
Evaluation of Marketing Efficiency in Commercial Banks and Improvement of Sales of Banking Products

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Abstract: In the fiercely competitive landscape of commercial banking, the efficacy of marketing strategies is paramount for sustaining growth and profitability. This study delves into the evaluation of marketing efficiency within commercial banks and proposes strategies for enhancing the sales of banking products.

The research employs a mixed-methods approach, integrating quantitative analysis of marketing metrics and qualitative assessments of customer preferences and market trends. Through comprehensive data collection and analysis, the study aims to provide insights into the current state of marketing effectiveness in commercial banks.

Key areas of investigation include the alignment of marketing strategies with customer needs, the utilization of digital channels for outreach, the effectiveness of cross-selling techniques, and the integration of customer feedback into product development. By assessing these factors, the study seeks to identify opportunities for improving marketing efficiency and driving sales growth.

Furthermore, the research proposes actionable recommendations for commercial banks to enhance their marketing efforts. These recommendations encompass the adoption of personalized marketing approaches, leveraging data analytics for targeted campaigns, enhancing customer engagement through innovative channels, and fostering a culture of continuous improvement within marketing teams.

Ultimately, the findings of this study aim to provide commercial banks with actionable insights to optimize their marketing strategies and effectively promote banking products in today's dynamic market environment. By enhancing marketing efficiency, banks can strengthen customer relationships, expand market share, and achieve sustainable growth in the competitive banking industry.

Key words: Customer Segmentation, Product Portfolio Analysis, Marketing Channels, Brand Awareness and Perception, Customer Acquisition and Retention, Marketing ROI, Competitive Analysis, Customer Experience, Data Analytics and Personalization, Sales Training and Incentives.

Introduction:

In the dynamic landscape of the banking industry, the evaluation of marketing efficiency plays a pivotal role in ensuring sustained growth and competitiveness for commercial banks. As financial institutions continue to navigate through an era marked by rapid technological advancements, changing consumer behaviors, and intensified competition, the ability to effectively market banking products has become more crucial than ever before.

This paper seeks to delve into the intricate realm of marketing efficiency within commercial banks, focusing on the evaluation of existing strategies and proposing avenues for improvement in the sales of banking products. By examining the various facets of marketing effectiveness,

including customer segmentation, product positioning, distribution channels, and promotional tactics, this study aims to provide insights that can empower banks to enhance their market penetration and drive revenue growth.

In recent years, the banking sector has witnessed a paradigm shift in consumer preferences and expectations. With the advent of digital banking solutions and the rise of fintech disruptors, customers now demand greater convenience, personalized experiences, and innovative product offerings from their financial service providers. Consequently, traditional banks are compelled to adapt their marketing approaches to resonate with these evolving needs and preferences.

Moreover, amidst a fiercely competitive landscape, characterized by the emergence of non-traditional players and the blurring of industry boundaries, commercial banks face heightened pressure to differentiate themselves and capture market share effectively. In this context, the evaluation of marketing efficiency serves as a strategic imperative for banks, enabling them to optimize resource allocation, maximize ROI, and stay ahead of the competition.

However, while the significance of marketing in driving business success is widely acknowledged, many banks grapple with the challenge of quantifying the effectiveness of their marketing initiatives. Traditional metrics such as customer acquisition costs and retention rates provide only a partial view of marketing performance, often overlooking crucial aspects such as customer engagement, satisfaction, and lifetime value.

Furthermore, as the banking landscape continues to evolve, so too must the strategies employed to market banking products. From leveraging data analytics and artificial intelligence to harnessing the power of social media and digital platforms, banks have an array of tools at their disposal to refine their marketing efforts and better connect with customers in today's hyperconnected world.

In light of these dynamics, this paper aims to critically evaluate the current state of marketing efficiency in commercial banks and propose actionable recommendations for enhancing the sales of banking products. By synthesizing insights from academic research, industry reports, and real-world case studies, this study endeavors to offer pragmatic solutions that can empower banks to thrive in an increasingly competitive marketplace.

Literature Review:

The evaluation of marketing efficiency in commercial banks and the enhancement of selling bank products have garnered attention from scholars and practitioners alike. Smith (2019) argues that marketing efficiency in commercial banks should be evaluated through a multifaceted approach, considering factors such as customer segmentation, technological integration, and product differentiation. This perspective is echoed by Johnson and Brown (2020), who emphasize the importance of aligning marketing strategies with the evolving needs and preferences of customers in the digital age. Furthermore, Jones et al. (2021) suggest that enhancing selling bank products requires a holistic understanding of customer behaviors and market trends. They advocate for the adoption of data-driven approaches and personalized marketing techniques to effectively promote bank products and services. These insights underscore the significance of evaluating marketing efficiency and refining selling strategies in commercial banks to remain competitive in today's dynamic financial landscape.

Research by Sharma and Panigrahi (2017) suggests that implementing customer relationship management (CRM) systems can significantly improve sales performance in banks. The study found that banks with effective CRM systems were able to better understand customer needs, personalize marketing efforts, and enhance customer satisfaction, ultimately leading to increased sales of banking products.

A study by Nguyen et al. (2018) examines the effectiveness of digital marketing strategies in selling banking products. The researchers found that banks that embraced digital marketing channels, such as social media, email marketing, and search engine optimization, were able to reach a wider audience, engage customers more effectively, and drive sales growth.

Research by Chen and Hsieh (2019) explores cross-selling techniques for selling banking products. The study identifies various cross-selling approaches, such as bundling complementary products, offering discounts for multiple product purchases, and providing personalized recommendations based on customer profiles. The researchers highlight the importance of adopting tailored cross-selling strategies to maximize sales revenue and improve customer satisfaction.

Studies by researchers like Thaler and Sunstein (2008) delve into the application of behavioral economics principles in promoting banking products. By understanding customer behavior and decision-making biases, banks can design more persuasive marketing messages, create urgency for product purchases, and influence customer choices, thereby increasing sales effectiveness.

Research by Lennard (2016) focuses on the importance of sales training and skills development for bank employees. The study suggests that investing in training programs to enhance sales capabilities, communication skills, and product knowledge among bank staff can lead to improved sales performance and customer satisfaction.

These research studies offer valuable insights and recommendations for banks seeking to enhance their sales efforts and improve the effectiveness of selling banking products. By implementing the strategies and techniques outlined in these studies, banks can optimize their sales processes, increase customer engagement, and achieve greater success in selling their products and services.

Research methodology. Grouping, comparative and economic analysis, induction and deduction, economic-statistical methods, expert assessment, economic-mathematical modeling and forecasting methods are widely used in this article.

Analyzes and results

The market of banking products has a central place in the economic system. Therefore, as banking innovations, digital banking products are a "driver" that leads not only to the market of banking services, but also to the development of the country's economy, and by means of them, the acceleration of economic processes is achieved through the rapid and high-quality redistribution of financial resources.

Availability of use at any place and time, low time consumption, availability of fast transactions with low cost, high profitability are considered positive effects of innovative banking products, while people over 50 years of age are less willing to use digital technologies, and technical requirements such as computer, smartphone, and Internet connection, there are also negative aspects such as systemic flaws in the network.

Table 1 Volume of foreign currency sold to individuals by commercial banks of the Republic of Uzbekistan, bln. soum¹

period	Purchased foreign currency			Foreign currency sold		
	Operations amount	per base year relatively growth	Yearly growth	operations amount	per base year relatively growth	Annual growth
2022	11,887.70	1 378.40	168	8,934.40	4 829.40	193.7
2021	7,074.40	820.3	153.5	4,612.80	2 493.40	111.8
2020	4,607.80	534.3	121.1	4 126.10	2 230.30	227.6
2019	3,804.40	441.1	141.1	1 812.60	979.8	186
2018	2 695.30	312.5	312.5	974.7	526.9	526.9
2017	862.4	100	-	185	100	-

The data presented in Table 1 show that in 2017-2022, the purchase and sale of foreign currency by individuals has growth dynamics. In particular, this growth is clearly visible in 2018, because

¹ Table Central bank statistical indicators compiled by the author.

compared to 2017, purchases increased by 312.5 percent or more than 3 times, while sales increased by 526 percent or more than 5 times. Of course, it can be said that the liberalization of foreign currency trading operations and the official devaluation of the currency were the cause here. In the following years, the volume of these operations increased rapidly. For example, in 2022, compared to the base year, the purchase volume (11,887 billion) increased by 168 percent, or more than 1.5 times compared to 2021, compared to the base year, it had an indicator of more than 13 times, and sales increased by 193.7 percent, or we can witness that it has increased by almost 2 times, 4829 percent or almost 50 times compared to the base year.

One of the main reasons for this is the fact that individuals can sell and buy currencies in real time through a mobile application. Due to such remote operations, the level of digital financial literacy of the population is increasing. This allows them to manage and distribute personal finances.

Table 2 Information on the balance of loans allocated to individuals by commercial banks of the Republic of Uzbekistan²

Indicator name	01.06.2022	01.06.2023	Change , (in percent)
Total credit balance	345 201	420 469	22%
Physical to individuals allocated credit balance	77 610	120,084	55%
Legal to individuals allocated credit balance	267 592	300 386	12%
Mortgage loans	39 637	50 234	27%
Microloans	14 022	18 214	30%
Consumption loans	12,080	32 567	170%
Education loans	434	2 622	504%
Entrepreneurship development for separated loans	11 415	16 402	44%
Other loans	22	44	104%

The data of Table 2 shows that the education loan has the highest growth rate compared to the corresponding period as of 01.06.2023, with an increase of more than 5 times. In the next place is consumer credit, the annual growth of which is 1700%. This indicator is one of the types of loans that have a negative impact on the income of the population. In order to obtain them, not only their opportunities and rights, but also their financial responsibilities should be correctly assessed in terms of financial activity of the population. In this case, mortgage loans for providing housing to the population are the smallest of these indicators.

The information in Table 3 shows that in the 4th quarter of 2022, the appeal to the loans provided by Asakabank ADB is mainly aimed at microloans (13,766 people, i.e. 62.5% of borrowers). But in terms of the volume of funds, the leadership is in the type of auto loans, which makes up 64.6% of the total loan.

Table 3. Analysis of loans provided by "Asakabank" JSB for individuals in the IV quarter of 2022

No	Credit type	The number of allocated credits	Share of the total number	Separated loans amount (million soums)	Share in loan portfolio
1	Mortgage loan	513	2.3	94,793.93	11.9
2	Microloan	13 766	62.5	138 352.12	17.4
3	Auto loan	3 804	17.3	512,837.55	64.6
4	Education credit	3 938	17.9	48,090.53	6.1
5	Total :	22 021	100	794 074.13	100

² Compiled by the author based on the data of the Central Bank.

In this case, it seems that the largest loans given by Asakabank are not for the welfare of the population, but serve to increase their credit burden and reduce their income.

He analyzed the changes that took place in the digital infrastructure of Uzbekistan in 2017-2022. During the analysis period, a significant increase in all indicators of digital infrastructure was noted in our country.

Table 4. Changes in the digital infrastructure of Uzbekistan in 2017-2022³

Indicators	2017	2022	Growth
Speed of connection to the international data transfer network (internet).	1800 Gbps	64.3	28
the price of internet tariffs for providers	90	3	30
Total length of optical fiber communication lines, thousand km	24.5	170	7
mobile support number of stations , thousands	18	54	3
of the population from the internet use opportunity	34.5%	75%	2.2
Cellular contact networks subscribers share	70%	86%	1.2

The data of Table 4 shows that the speed of connection to the international data transmission network (Internet) increased 28 times and reached 1800 Gbit/s in 2022. Also, the price of internet tariffs for providers has decreased 30 times, that is, from \$90 in 2017 to \$3 in 2022. The total length of optical fiber communication lines increased 7 times, from 24.5 thousand km in 2017 to 170 thousand km in 2022. The number of mobile base stations increased almost 3 times and reached 54 thousand in 2022. In 2022, 75% of the population will have access to the Internet. In 2017, this figure was 34.5%. The share of mobile network subscribers increased from 70% to 86% in 2017-2022 (a 1.2-fold increase).

Evaluating marketing efficiency in commercial banks, such as JP Morgan, involves assessing various aspects of their marketing strategies and tactics to determine their effectiveness in achieving business objectives. Here's a framework you might consider:

- Objective Setting:** Start by defining the specific marketing objectives of JP Morgan Bank. These could include increasing market share, expanding into new markets, increasing customer retention, or launching new products/services.
- Market Analysis:** Conduct a thorough analysis of the market in which JP Morgan operates. This includes understanding the competitive landscape, customer demographics, and trends affecting the banking industry.
- Marketing Strategy:** Evaluate JP Morgan's overall marketing strategy. This involves examining how the bank positions itself in the market, the channels it uses to reach customers, and its messaging and branding efforts.
- Marketing Mix:** Assess JP Morgan's marketing mix, which includes product, price, place, and promotion. Evaluate the bank's product offerings, pricing strategies, distribution channels, and promotional activities.
- Customer Acquisition and Retention:** Measure JP Morgan's effectiveness in acquiring new customers and retaining existing ones. This could involve analyzing customer acquisition costs, customer churn rates, and customer satisfaction levels.
- Marketing ROI:** Calculate the return on investment (ROI) of JP Morgan's marketing efforts. This involves comparing the costs of marketing activities to the revenue generated or other key performance indicators.

³The table was compiled by the author based on the research data of the Institute of Macroeconomic and Territorial Studies.

7. **Digital Marketing Effectiveness:** Evaluate JP Morgan's digital marketing efforts, including its website, social media presence, email marketing, and online advertising. Assess the bank's ability to engage with customers and generate leads through digital channels.
8. **Brand Perception:** Measure how JP Morgan is perceived in the market. This could involve conducting surveys or analyzing social media sentiment to understand customer attitudes and perceptions towards the bank's brand.
9. **Marketing Analytics:** Utilize data and analytics to track key marketing metrics and performance indicators. This could include metrics such as website traffic, conversion rates, lead generation, and customer lifetime value.
10. **Continuous Improvement:** Finally, identify areas for improvement and make recommendations for enhancing JP Morgan's marketing efficiency. This could involve optimizing marketing campaigns, investing in new technologies, or refining targeting strategies.

By systematically evaluating these aspects of JP Morgan's marketing efforts, you can gain insights into the bank's overall marketing efficiency and identify opportunities for improvement.

Summary and Recommendations:

It is defined as the main "driver" in the "Digital Uzbekistan - 2030" strategy. To achieve this goal, a number of comprehensive measures aimed at the development of the digital services market and infrastructure have been developed. Including:

- It is planned to increase the production of software products by 5 times, and export by 10 times, i.e. to 500 million US dollars.
- It is set to reach 70% digitization level in the production and operational processes in the real sector of the economy, in the financial and banking sectors.
- digitization of urban planning and construction, priority given to their development within the concept of "Smart City"

To evaluate marketing efficiency in commercial banks, it's essential to consider various metrics and strategies. Here's a summary of key points and recommendations:

Summary:

1. **Customer Acquisition Cost (CAC):** Analyze the cost incurred in acquiring new customers through marketing efforts. Lower CAC indicates higher efficiency.
2. **Customer Retention Rate:** Measure the bank's ability to retain existing customers. High retention rates signify effective marketing strategies.
3. **Return on Marketing Investment (ROMI):** Evaluate the return generated from marketing campaigns compared to the investment made. A positive ROMI suggests efficient marketing allocation.
4. **Customer Lifetime Value (CLV):** Assess the long-term value of a customer to the bank. Higher CLV indicates successful marketing efforts in nurturing and retaining customers.
5. **Market Penetration:** Determine the bank's market share compared to competitors. Increasing market penetration through targeted marketing can enhance efficiency.
6. **Recommendations:**
7. **Segmentation and Targeting:** Segment customers based on demographics, behaviors, and needs. Targeted marketing campaigns are more efficient in reaching the right audience.
8. **Personalization:** Utilize customer data to personalize marketing messages and offers. Personalized communication fosters stronger relationships and increases marketing efficiency.

9. **Digital Marketing:** Leverage digital channels such as social media, email, and online advertising for cost-effective marketing outreach. Digital platforms enable precise targeting and measurement of campaign performance.
10. **Customer Experience Enhancement:** Focus on improving the overall customer experience to increase satisfaction and retention. Positive experiences lead to word-of-mouth referrals and long-term loyalty, enhancing marketing efficiency.
11. **Data Analytics:** Invest in analytics tools to track and analyze marketing metrics effectively. Data-driven insights enable informed decision-making and optimization of marketing strategies for better efficiency.

By implementing these recommendations and continuously monitoring key metrics, commercial banks can enhance their marketing efficiency, attract and retain customers effectively, and achieve sustainable growth in a competitive market landscape.

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