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## IMPROVEMENT OF EXISTING AND INTRODUCTION OF NEW METHODS OF PROMOTING BANKING SERVICES

The activities of modern commercial banks worldwide are increasingly focused on versatility. Versatility is manifested in everything – in the constant expansion of the customer base, diversifying the range of services, the introduction of new and modification of old services, distribution network development and in other areas. Moreover, modern universalization – this is not blind and mechanical expansion of the scope of the bank's activities, and competent and effective combination of a certain number of related and complementary spheres and directions of its work. Every field, every line of work is regarded as the most important and priority. This makes it possible to perform both the traditional banking operations, and to provide clients with the most complex, specialized services, while maintaining a high level of quality of the latter, which is normally achievable only through specialized banks. Turning to the bank, the customer can get almost any financial service or at the bank or at its partner companies, and the combination and conditions of these services is usually not fixed standard, and are developed in accordance with customer needs. Thus, within the framework of modern universalization of the bank to a certain extent possible to realize the benefits not only of the universalization and specialization, combining the individual approach to customers and a broad diversification of activities. Accordingly, the modern commercial bank can be defined as a large commercial bank, which is a significant amount of financial, organizational, technological, human and other resources, allowing it to operate as a market of traditional banking services and other financial market segments where implemented specialized services that are not included in the traditional banking business.

The combination of a considerable number of areas of financial activity in one institution and maintenance of different customer groups requires the bank to the use of certain marketing tools, the most important of which acts as customer segmentation. Using this tool, the following main segments can be identified in the client structure of the banking market:

- corporate customers (enterprises and organizations of the sphere of production and non-production sphere of various forms of ownership and organizational-legal form);
- retail customers (individuals and individual (small) businesses);
- government customers (state and municipal institutions, government organizations);
- financial and credit intermediaries (insurance companies, mutual funds, commercial banks, pension funds, credit cooperatives and other).

Obviously, customers of each of these groups have a similar, and the specific needs of banking services, which determines the possibility of division into homogeneous groups. The bank can navigate both the maintenance of all of these segments, and to specialize in only one or a few of them. And it is obvious that for each group need to develop and promote the market its own set of services and apply special methods of their implementation.

Public service is quite attractive for banks sphere of activity in almost every country of the world. Most banks, whose activities are focused on versatility, are actively engaged in providing services to individuals. retail services market attractiveness for banks is determined by the following factors:

- the possibility of increasing the income of the bank's activity by attracting new customers and increasing the volume of services provided;
- bank risk diversification due to the emergence of a new group of customers, i.e., the main advantage of universalization activities;
- an increase in the bank's reputation due to the spread in the general population of favorable information about this bank;
- the market for corporate customers quite conservative stands, it does not involve a permanent change of partner bank, and on the retail market there is always a chance to «entice» the client of another bank as tight binding to a particular bank is not there;
- improving the stability of the bank activity due to the fact that it is not largely dependent on any one major client, as in the maintenance of large and major enterprises.

Currently, the retail business should not be regarded as an auxiliary in relation to service corporate clients, as well as a completely separate type of activity. Significant unmet demand for retail banking services provides high profitability of operations, and allows banks to grow by entering new markets and attracting new customers. Service companies and private individuals contributes to the stability and predictability of the banking business, reducing its dependence on each individual client. However, the volume of transactions is much smaller than in servicing corporate clients. Therefore, competent combination of corporate and retail business is a key to success for any universal bank.

Strengthening the role and importance of the retail banking business is the need for a clear definition of it. As discussed in the research literature, offered different interpretations of the concept, the authors of which repelled or the nature of the client or on the specific services provided. The analysis allowed to define «retail banking» as a set of services provided by the bank and carried out transactions for a wide range of individuals and small businesses. Accordingly, the retail



bank services – services provided by them in droves, and on standard terms to retail clients – individuals and small businesses.

Analyzing segment services to individuals by banks, it should be noted, that in itself this segment is quite heterogeneous in terms of the level of material support customers. It determines the need for a more detailed bank customer segmentation and development of various products and services for each segment. It is necessary to distinguish the following segments

- the poorest clients, which practically do not use banking services;
- medium and well-off customers, which is usually calculated and retail banking services;
- rich clients (vip-clients), which offers banking services to very high quality, applied a special level of service;
- the most wealthy clients that services are provided by private banking program. Characteristics of the main segments of the banking market is presented in Table 1.

Representatives of the first segment of the banks are not considered as potential customers, because such persons are not able to provide a receipt of the corresponding income.

At the same time, the rich and the most affluent customers, despite the fact that they are individuals, in my view, is illogical to include in the range of retail bank customers. For them, the banks apply special methods and forms of work. Attracting customers of these groups does not take place by means of mass advertising, and using the target point of attraction, designed for this particular client. Services for these customers also need to have a special characteristic for vip- customers be it individual character of service, comfortable conditions of communication with representatives of the bank and provide a broad range of financial services. Moreover, the services themselves are often the same as those for regular customers. For the most affluent customer services are not only an individual, but an exclusive character, the customer receives a so-called personal banker, to whom he can turn at any time, not only for financial and advisory services, but also for organizational and personal problems. Also, private banking clients are able to use the most modern and high-performance technology solutions. private banking services may include the optimal placement of the client's free capital for individual schemes, preparation of individual financial plan, tracking payment transactions and credit. In choosing forms of cooperation takes into account the terms of placement, the client's personal preferences to certain banking and financial instruments, and above all, the degree of risk that will be acceptable to the customer. In recent years, appeared on the Kazakhstan market, even a separate area of the banks in the field of private banking, dubbed lifestyle management (LSM). It is associated with investing in a variety of non-financial assets: real estate, art, jewelry, which form a personal style, define the image of the client's life.

Table 1. Structure and characteristics of client banking market segments\*

№	Clients	Market segments	The scope of activities of the bank	Feature segment
1	Individuals	The least wealthy individuals	Retail Banking	Rare provide simple banking services
		Medium well and well secured private individuals		Provision of standard banking services to the universal conditions
		The rich and the most provided customers	Vip-service and private-banking	Providing a comfortable environment service, the use of an individual approach
2	IB	Businessman	Retail Banking	Providing standard services to ensure business needs
	Small entrepreneurs			
3	Entities	Medium-sized enterprises	Corporate banking	Provision of services for business, the use of discounts and benefits system
		Large and the largest enterprises		Provide business services to individual conditions

\* Note – compiled by the author from the source [1]

The specifics of working with affluent customers that the services they are provided, do not have a standard mass character, indicates that these customers can not be attributed to the retailer, and should be allocated in a separate segment, which occupies an intermediate position between normal individuals and large enterprises. The classical retail banking services always involves a high proportion of unification and standardization of services, when the bank should offer the market a new service, to work, to bring to the automaticity mechanism of its presentation, to form answers to frequently asked questions and customer objections and, where possible, provide access to the service through remote channels.

Development Bank work strategy with mass retail customers, the definition of the promising methods of service, requires the identification of those features that distinguish it from the corporate banking and affluent clients. Among such characteristics are:

1. Bank interaction with retail customers is based not just on the provision of services, it is often accompanied by



- social interaction and is based on interpersonal sales techniques that mask the sophistication of computer systems and data reception and processing of banking operations.
2. The system of retail banking services repeatedly repeated sales of standard services for small amounts, whereas the provision of services to corporate clients amount of deals is much more the conditions of their individual giving and services can be provided less frequently.
  3. When servicing retail customers, banks tend to provide a convenient location in terms of sales, advanced payment acceptance system, a wide range of services, advice, etc.
  4. For retail customers are invited to implement the already selected range – the range of services that meets the target market and allows us to provide specific choices available to customers.
  5. The banking business in the retail sphere is carried out for the general public, while the banks, working with corporate clients and vip-clients have the right to impose restrictions that do not allow members of the general public to purchase their services.
  6. On the retail banking services, as a rule, are set higher unit prices than for business services.
  7. Pricing policy in the retail sector, as a rule, fairly simple mechanism of price formation should be available to the client, in retail to a lesser extent than in the area of corporate services involved system of discounts.
  8. Banks operating in the retail sector, take on specific risks other than the risks of banks, serving only to enterprises and organizations. They are less dependent on each individual customer, however, to predict how the situation will change in client- individual in the future is difficult.

These differences, in my opinion, determine the specific requirements for the banking retail strategy. Focusing on the coverage of a large number of customers, the bank must develop its branch network, to carry out an aggressive advertising campaign to constantly monitor all the innovations in the banking market and offer the necessary level of diversity of services. Equally important is the fact that it is necessary to provide a high level of qualifications of staff working with clients – individuals and constantly maintain the image of the bank, the bank seek to brand awareness, to the formation of a benevolent attitude towards him on the part of the general public. All this will provide the bank a stable market position and enable literally every customer find interesting is his services that meet his personal needs. It is obvious that the construction of the retail banking business requires considerable investment, as well as serious human and organizational efforts.

Hence the contradictory nature of services to individuals. On the one hand, increased competition, the bank must strive to ensure that virtually every client would somehow found satisfying their needs and demands from individuals known to be very diverse, which is largely determined by the personal qualities and personal needs of the population. Accordingly, the spectrum of banking services for individuals has to be very diverse in the event that the bank is focused on serving the wider clientele.

On the other hand, for the most part, individuals are not able to provide a bank receipt of income, which would recoup the expensive nature of the individual services. The only exception is service of the wealthiest groups of customers. Recoup significant costs for the construction of an extensive branch network in the continuous improvement and expansion of the product line, holding a large advertising campaigns can be a constantly increasing customer base and increasing the mass of profits. And the technology to attract and most importantly, retaining customers be enterprises and organizations do not always work at the service of individuals.

Accordingly, when working with individuals the bank should apply the specific forms and methods of work, which will be different from the forms and methods used in servicing corporate clients and even when servicing small and individual entrepreneurs. Development, implementation and realization of these forms and methods of work requires the bank to incur costs that pay off immediately, but after a few years. For large banks to allocate the necessary resources possible, but small and small banks this is usually a serious problem.

Thus, retail banks able to bring considerable income, but in turn requires large costs and has certain characteristics. For this reason, serious attitude towards retail, its consideration as an essential and integral part of the banking business, requires the development of an independent retail customer service strategy. Or, at least, be included in the overall strategy of customer service and self-completed the section relating to services only private individuals, taking into account the inherent specificity and isolation of specific methods of operation.

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