

On the Problems and Countermeasures of Bank Personal Financial Business Marketing

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Abstract

With the strengthening of Chinese people's concept of financial management, personal financial services continue to develop, and the personal financial market gradually tends to mature. The steady and rapid development of personal financial service can not only help banks find high-quality personal customer resources and solve the problem of excess liquidity within banks, but also realize the positive profit growth of banks and continuously inject innovation and vitality into the financial market. Taking the behavior analysis of Hefei Branch of Agricultural Bank of China as an example, this paper analyzes the development status, main problems and solutions of personal financial business of Agricultural Bank of China, so as to improve the market competitiveness of personal financial business of Agricultural Bank of China.

Keywords

Personal finance; Network technology; Marketing strategy.

1. Introduction

With the sustained and healthy economic development, the income of Chinese residents continues to increase, the accumulation of wealth continues to improve, and the concept of financial management is becoming stronger and stronger. Residents' requirements for wealth preservation and appreciation are no longer satisfied with traditional treasury bonds and deposits, but prefer personal financial products of commercial banks with relatively controllable risks and relatively high returns [1]. Personal financial products have gradually become a mature marketing model, because compared with traditional saving, they have the characteristics of high rate of return, stable income, relatively low risk, wide investment range and large batch, and are gradually welcomed by more customers. Moreover, with the rapid development of the interest rate market, it is difficult for commercial banks to obtain higher profits through traditional deposit and loan business. Therefore, it is necessary to continuously carry out and innovate personal financial business to make all businesses in the bank orderly and stable [2]. In addition, today's social communication and network technology are developing rapidly. The combination of financial management and network technology makes personal financial products develop rapidly. Personal financial business plays a more and more important role in the development of commercial banks.

Although China's commercial banks have continuously improved the asset scale and development speed of personal financial services in recent years, compared with developed western countries, the personal financial services of China's commercial banks are not mature enough. Due to the lack of analysis and Research on the market of personal financial services, Chinese commercial banks still focus on the marketing of personal financial products, and can not make accurate positioning according to their own situation. Personal financial products are often designed to meet the needs of the market and do not carry out personalized Personal

financial services with high suitability to meet the needs of specific middle and high-end customers. Some western developed countries have already transformed the bank's personal financial marketing method into "providing personal financial products more suitable for customers' current needs according to customers' own conditions", focusing on customers. Moreover, due to the lack of sales awareness, traditional commercial banks still have many deficiencies in designing suitable products, creating good sales channels, the combination and innovation of sales methods [3]. If Chinese traditional commercial banks want to gain a leading position in the impact of internal and external competition, they need to help the market people increase their financial assets. It is very important to formulate and improve effective marketing means and strategies.

At this stage, there is a lack of theoretical analysis and Research on the personal financial business of commercial banks in China, the relevant laws and regulations of the financial market need to be improved, the sales of personal financial products by traditional commercial banks are in a competitive stage, and the personal financial products are lack of pertinence and combination. This paper only discusses and studies the marketing mode of personal financial products of Hefei Branch of Agricultural Bank of China, finds out its existing problems, finds out the reasons and gives effective suggestions, so as to promote the more comprehensive and mature development of its personal financial business.

2. Basic Theory

2.1. Connotation of Personal Financial Business

The so-called personal finance is to use reasonable and effective management methods to comprehensively manage its income, expenditure, liabilities and assets according to the risk preference and financial objectives of commercial bank customers, after understanding and analyzing the basic situation of customers, so as to achieve its own financial objectives. Customers' wealth is not directly managed by themselves, but by professional financial personnel of commercial banks. Therefore, the professional financial management personnel of commercial banks must have a certain understanding of relevant laws and regulations, have rich personal financial management experience and knowledge, and have good ethics [4].

2.2. Marketing Theory

In the 1950s, the American scholar Wendell R. Smith first expounded the concept of STP market segmentation, which has been widely recognized by people. In STP theory (i.e. marketing theory), selection and positioning, market segmentation and target market are three essential core factors for enterprises to consider in marketing decision-making. The meaning of STP theory is that the masses are the main body of marketing strategy. After analysis and investigation, the market is divided into multiple groups. These consumer groups have their own characteristics and different consumption characteristics. By combining the enterprise's own situation and development direction, find the most suitable type of the enterprise among these consumer groups, and provide corresponding products and services, which has never helped customers achieve their ideal goals. At the same time, the enterprise's products are more favored by the corresponding consumer groups [5].

For banks, the number of customer groups is very large, and the customer needs are diverse. Even if the bank's marketing products have certain diversified characteristics, they can not meet the needs of all customer groups. Therefore, before formulating marketing strategies, banks need to understand the characteristics of their products, determine which type of purchasing group the products are suitable for, and effectively divide many customer groups. Banks need to conduct market research to record the purchasing power of different customers. Through investigation and analysis, customers are divided into different types of groups, that

is, different market segments. In order to improve the sales volume and expand the market share, the bank needs to formulate marketing strategies conducive to the development of the bank in terms of product quality, price, sales mode, sales channel and other aspects, and improve the demand and satisfaction of customer groups with different consumption modes [6].

2.3. Service Profit Chain Theory

In 1994, James Heskett and other experts and scholars from Harvard Business School jointly put forward the profit service chain theory. They believe that the operating efficiency and economic development of enterprises are closely related to the professional skills of employees, the recognition of customers to the company and the loyalty of employees to the company. For enterprises, the company's profits and economic benefits are determined by the company's marketing strategy and marketing mode. A good business mode can keep the enterprise's product sales at a high level, so as to produce more economic benefits, which is a good circular process. If the enterprise makes a wrong marketing decision, it will affect the customer's satisfaction with the enterprise's products, lead to the decline of the enterprise's product sales, and the enterprise's economic benefits will also be reduced, thus forming a vicious circle [7].

Customer loyalty largely determines an enterprise's product profitability and market share. The higher customer loyalty is, the greater the share of enterprise products in the market and the more profitable space is. In the current market, enterprises compete fiercely with each other. When formulating marketing strategies, each enterprise should pay attention to the degree of customer churn. If the degree of customer churn is large, it is necessary to analyze and study the enterprise's products and marketing plans and find solutions to the problems, because it is much more difficult to develop new customer groups than to maintain old customers. Therefore, in order to increase the customer loyalty of the enterprise, the enterprise needs to conduct a detailed investigation and understanding of the product sales target group, know the subjective needs of the target customer group, and analyze the actual situation of the target consumer group, so that the enterprise products can meet the satisfaction of the target customers [8].

As a part of the bank, employees play a vital role in the competition and development of the bank. While paying attention to product marketing and profitability, banks should also pay attention to employees. Because only when employees can get care in the bank can they devote themselves to their work and work efficiency will be improved. Therefore, banks should not only provide employees with basic life security, but also adopt clear promotion mechanism, business reward and work subsidy to improve employees' enthusiasm and work efficiency, so as to strengthen employees' satisfaction with the enterprise. In this way, employees will regard the bank as their own home, feel honored to be a member of the bank, strive to do their own work, and actively undertake tasks other than their own work responsibilities. In this way, not only the work efficiency of employees will be strengthened, but also the development of banks in the market will be improved and more competitive.

3. Marketing Status of Bank Personal Financial Services

Personal finance business marketing refers to the process in which traditional commercial banks take customers as the center, meet customers' financial needs by providing excellent personal finance business and formulating reasonable sales strategies of personal finance products, so as to obtain customers' acceptance and consumption of their personal finance products and realize the business objectives of commercial banks. The following takes Hefei Branch of Agricultural Bank of China as an example to analyze the current situation of bank personal financial business marketing.

Agricultural Bank of China Hefei Branch was officially established in April 1996. Up to now, Agricultural Bank of China has established eight central branches in Hefei, with an average of 4 to 5 grass-roots outlets and more than 1800 employees, of which more than 40% are distributed in various posts of the headquarters, and the rest are distributed in the front-line grass-roots of each branch, Have perfect rules and regulations. In the overall business income of Hefei Branch of Agricultural Bank of China, the income of personal financial management business accounts for a relatively small proportion compared with other business income. However, from the perspective of overall development, Hefei Branch of Agricultural Bank of China has maintained an upward trend in personal financial management business year by year in recent years, and the ability of personal financial management business has been gradually improved.

With the vigorous development of personal finance business of other commercial banks in Hefei, Hefei Branch of Agricultural Bank of China continued to expand personal finance business in March 2009. However, at that time, because the branch did not have its own financial products, and there were few financial products of insurance funds, it could only focus on financial products sold on a commission basis, so the overall level of personal financial business of the branch was in a low position. After that, with the advent of the Internet era, it has brought great changes to the development of personal financial business of Hefei Branch of Agricultural Bank of China. As the Internet enables the rapid transmission of information, big data information has gradually become transparent among mass customers, which has helped the rapid development of the branch's personal financial business in the financial market. Through these years of development, the personal financial products of Hefei Branch of Agricultural Bank of China have made great progress in terms of product varieties and benefits, as well as sales channels and methods. The business system has gradually matured and the marketing benefits have gradually increased.

Agricultural Bank of China Hefei Branch has always been steady in the sales of financial products. Through the development of these years, the types of financial products have gradually become rich, which can meet the needs of different customer groups for financial products. The sales mode of personal financial products of Hefei Branch of Agricultural Bank of China is rolling sales. In order to ensure the smooth marketing of financial products, important influencing factors such as time, capital absorption, asset liability ratio and management liquidity should be considered before selling financial products.

According to relevant regulations, the financial manager of Hefei Branch of Agricultural Bank of China needs to recommend and sell financial products to bank customers as required. Customer managers need to help customers who want to buy financial products to assess the relevant risks and judge the suitability of financial products and bank customers. When the matching degree is high, they can help bank customers recommend and buy relevant financial products after knowing their requirements for fund management. In addition, before customers buy financial products, they shall timely inform customers of the details of the products, relevant risks and various matters needing attention, and the whole process shall be recorded and recorded in time.

When setting the price of financial products, Agricultural Bank of China Hefei Branch tries its best to minimize the initial amount of financial products according to the specific situation of Hefei. Therefore, when selling financial products, Hefei branch divides financial products into many different grades, so that financial products can meet the needs of citizens and enterprises in Hefei. Due to the different types of financial products, the income will be slightly different. Some financial products are floating, their income will be relatively high and their risk will be high. Some principal guaranteed products have relatively low income and low risk compared with other types of products. The final rate of return of some mainstream financial products of Hefei Branch is generally about 3% to 4%. As the Agricultural Bank of China Hefei Branch has

no clear basis for setting the price of financial products, the price of financial products is vague, and there are small differences in the initial purchase amount, term, rate of return and risk between the same kind of financial products, bank customers need to spend a lot of energy to choose these financial products. If there is no professional staff of the bank to make suggestions on them, It is difficult for customers to make the right choice.

In terms of sales channels, Hefei Branch of Agricultural Bank of China has established separate financial management business counters in various outlets to sell different types of personal financial products to help meet the financial management requirements of different types of bank customers. At the same time, Hefei Branch of Agricultural Bank of China has also specially established a financial management business area on the bank's e-marketing website. When bank customers buy financial products on the website, they will have professional interpretation and purchase guidance of financial products, which can help customers accurately buy their own financial products and improve the marketing efficiency of financial products of Hefei Branch. When conducting other banking business, the customer manager of Hefei Branch will also recommend some financial products consistent with its assets to customers after getting familiar with the details of individual customers. Customer managers should not only help customers choose more appropriate products among different types of financial products, but also provide customers with some professional suggestions to achieve sales goals.

4. Problems Existing in the Marketing Strategy of Bank's Personal Financial Business

4.1. Lack of Personal Financial Products with Unique Style of Agricultural Bank of China

Compared with other commercial banks in Hefei, Hefei Branch of Agricultural Bank of China lacks personal financial products with the unique style of Agricultural Bank of China. For customers, there is no great difference between purchasing financial products or regularly storing personal assets in the bank, but the former can have higher expected income than the latter. Comparing the personal financial products of Hefei Branch of Agricultural Bank of China with the financial products of other commercial banks in Hefei, there is no big difference in the initial purchase amount, expected benefit and risk of investment, and there is a lack of its own product characteristics, resulting in few customers opening an account in the bank specially to buy their financial products. In China, each province and urban area has its own unique development resources, the economic benefits of each region are high and low, and the purchasing power of the people in different regions is also very different. Due to the different purchasing power of the masses, their demand for personal financial products and risk tolerance are also quite different. For Hefei Branch of Agricultural Bank of China, its personal financial products are designed and developed by the head office, and there is no detailed understanding of the financial market demand of Hefei and the purchasing power of Hefei citizens. Hefei Branch is only responsible for the publicity and marketing of personal financial products, therefore, it is difficult to gain a great advantage in the competition with other commercial banks in Hefei.

4.2. The Pricing of Financial Products Is Not Detailed Enough

The customer base of Agricultural Bank of China Hefei Branch is higher than that of other commercial banks in Hefei. However, due to the vague division of customer groups, the pricing of its financial products is not detailed enough. The financial products of Hefei Branch have not been classified in detail according to the overall income of Hefei citizens. Due to the lack of

differentiated services for bank customers, it is unable to provide specific services for various types of customer groups.

4.3. The Sales Mode of Financial Products Is Too Single

At present, the business competition between commercial banks in Hefei is very fierce. As for the financial management business of commercial banks, the sale of bank financial products not only directly affects the future development trend of bank financial management business, but also has a close relationship with the salary of bank employees. The sales mode of financial products of Hefei Branch of Agricultural Bank of China is too single, lack of innovation, and the publicity of products is relatively small. Financial products are sold only through publicity posters and speeches, local media advertising, bank staff recommendation and other means. The lack of innovative sales means is difficult to win the favor of Hefei customer group, and customers can not timely understand the advantages and disadvantages of bank financial products. Some customers with purchase intention want to know the details of the product, most of them can only take the initiative to ask the relevant staff. The communication between the two sides is inefficient, which greatly reduces the customer expectation and the sales progress of the product is very slow.

4.4. The Number of Financial Management and Marketing Compound Professionals Is Relatively Small

The financial management business of Hefei Branch of Agricultural Bank of China includes many financial management professional theories such as finance and marketing. If it wants to achieve higher development in financial management business, it is essential to train financial management professionals. However, due to the formulation of the bank's internal system, the number of compound professionals in financial management and marketing in Hefei Branch of Agricultural Bank of China is relatively small. Many bank employees are only familiar with the business of their posts, and only a few bank employees can provide customers with professional and diversified services to meet the financial needs of various types of customers. Due to the fierce competition among commercial banks in Hefei in recent years and the increased supervision of relevant departments, some employees of marketing departments of Hefei Branch of Agricultural Bank of China prefer to transfer customer assets to bank deposits, so as to achieve the performance specified by the branch. The financial salesperson is only to complete the assessment task, lack of professionalism and enthusiasm. Moreover, the staff management mechanism of Hefei Branch is not advanced. Many bank employees do not get professional training, so that there is a lack of work efficiency and cooperation ability among various departments.

5. Measures to Optimize the Bank's Personal Financial Business Marketing Strategy

5.1. Optimize Financial Products

The financial products of Agricultural Bank of China are developed and designed by the head office, which can not completely match the financial markets in various regions, nor can they fully meet the different needs of various types of customers. The branch has a better understanding of the economic development and residents' economic level of its region, and has a clearer understanding of the real needs of customers in this region. It can be seen that the Agricultural Bank of China Hefei branch needs to obtain appropriate product design rights and strengthen the innovation ability of its financial products according to the financial market and residents' income level in Hefei. Hefei Branch can establish a professional design team for financial products, train high-level personnel for product design, establish a reasonable talent management mechanism and build a professional product design team. At the same time, Hefei

Branch can also learn from the best-selling financial products of other commercial banks in Hefei, make a detailed analysis of their success factors, learn excellent financial product design experience, so as to optimize the bank's financial products and launch high-quality and innovative financial products with ABC characteristics.

5.2. Optimize Product Pricing

Compared with ordinary products in other markets, bank financial products have particularity, and their price is often closely related to the regional economic development situation and residents' per capita income. Therefore, in terms of bank financial product pricing, Hefei Branch of Agricultural Bank of China should formulate a more flexible price scheme to meet the diversified needs of various types of bank customers. Hefei Branch can formulate differentiated financial product pricing scheme in line with the economic development of Hefei in combination with its own development needs and the income level of Hefei residents. While ensuring the long-term development of its own financial business, it provides differentiated financial services to different types of customers in Hefei, so as to increase customers' satisfaction and expectation of the branch.

5.3. Optimize Product Marketing

In addition to the traditional business network announcement screen, bank personnel recommendation, media advertising leaflets and other publicity means, Hefei Branch of Agricultural Bank of China can also often carry out publicity activities for financial products in schools, enterprises and communities. The activities not only include the publicity of financial products, but also anti financial fraud, financial suggestions, various preferential activities and so on. In this way, we can not only publicize the financial products of the branch, but also increase customers' favor for the branch and increase the brand awareness of the branch, so as to be favored by more customer groups. With the rapid development of Internet technology, Hefei Branch of Agricultural Bank of China can open more e-marketing channels, understand the needs of different types of customers, design e-marketing web pages with different themes, and accurately push customers through big data analysis of bank customer information, so as to develop the branch's online financial management business and increase the number of customer groups. At the same time, the financial business system of the official website of Agricultural Bank of China also needs to be optimized to make the page layout more concise and clear, the product classification more clear and understandable, the purchase and payment and other operation processes simple and fast, and improve customer satisfaction.

5.4. Optimize Financial Personnel

Agricultural Bank of China Hefei Branch financial products related sales personnel need to have professional financial knowledge and ability to help customers formulate perfect financial plans and recommend appropriate financial products for customers after knowing customer information in detail. In order to comprehensively improve the professional ability of financial management business personnel, Hefei branch needs to strengthen the training of relevant personnel, actively carry out financial management learning activities, regularly conduct financial management professional ability assessment, and award employees with excellent learning, so as to improve their learning enthusiasm. At the same time, Hefei branch needs to introduce high-quality talents in financial management, establish a professional financial business marketing team and enhance the branch's financial business service ability.

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