

## PROSPECTS FOR INCREASING THE EFFECTIVENESS OF THE BANK'S MARKETING STRATEGY: STAGES OF IMPLEMENTING A CRM STRATEGY.

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### ABSTRACT

*One of the important directions of reforming the banking system, in our opinion, is the organization of the relationship of commercial banks with clients on the principle of "bank for a client, not a client for a bank" with an increase in the quality and culture of banking services, in which the marketing system plays an important role. This article is devoted to the study of the essence of the CRM strategy, the importance and the stages of its implementation in banks. The article lists all the stages of the development of the CRM strategy of the bank and suggests actions that are recommended to be applied at each stage*

**KEYWORDS:** *Customer Relationship Marketing, Banking, Strategy Development Process, Customer Focus, Customer Database, Segmentation.*

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### 1. INTRODUCTION

Marketing strategy is an important part of marketing activities to study, plan, manage and conduct the targeted competition in the market. The marketing strategy determines the forces and means for conducting the competition by the goals of the competition, the goals of this struggle, the ways of achieving them and the main directions of market conditions, coordinates the future strategic actions of the organization.

Even though the banking industry has undergone significant changes in various business segments over the past two decades, such as changes in distribution (with increased use of ATMs, PCs, Internet, mobile banking), lower transaction costs, a significant increase in service speed, managing the relationship between the supplier and the customer remains one of the most important issues in the banking sector.

In addition to these changes on the part of banks, important changes also took place on the part of clients. Clients have become more demanding, able to carry out some activities that were previously carried out exclusively by banks, more knowledgeable, complex, aware of available alternatives; independent, able to negotiate with many different service providers, etc. Under the influence of such changes in customer behavior and their needs, as well as to obtain and maintain competitiveness in the market, banks are investing significant financial, technological and human resources in customer relationship management (CRM).

Currently, in the banking system of developed countries of the world, the CRM (Customer Relationship Marketing) system is widely practiced in customer relationship management. This approach is also consistent with our proposed principles for the development and implementation of banking services.

CRM is the formation of a business strategy for continuous business development based on the

principle of customer focus. Technically, a CRM system consists of special tools and software that allow you to collect process and promptly update all information about clients of a commercial bank.

## 2. LITERATURE REVIEW

The problems of organizing banking marketing, introducing banking services by commercial banks and their effective implementation in practice, priorities for improving banking services, implementation of CRM strategy and monitoring the activities of a commercial bank to attract savings from the population have been studied in the scientific works of foreign scientists such as D. Cox [1], F. Modigliani [2], D. Polfreman [3], P. Rose [4], J. Sinki [5], CIS economists I. Balabanov [6], E. Zharkovskaya [7], O. Lavrushin [8], V. Usoskin [9] and others.

The issues of banking marketing, the formation of its strategy, assessment of the quality and efficiency of banking services are covered in the research work of Z. Mustafayev, B. Mirzamaidinov, D. Allayorov and others. In particular, Z. Mustafaev [10] studied the method of using bank marketing in the process of forming the financial market of the republic and its directions, B. Mirzamaidinov's research is devoted to the formation of a marketing strategy in the banking system [11], D. Allayorova studied the effectiveness of marketing in the banking system [12]. It should be noted that the problems of studying customer behaviour from the point of view of marketing to improve the efficiency of banking services have not been sufficiently studied in the above studies. In the above research works on the problems of banking marketing, important aspects of using the principles of marketing in the search for promising ways to attract free funds of the population and business to the banking sector, which is an important factor in increasing the efficiency of banking, have not been sufficiently studied.

Thus, studying CRM strategy is a complex and time-consuming process. Its successful implementation is the key to achieving the desired goal. Monitoring the CRM strategy of a commercial bank is the most important task and requirement of the current economic situation.

## 3. RESEARCH METHODOLOGY

The methodology of this article uses methods of analysis and synthesis, scientific abstraction, deduction, classification, generalization, comparative, theoretical interpretation.

In addition, the scientific basis of the article is formed by international standards and regulatory documents, information from the research of scientists in domestic and foreign scientific publications.

## 4. ANALYSIS AND RESULTS

The need to implement a CRM strategy in banks appears when the bank's management begins to realize that:

- there is no information about how many potential customers the selling divisions have, with whom they are currently working, how much money they can bring by the end of the quarter;
- there is no opportunity to effectively manage the processes of attracting and serving customers;
- clients leave for unknown reasons;
- huge budgets are spent on marketing campaigns that do not bring results;
- a client who calls the bank is forced to explain to different employees several times who he is and what his problem is, and then no one calls him back, which ultimately undermines the reputation of the bank.

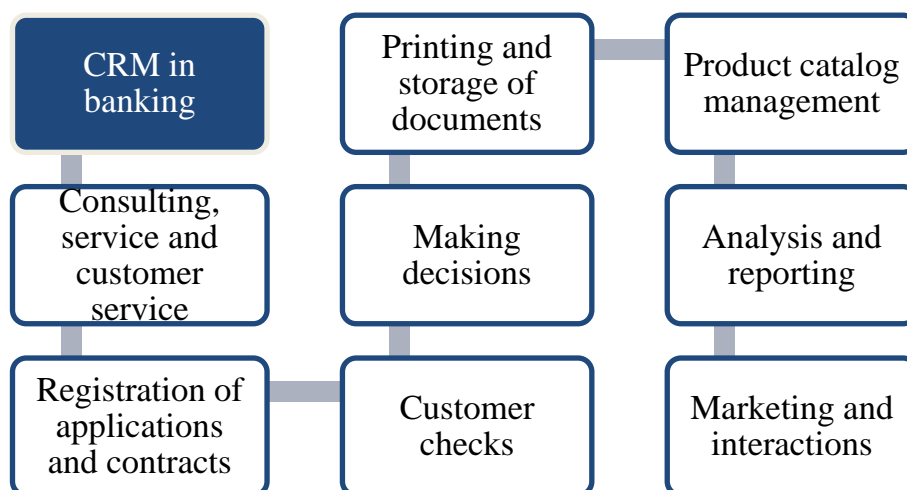
Currently, many banks in developing countries serve their clients according to the old mechanism,

dividing the service into several departments. However, this mechanism is very inconvenient for any client. In this mechanism, each client has to go to each department himself to solve his problems and find answers to his requests. Thus, CRM is a tool that allows you to store contact information with customers or partners, identify sales opportunities, identify service problems and manage marketing campaigns (Fig.1). When the program is launched, all contacts and contact information, conversations, agreements, sales performance and sales results will be located in one centre, it will be possible to quickly and easily find and use information about any interactions with customers.

Currently, in the context of the digitalization of the entire economy, it is advisable to apply the CRM strategy in the commercial banks of Uzbekistan.

The following can be listed as the goals of developing and implementing CRM strategies in banks:

- a) Increase customer satisfaction and loyalty;
- b) Dividing into different market segments and improving the process of communication with customers;
- c) Increase income through service fees;
- d) Determining the specific values of each market segment and customer.



**Figure 1.** Possibilities of a CRM system in a bank

The value for the bank of regular customers, especially “anchor” ones, is undoubtedly increasing. To retain these customers, it is important to demonstrate a personalized service. Several strategic clients actively use a certain type of document in their work when performing mutual settlements. This type of document is not available in the “Internet-client” system of remote banking services of the bank. Clients repeatedly apply to the bank with a request to expand the functionality of the remote banking system and provide an opportunity to work with such a document.

The front-office services of the bank receive these requests, the requests go to the bank’s CRM system and are recorded there as an incident. Based on the segmentation data and the client’s financial indicators, the incident is assigned a high priority, which contributes to a positive resolution of the issue. The result of consideration of the request is delivered to the client both in the remote banking system and through additional channels, for example, by e-mail or SMS.

For the effective organization of the CRM scheme, a certain segmentation scheme is required, implemented in the CRM system, data of financial indicators in the automated banking system and remote banking services for the final solution of the client’s problems. It is possible to provide information to the client through the “Notification Server”, which allows you to automatically

maintain interactive interaction with clients via various communication channels (SMS, e-mail).

## 5. DISCUSSION

The primary task before starting any project is to define the goals and objectives of the implementation. An indispensable condition here is the analysis of the relevance and likelihood of achieving the intended goals. Only after that, we can proceed to the direct implementation process. The project includes the following steps:

**Stage 1.** Preparation of a unified database of existing and potential customers. Data precleaning and deduplication may also be required at this point. To do this, you should not develop a new accounting system for the customer base, there are a lot of convenient programs in the world, you should buy one of them based on the specifics and segmentation of customers.

The customer database includes directories of individuals, organizations and their contact persons. This is a single register of all contractors, which allows you to store information about the company's partners centrally and in a single information environment. In addition to the history of the purchase of goods or services, such a database reflects personal information: the client's occupation, professional experience, family composition, birthdays of loved ones, hobbies and much more.

The main condition for effective work with a database is that the information contained in it should be used in practice, be the basis of advertising and marketing strategies, otherwise, the process will turn into a meaningless collection of data and the costs invested in creating the database will not bring real returns. The database must be regularly replenished, updated and updated. Only in this case, the information will represent the most reliable information about the existing and potential customers of the company and provide real assistance to attract and retain customers.

**Stage 2.** Determination of the composition and form of the "client profile", formats for entering data, excluding duplication and input errors.

It is necessary to determine the groups of potential customers, that is, to segment the market. It is possible to distinguish between indicators related to consumers (demographic and psychographic), and indicators related to the situation (proposed benefits, consumption patterns). The most commonly used demographic indicators are age, gender, marital status, income, type of occupation, etc., while psychographic indicators are considered to be needs, occupations, interests, etc.

About consumption patterns, customers can be divided into those who willingly take advantage of new offers (light buyers) and those who accept new products after a certain time or impact (heavy buyers). Certain market segments also use the services of banks to obtain certain benefits (Table 1).

**TABLE 1. MARKET SEGMENTATION BASED ON BANK BENEFITS**

Segment name	Principal benefit
Seekers of social status	Modern bank, prestige
Tradition supporters	Good authority, full-service package
Comfort supporters	Full package of services, specific amenities (location, set time)
Buyers	High-interest rates on deposits

In particular, to attract the first group of depositors, it is necessary to pay special attention to the state of the bank, its use of the latest industry achievements and developments. For example, for some, the presence of a plastic card is an indicator of certain social status. Maximum efficiency when working with supporters of comfort and tradition can be achieved by offering a range of

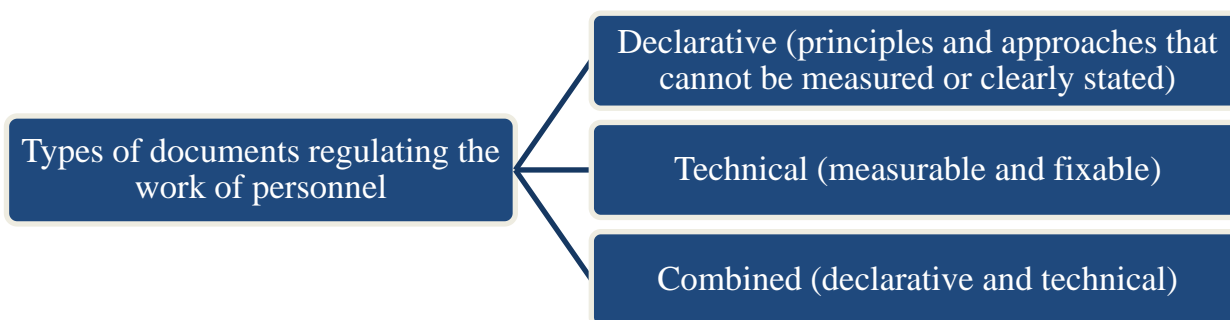
services, i.e. a wide range of additional services such as insurance, free plastic cards, various consultations, leisure activities, the ability to carry out operations from home. Also useful are various types of incentives for regular customers such as preferential services, higher rates, etc. And buyers need to offer tools that allow them to receive higher income: stock market and foreign exchange market transactions, trust services, etc. Thanks to an individual approach to each specified group of depositors, the maximum efficiency of attracting customers will be achieved.

**Stage 3.** Building an internal communications system that ensures the interaction of the bank’s divisions within the framework of CRM, organizing access for the bank's divisions to a common database by the requirements of the security services.

Internal communications should become a tool for managing information flow. The bank must inform its employees about all anti-crisis steps, avoiding the emergence of an information vacuum, while all information must be up-to-date and correct.

**Stage 4.** Development of regulations and standards for interaction between managers and clients based on a common strategy that excludes the duplication of functions and actions.

Before considering the regulations and standards of banks, you should figure out what types and types of documents regulating the work of personnel in it. So, in banks, there are 3 types of documents regulating the work of personnel (Fig. 2):



**Figure 2.** Types of documents regulating the work of personnel

Now that a clear understanding of the types and types of documents regulating the work of bank personnel has appeared, we can analyze the regulations and standards that exactly represent the order of interaction with customers (Table 2).

**TABLE 2. REGULATIONS AND STANDARDS OF INTERACTION OF PERSONNEL WITH CLIENTS**

№	Document and its type	Purpose of the document	For whom it is intended	Who is formulated or approved
1.	Mission and Values of the company (declarative)	Determines the key basic values and the meaning of the company's existence in society, its social mission	For all employees of the organization	Owners and top managers
2.	Corporate Code of Conduct (declarative)	Describes the expectations of the organization from the behaviour of personnel and their attitude to various aspects of interaction in the company (with customers, management, colleagues).	For all employees of the organization	Owners and top managers

3.	Internal labour regulations (technical)	Regulates disciplinary matters and procedures common to all employees	For all employees of the organization	The head of the organization. The content of the document is governed by labour law
4.	Job descriptions (technical)	Describe what is the responsibility of employees, their authority and responsibility	For each position	By the head of the organization
5.	Staff work standards (combined)	Describe what and how employees should do to ensure the quality performance of their job responsibilities. General standards can be identified for all employees of the company and individuals for each position.	General - for all employees, individual - for each position (if necessary, it can be specified taking into account the specifics of the tasks of employees in the same position)	Company executives, direct managers
6.	Technological standards (technical)	Describe the procedure for the provision of services/requirements for knowledge of those characteristics of the goods, as well as criteria for the state of those zones, tools, documentation, etc., for which they are responsible.	For each position	Direct managers or manufacturers of goods
7.	Customer Service Standards (Technical)	Describe the rules and requirements for the order of direct interaction with customers	For each position	Direct managers

The main goal of developing and implementing standards and regulations is to provide the bank with a strategic competitive advantage. The presence of standards and regulations guarantees the client that regardless of who exactly from the bank's employees he communicates with, he will receive service of the "brand" quality, which is inherent in the status of a financial institution.

**Stage 5.** Development of a KPI system for employees and departments, organization of a control system for their activities within the framework of CRM.

KPI (Key Performance Indicator) is an indicator of success in a certain activity or in achieving certain goals. We can say that KPI is a quantitatively measurable indicator of actually achieved results.

The following can be listed as the main stages of building a KPI system within CRM:

- Allocation of structural units for the development of individual KPIs;
- Development of a list of business processes of the credit institution;
- Analyzing the compliance of corporate strategic goals and KPIs;
- Development and implementation of processes for monitoring the work of structural units based on KPI;
- Development and implementation of a KPI-based motivation system for employees of structural units.

The KPI system is developed for each division of the bank separately by the specifics of the activity, which allows you to achieve the maximum effect. If the bank's management is built correctly, then the KPI system will become one of the most effective methods for assessing the achievement of the bank's strategic goals.

## **6-stage. Organization of periodic training and professional development of employees**

Achieving long-term and short-term goals, the need to improve competitiveness and organizational changes require a higher level of professional training of personnel and a well-planned, well-organized work on training personnel. At the same time, training should not be limited only to the transfer of certain knowledge to employees and the development of the necessary skills in them. Ideally, training is also designed to convey information to employees about the current state of affairs in the company and help them develop an understanding of the prospects for the development of the organization and the main directions of its strategy, increase the level of work motivation, employee commitment to their organization and involvement in its affairs.

## **6. CONCLUSIONS AND OFFERS**

At all stages of the project, it is important to understand how the accumulated customer data will be processed in the future, who will use it, consolidate it, how and for what purposes, how contradictions in the data will be eliminated, with which banking systems and CRM services it will interact.

Integration of CRM into the existing technological space of the bank is one of the most difficult implementation tasks. For this, the current and new work processes of the subdivisions must be optimized, and this is always a painful and not a quick procedure. But, as world experience shows, the implementation of CRM in a bank will bear fruit. Return on investment and the effect of implementation is achieved by reducing the cost of attracting new customers and reducing the cost of servicing current ones, increasing loyalty and increasing profitability from customers in the future.

Implementation of CRM in a bank will allow you to find and uncover new business opportunities. Shortly, the bank will cease to be just a financial and credit service and will be able to become a full-fledged assistant for its clients in solving a wide range of daily personal and business tasks.

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