

MODERN TRENDS IN BANK AND CLIENTS RELATIONS

This paper considers the basic problems of the banking sector related to changes in the behavior of financial services consumers and the development of a new wave of technologies. The ways of marketing management concept application are suggested, the key issues connected with its implementation are identified.

Keywords: bank, customer, relations marketing concept, technologies, interaction.

In conditions of a global crisis and a chaos the banking system has faced a number of problems associated with the self-determination of the banking system, its basic values, the complicated perception of the bank as a “safe” and “socially responsible” one, which contributed to the revision of the banks role in an open, transparent society.

The separate problems of the banking systems transformation are reflected in works of such foreign scientists, as: B. King, M. Cavendish, I. Makota, M. Andreniuk and in scientific works of such Ukrainian researches, as: I. Britchenko, K. Diakonov, T. Vantukh. The purpose of the paper is to characterize modern trends in bank and clients relations.

First of all, the research of modern trends in bank and clients relations should be started with the analyses of information technology tendency. Since the beginning of 2000 a “new wave” information technologies (cheap computers, mobile phones, the affordable Internet and low-cost software with open source) have entered the major markets and enabled integration and interaction of individuals and groups. These conditions have contributed to the changes in banking practice, the resource spreading model, competitive space, on the one hand, and have encouraged the emergence of a new class consumers of financial services, when living and working within the system does not need a bank account, on the other hand. According to statistics, connection to mobile banking is done 20-30 times per month, to the internet banking - 7-10 times a month, and clients’ visiting the bank branches occurs 2-3 times a year. Thus, the development of the “new wave” technologies gives customers the opportunity to become “professional consumers”, promotes occurrence of a new banking (transforming banks into high-tech companies, and banking operations into the facilities provided by advanced technologies), the success of which depends directly on the strategy of information technology integration and banking services provision. This strategy is based on the use of advanced management and information technologies, through which the bank collects information about its customers at all stages of the decision making, either to purchase or service (i.e. attraction, retention, development), and uses the acquired knowledge for the benefit of its business by

building mutually beneficial relations with customers. So, as we can see from changes in banking sector, an emphasis shift from transactions to relations and the emergence of consumers as partners lead to the adoption of long-term liabilities by banks in order to preserve these relations by providing high quality services, innovation. Such trend can be explained with lots of reasons. But one of the most perspective ways to preserve customers' brand (or bank) loyalty, on our mind, is a relations marketing, according to which customers, intermediaries and staff become the key partners. This concept describes the relations (communication) with clients as an object of marketing management. Due to low cost and objectivity of social media the future of marketing communications is connected exactly with them. So it is necessary to use properly the collected data in social network. Such companies as IBM, Hewlett-Packard, Microsoft, create a profile of their customers, employees, develop ways of communicating with them.

It is important to underline, that in order to achieve commercial success, banks need to adopt a marketing concept based on joint creative work (*creation of consumer product value*): creation of a product ↔ giving individual characteristics according to the unique needs and desires of the community consumers ↔ collecting customer reviews), *promoting consumer communities* (customer management or cultivating brand's adherents): customers wish to maintain relations not with the bank but with other consumers, through networking, pools, units; *character creation* (brand management): providing customers with the promised impressions that will ensure the credibility of the whole community of potential customers.

The major problem, however, is an uncontrollable change in client behavior under the influence of the "new wave" technologies and positioning of non-bank competitors such as: PayPal, Square, Apple, Starbucks, P2P lenders, etc. This trend is destroying the traditional banking system, destabilizing the financial sector. Stages of commercial banking crash are related to 1) *the Internet* (changing the way of customers access to banks and money; control, choice); *social networks* (a fundamental power shift in the value exchange with the customer; special perception of the bank role in a society – the shift of "value" balance to the consumers side, the weakening of the average banking brand position); 2) the "screen" and a smartphone (iPhone, Google Android) – the phone as a mobile banking tool, tablet computers and various "screens" with Internet access (anywhere, anytime). 99% of mobile banking users with the help of smartphones check accounts balance, 90% browse transaction details, 3% view their accounts on a daily basis, 80% – on a weekly basis; 3) *mobile wallets* (giving up bank accounts, cards, cash, and physical interaction with the bank, approval of technical standards for mobile money, prepaid phone contract, wireless network of the nearest range) – mobile payments in the broad sense based on the NFC; the emergence of the "non-bank" financial services consumers (unbanked are 61-64% of planet population); 4) *separating the functions of the current bank account from a bank* (each one can be the bank always and everywhere) – a fundamental gap between banking as a cash distribution and banking as the creation of products or reserves to cover loans; possession of products, platforms of the transactions and payments, technologies integration, creation of an extensive partnership. Today, 95% of transactions are made through mobile phones, the Internet, call centers, ATMs.

In conclusion, we note that interaction and inter-company coordination is becoming the main link of the enforcement mechanism for the production and consumption relations. Focus of relations marketing as a management concept, is shifted to integration and coordination of the specialized market entities' activities, the formation of interactive systems to create value, moving from dual interactions with the client to the network. The final result of such interactions are the relationship, a kind of intangible asset, arising on the basis of long-term inter-company interactions and it is a source of competitive advantage.

An example of this concept implementation is the development of the remote banking. The major blocks of marketing relations that ensure the demand and supply balance in the chain of value creation, are as follows: 1) *interaction with clients* (core group of clients): the concept of a unified client window, centralized management of corporate finance; interrelated customer support in different channels of interaction (e-mail, call centers, social networking, website); 2) *the organization coordinating activities within the bank* (the organizational structure, personnel): CRM (customer relationship management), MIS (management information system), risk management system (single data repository), MDM (a system ensuring data uniqueness), DWH (data warehouse); ERP (enterprise resource planning), e-commerce (B2B); Service IT, branch network, system of front offices, chats with the staff; 3) *interaction in the channels of product promotion* (partners network of intermediaries): creating a digital product; simplifying procedures for interaction with counterparties, electronic non-payment services (transactions, contracts, etc.), integration with external non-banking services (state and municipal services, payment of taxes, debt, and others), development of integration services with vendors (electronic accounting systems, electronic document flow, cash-flow, credit rating check, etc.). The advantage of the customer switching to online banking is the reduction of time and operational costs, social benefits, individual approach to service. Benefits for the Bank: cost reductions associated with attraction of the customer, the increase in the amounts and purchases, profit growth, providing the key categories of customers, creating a barrier to the competitors' entry.

However, today there remain serious problems, such as: 1) banking integration related to channels fragmentation; organizational structure and the traditional business model, minor involvement of consumers in the decision making; no difference between the building management strategy of customer relationship and technical aspect of the interaction mechanism implementation – software (CRM); 2) a considerable gap in the behavior of the financial services consumer and the bank, their provider, which is reflected on the ROI, attracting new customers, the application process and the choice of interaction channels.

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