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## MARKETING POLICY OF BANKS AS THE ONE OF MEASURES OF INCREASE OF THEIR INVESTMENT ATTRACTIVENESS

**Statement of the problem.** Modern development of the economy suggests that the effectiveness of economic changes in society and the economy depends largely on the efficiency of the banking sector. The banking system should encourage the processes of social reproduction for the purpose of stopping the decline in gross domestic product, poverty barter, support the national currency. To do this, banks are committing to the following main objectives: increase the range and quality of banking products, taking into account the social processes in the formation of banking strategy, improving banking arrangements create, increase and redistribution of capital, improving the efficiency of the banking system of Ukraine in world processes of social reproduction and capital accumulation [4].

To address these challenges faced an important research question the impact and role of marketing policy bank on its activities, in particular the use of certain marketing approaches for the formation of new banking products in the market. It is separated marketing from banks as special referral marketing, supplementing the general theory and practice of marketing specific features and approaches to banking products.

**Analysis of recent research and publications.** In recent years, a growing number of researchers and scientists are turning to the question of defining the essence of marketing, marketing policies not only in business but also in banks. Particular attention is paid to the study of specific problems impact of marketing policy on banking. Disclosure of these issues is reflected in the works of local and foreign scientists, as Kotler, B. Berman, J. Evans, J.H. Herchykova, E.P. Golubkov, G. Krylova, O. Kirichenko, I.V. Gilenko, A.V. Pavlenko, N.V. Kudenko, I. Goncharov, A. Starostin, L.F. Romanenko and others.

British scientists J. Evans and B. Berman believes that marketing - is a customer oriented philosophy of integrated target company, organization or individual.

In this paper, I. Goncharova Bank marketing is defined as a system of management of a commercial bank that aims to study the market situation, the specific needs of clients and meet those needs through existing and innovative banking products for profit, subject to the public interest.

Some Russian scientists interpret bank marketing as "a process which involves planning of banking products, the study of financial markets, establishing communications, pricing, promotion, organization of banking products and services expand banking services" [1, p. 35].

**Problem.** The purpose of this paper is to identify the main areas of impact of marketing policies to commercial banks, determining the positive and negative aspects of the impact and identifying key changes in system reliability, competitiveness, financial stability and investment attractiveness of the commercial bank.

**The main material of the study.** The main factor behind the growing influence of commercial banks in

the course of economic processes considers the transition from operating banking orientation to marketing. Therefore, the main task of marketing the bank determine its orientation on market research credit, financial analysis and forecasting customer based on this ability to attract deposits to the bank, changes in the bank. It is aimed at providing conditions conducive to attracting new customers, expansion of banking services interested clients invest their money in the bank.

In recent years, decreased confidence in commercial banks declined by volume of deposits, narrowed the scope of bank lending due to the inability of many borrowers to return the debt and a sharp rise in interest rates, which led to a decline in the purchasing power of the population, have changed the needs and preferences of customers banks [5, p. 69].

To reduce the reflection of the crisis of the past years banks first need to solve the problems of communication policy banks established in the financial crisis, as they somehow led to the forced reduction of total financial costs of banks.

In connection with the distrust of banks by potential customers most of the operating banks began to act rapidly to alter the perception of the consumer. One of them changed their characters name or amended the basic principles of operation associated with the capture market; improve staff policy to establish relationships with clients and others. Other banks have tried to ensure themselves of funds in the form of foreign investment to provide the possibility for bankruptcy without the risk return deposits to customers at their first request.

Implementation of some of the bank was accompanied by the development of an effective communication policy. Special attention is paid to banks such constituent communications policy as public relations. The most favorable measure public relations can be a press release in magazines and newspapers that have covered the positive side of the bank and showed the potential customer benefits in the use of banking products with the bank [3, p. 14].

To attract the attention of customers banking institutions need to develop a clear marketing policy, namely to find new ways to promote their products than advertising on television. To improve their efficiency banks typically use to promote their products and services using the factors of direct and indirect effects.

The factors include the indirect effects: creation and participation of the Bank in social events, sponsorship and charity, spread positive information about the bank (use viral marketing), creating and maintaining an active constant friendship with clients, the use of direct marketing. Direct impacts include advertising on television and postal address. Equally important is to maintain friendly relations with loyal customers through means of direct marketing such as Happy Birthday, some souvenir gifts for the holidays, etc. [6, p. 185].

In Europe, the most powerful companies, banks or businesses build their reputation based on social activity, philanthropy and integrity, providing a number of measures to address the problems of humanity, such as disease, poverty, pollution, and measures to maintain a healthy and proper lifestyle through sponsorship and charity in the areas of sports, science, culture and education. In my opinion, for the national banks would be appropriate to learn from the experience of European banks by increasing their investment attractiveness.

Conducting an effective communication policy, namely the creation of the banking market impeccable reputation of the bank, strategic customer relationships, market knowledge, creating a personal brand, increases the amount of marketing assets, accounting for the largest share in the structure of the cost of modern commercial banks to maximize this same value. Proper management of marketing assets increases the investment attractiveness of the bank as a whole, allowing it to attract investment for the stable and efficient operation [2, p. 123].

Development Bank in accordance with the prevailing market principles are the basis for the value of the bank. Marketing is focused on value - a new approach to value creation and growth. If the bank is an attractive market for investment and pursuing a strategy that creates sustainable competitive advantage - its value increases. This, in turn, allows the bank to grow more rapidly, attracting foreign and domestic investment.

Consider the basic performance of banks in Ukraine (Table 1) [8].

As we can see, due to financial crisis previous years, the effects of which are reflected to this day, the number of registered banks in Ukraine has decreased by 11.1 %. Number of excluded banks from the State as of January 1 of the year 2013, the 26 is that 4.3 times compared to 2011.

As of January 1, 2013 the National Bank of Ukraine license for banking operations had 176 banks. During the month of one of the banks lost their licenses. In a state of liquidation 22 cans. Last month the number had increased to 23.

Considering the income and expenses of banks, we see that the financial crisis had a significant effect on the activities of commercial banks. Since 2009, the financial results of their activity were negative, which means the negative side of their activities, such as low income versus expenses low reliability of banks and as a result, customer distrust, loss of much of the potential customers, reducing the attractiveness of invest-

ment banks themselves.

As of 01/01/2013, revenues have grown as opposed to spending by 3.4 %, which in absolute value is 4899 million.

Returning to the concept of marketing policy in the bank, it should be noted that some scholars define marketing as a management process aimed at maximizing the bank's income by developing its relationship with valuable customers and creating competitive advantage to a new level. Formation of the latter due to the presence of high reputation, a common information base, qualified staff, long-term relationships with clients and others. From human resources, knowledge and information they generate, define competitive potential of the bank and is the key to successful business. These benefits increase profitability and market value of the bank [7, p. 410].

In terms of the shareholders of commercial banks and the public, the bank is considered attractive in many ways, and its essence is reduced to one - the most attractive is the bank that is reliable, that is able to ensure the absolute safety of client funds and complete their obligations.

Shareholders believe that the reliability of the bank is determined by its attractiveness as an object for investment in the future show high returns compared with other objects, as well as resistance to external and internal factors that affect it.

Choosing commercial bank clients seeking to maximize the satisfaction of their needs to cooperate with him. And that the bank is able to provide a certain extent determines its reliability and attractiveness.

Scientists have isolated a set of factors that influence the attractiveness of the bank (internal and external). Among the external factors are the following:

- The state of the national economy;
- External and domestic debt of the state;
- The state of the country's trade balance;
- Inflation.

The main internal factors include:

- Banking risks;
- Poor marketing and lack of strategic planning;
- Inadequate organizational structure of banks;
- Disadvantages of banking supervision;
- Low public support, etc. [5, p.67].

**Findings from the study.** Effective marketing policy, in turn, depends on the quality of organizational management of the bank, namely the organization of control and security in the bank, the quality of personnel management, the level of information technology com-

Table 1

Main indicators of banks in Ukraine

№ c/o	Indicator	01.01. 2008	01.01. 2009	01.01. 2010	01.01. 2011	01.01. 2012	01.01. 2013	01.02. 2013
1.	Number of registered banks	198	198	197	194	198	176	176
2.	Excluded from the State Register of Banks for the year	1	7	6	6	0	26	0
3.	Number of banks under liquidation	19	13	14	18	21	22	23
4.	Number of banks whose banking license	175	184	182	176	176	176	175
4.1	With them with foreign capital	47	53	51	55	53	53	53
4.1.1.	Including with 100% foreign capital	17	17	18	20	22	22	22
5.	The share of foreign capital in the share capital, %	35.0	36.7	35.8	40.6	41.9	39.5	39,5
	Reference:							
1.	Income (mln.)	68 185	122580	142995	136848	142778	150449	13 344
2.	Costs (in mln.)	61 565	115 276	181445	149875	150486	145550	12 764
3.	Performance (mln.)	6 620	7 304	-38450	-13027	-7 708	4 899	580

Source: [8].

petence of managers, as well as the quality of the planning process in the bank, bank competitiveness products, quality systems promote bank products and more.

Today the functioning of banking institutions and their marketing policy should be reviewed. We believe that today the market is more focused on the customer, and therefore the bank offering standard services are no longer possible. Banks should establish special departments that have developed flexible banking products, pricing methods on which they are based, and be engaged in retraining staff working with potential customers.

Of course for some banking products can be stored standardized services. However, the general approach of the bank to the customer should be changed, because different clients respectively shall apply different approaches to cooperation in order to ensure a higher attractiveness of the bank. Bank in today's often necessary to analyze the effectiveness of their own communication activities in order to identify the impact of changes of individual elements. The further development of policies and programs that promote customer interest in the use of banking services and competitiveness of the bank in the market.

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