. <https://www.digitaweb.com/blog/marketing-bancaire-cle-faire-face-concurrence>

The best strategy to adopt is to study and encourage needs in order to offer goods and services adapted to these demands.

These examples explore the main digital marketing strategies used by banks such as BNP Paribas (focused on personalization and user experience), Société Générale (focused on personalization and segmentation), and Crédit Agricole (focused on user experience and educational content) to stimulate their growth and offer an exceptional customer experience.

### **1/ Creating a strong brand identity:**

Bank marketing allows financial institutions to develop a strong and recognizable brand identity. By differentiating themselves from their competitors, banks can attract and retain a specific clientele. A strong brand identity inspires trust, credibility, and engagement among potential clients.

Let's take the example of a study published in 2023 by the Statista Research Department, which shows that the banking group Crédit Agricole dominated the ranking with more than 53 million clients, followed by the banking groups BNP Paribas, Société Générale, and BPCE, each of which had more than 30 million clients.

This shows us that the banking group Crédit Agricole is a market leader.

Indeed, its strategy is to promise personalized support to their customers: "Acting every day in your interest and that of society." The bank offers user-friendly mobile applications to facilitate online banking operations and also provides educational content such as articles and informative videos.

### **2/ Enhanced User Experience:**

Banks prioritize user experience in their digital marketing strategy.

Websites and mobile applications are designed to be user-friendly and intuitive to facilitate online banking operations. User interfaces are simplified, loan application or account opening processes are automated, and customer service is available at all times through digital channels.

### **\*Social Media Marketing**

Social media has become an essential tool in banking marketing. Targeted advertising campaigns on social media as well as other organic marketing actions effectively reach specific customer segments and create an engaged community around the banking brand.

### **\*Mobile Banking and Digital Payments**

The development of mobile technologies has opened up new possibilities for banks. Mobile banking applications offer practical features such as account checking, transfers, bill payment, and even access to virtual financial advisors. Digital payments, such as e-wallets and contactless payments, are also promoted to make transactions faster and more secure.

The new generations are generally very receptive to new technologies. Mobile banking fits perfectly into this trend by leveraging technological advancements such as biometrics (fingerprints, facial recognition), contactless payments, live chat services, and virtual assistants.

This is an advantage for customers but also for some "traditional" banks that enables them to compete with their 100% digital competitors, such as Boursorama which is a bank that positions itself solely online.

### **3/ Promotion of products and services:**

Banking marketing plays a crucial role in promoting the products and services offered by financial institutions. It allows to highlight the benefits and unique characteristics of each offering. A well-designed marketing strategy can increase product visibility, generate qualified leads, and ultimately increase sales by implementing:

/ Targeted advertising campaigns

/ Content marketing

/ Referral programs

/ Email campaigns

/ Strategic partnerships

## **6-Developing lasting relationships with clients and preserving your reputation is possible with banking marketing!**

Client relationships are essential in the banking sector:

\*Banking marketing promotes the creation of lasting relationships with customers by focusing on satisfaction and loyalty. Well-designed loyalty campaigns, reward programs, and regular communication with clients allowing financial institutions to strengthen their relationship with their customers are the keys to a lasting customer relationship.

\*A positive brand image is crucial for financial institutions. Banking marketing helps improve brand awareness and trust among the general public. Advertising campaigns, public relations activities, and social responsibility initiatives enable banks to position themselves as responsible and reliable actors.

By developing a strong brand identity, adapting their offerings to the needs of customers, promoting their products and services, cultivating lasting relationships with customers and strengthening brand awareness and trust, banks can stand out in a competitive market. These innovative approaches aim to attract new customers, retain existing customers and offer superior financial services.

Bank marketing will continue to evolve with technological advancements. By investing in effective bank marketing strategies, financial institutions can ensure their long-term growth and provide an exceptional customer experience.