

MARKETING TECHNOLOGICAL INNOVATIONS IN BANKING PRODUCTS AND SERVICES

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Abstract

Success depends on the ability of financial institutions to assess the opportunities of new markets, attracting customers from competitors and improve the effectiveness of marketing strategies.

Marketers have to understand that the most effective approach is based on an analysis of needs of different market segments, designing the marketing mix and implementation of marketing programs targeted to selected segments.

The allocation of financial and banking institutions of important resources for new technology to replace expensive labor, led to technical progress in the field that accelerates business processes and keep control of large databases on client operations, working in worldwide.

The emphasis of the competition fund, the European single market is a challenge both in banking and for organizations involved in harmonization of standards and legislation, which is why banking institutions adapt to new technologies is very important to customers.

Keywords: bank marketing, banking products and services, technological innovations, trends, mutations.

1. Introduction

Developing financial markets and tradable financial innovations have led to an extensive banking disintermediation as a result of consumer preferences for other savings instruments (eg: mutual funds, pension funds, investments in investment companies etc.), and orientations consumers - the corporate capital markets in order to obtain financial resources. Banking deregulation and the emergence of the required regulatory process, as a response to conditions created new financial and banking environment.

Along with the deregulation legislation was extended and the implementation of technological innovations in retail and corporate banking business. IT applications and new communications technologies have led to reorganization and running the operations of traditional banks, but the intensifying competition and by the emergence of new financial institutions. Have emerged as new products and banking services, as well as virtual banks and internet connections.

Everything is put in a high technological breakthroughs permanent competitive banking financial institutions.

Priority and challenge for banking financial institutions still focus on implementation and optimal use of technology for a guaranteed success, in terms of a changing society, but also to increase awareness of financial education, living standards, diversification needs and desires consumers.

2. Paper content

Ability to assess new market opportunities, attract customers and competitors helps improve the effectiveness of marketing strategies to strengthen the success of financial institutions.

Marketers have realized that the most efficient approach is based on an analysis of needs of different market segments, designing the marketing mix and implementation of marketing programs directed to selected segments.

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The allocation of the financial institutions banking of significant resources for new technology to replace expensive labor, led to technical progress in the field, which accelerates business processes and keep control of large databases on client operations, working in worldwide.

Lately, technological innovations increasingly find their place in the banking business. Electronic devices, software applications, Internet, telecommunications etc., Are increasingly used in various areas of the banking industry, with major implications on the performance of its business.

Technology will always have a particularly influential role on banking products and services, such as specialized departments within the institutions and banks will have to prepare plans and strategies to meet any changes in behavior as a result of the impact of technology. Customer needs and desires to develop according to their own business so that the banks are put in a position to install systems that ensure the required level of services and products: fast and efficient. Every banking institution has different possibilities of action, but will work closely with these issues, issues that generate factors that may influence a bank's strategy, a strategy that in turn must be compatible with the external operating environment.

The banking business has an important role environmental monitoring technology for all the changes that may affect bank strategies.

In the category of outstanding technological innovation, applicable to bank finance, we can mention:

- introduction of plastic cards, which have simplified the system settlements in the economy;
- adaptation of mobile and fixed system to perform various operations (deposits, transfers, loans);
- emergence of virtual banks, the internet, which offers banking products and services through electronic media.

Technological innovations are used in the management of banking information (customers, accounts, operations etc.) risk management in facilitating the bank customer relationship (especially in distance running operations), in carrying out banking operations (bank payments, granting credit amounts of deposit, securities issues etc.). Thus, technological innovations implemented in the banking industry and are used both to base decisions, but also in manufacturing activity.

The main factors that led to the expansion and lead the implementation of technological innovations in the banking business are:

- new discoveries in the field of technological innovation;
- development of economic relations and the number of transactions;
- restructuring and modernization of banking;
- growth and diversification of customer demand, especially due to increasing awareness;
- increasing customer demands in terms of offering banking products and services;
- increasing costs for maintenance and development of traditional banking networks;
- expansion of spending on staff;
- increasing emphasis placed on resource - time.

The main role of technological innovation applied in banking is to automate the process of obtaining background information and decisions. The degree of automation of banking activity can be measured by this online banking so that it can pass through three stages:

1. online this state, namely the existence of a site and general information about the bank;
2. type interaction with the bank off line, by e-mail, some computer applications, real-time view of information etc.
3. interactive communication with the bank in real time, by conducting online transactions, internet banking etc.

The introduction and expansion of technological innovations in banking imposed, both for banks and for account holders and rationalization measures to redesign the bank documents, which leads to improvements in operational staff work from the banking institutions (activities, guidance, coordination and counseling clients).

In the contemporary economy, characterized by globalization, both the structure of financial markets, and consumer characteristics will change as a result of using new information and communication technologies, access to free, easy and real-time information of any kind and from every corner of the world. Financial institutions will form the largest trusts in transnational activities, which will provide integrated financial products and services globally. Typology and consumer behavior will turn diminishing the importance of characteristics related to their belonging to a certain nationality. Global cultural values will spread and be adopted by consumers in all countries. This will not lead to the disappearance of personal identity to consumers, but rather it will enhance and will reconfigure the access to other cultural values will be taken to the extent that they better match their personality.

Following the globalization process all elements that make up the internal environment and external financial and banking institutions will be influenced by the rapid pace of evolving information technologies and access to information from anywhere on the globe. Under these conditions, rethinking the way down the marketing strategies of bank financial institutions is becoming a necessity. Substantiation of marketing strategies in the new economy is necessary to consider the changes and evolution of all environmental factors whose action influences activity of financial institutions.

It is visible that the role of banks becomes a more consultative, and organization. Especially for large organizations to determine a change in the objective and forms bank intermediation. The bank today is not a deposit and credit, became a bank, "*financial*" to the organizations. They require more sophisticated financial innovation and support they need for banks to achieve their installation or to find a counterparty. The process leading to reorganization of banks: new directions appear on the market; new specializations occur in banking profession. Mutations continues its course: the trader to market, financial engineering and those "*back office*" which are actually the best cells are responsible for analyzing the consequences of new product development, in relation to bank and regulatory objectives in force.

In conclusion we can say that, given the emphasis of the competition, the european single market is a challenge both in banking and for organizations involved in harmonization of standards and legislation, which is why banking institutions adapt to new technologies is a very important aspect to customers.

Concerns the European Union harmonization directives on free movement of capital and services all aim to identify and eliminate existing barriers on the banking market.

The work relies heavily banks and marketing, which plays an important role in the organization. Marketing of banking services, like banking industry, marketing is a "*special*" you need to sell an intangible product in a tangible way. Ultimately, products and services offered by banks are essentially the same. They can be differentiated only by how they are perceived by customers.

Customer perception can be improved through effective marketing and special interests and backed by continuous quality development and meeting the needs, requirements and expectations. The client should feel important and want to remain at the bank. It is more expensive to attract new customers than retain existing ones and therefore need special efforts to retain customers, very important issues in marketing.

Ratings agencies rank banks by their financial performance. Classification of the fastest and is used depending on the size of their assets.

In conclusion, it can be said that the EU aims to create a coherent framework, and legislative and institutional banking, applying the directives in this area and non-member states (to combat and prevent money laundering, risk management, financial etc.).

The introduction of the euro has strongly influenced the economic life of the EU member states and had consequences for the national banking systems of other countries.

Bank performance are tracked and analyzed on the basis of specific indicators of the rating agencies and national financial supervisory authorities.

The EU has specific interests in the growth competitiveness by promoting quality organizations, creating legislative and institutional framework to achieve this goal, guiding it, now, to promote an ambitious policy, aiming to make it possible to substantially increase the economic competitiveness of member states.

In terms of economic development and amplification of trade, the trend of globalization and the emphasis of the competition, some of the most dynamic changes in the last decade and a half have occurred in banking. Credit institutions are, in all countries, participants in the economic life very active, dynamic, flexible and highly adaptable to market changes, being able to create demand for products and services. Assuming that credit institutions, nature activities, operates in a regulated environment, it is believed that a healthy economy is more and more efficient with how the banking system operates on principles of prudent and appropriate management of risk related. Quality management system enables continuous improvement of product quality and services provided by banks, thus increasing customer satisfaction and for the other stakeholders and, on this basis, continuous improvement in business performance of banks.

Credit institutions in Romania will face increasingly more demands of the European Union and their competitiveness in the European single market will depend largely on how they will manage to implement an effective quality management system. The problem of quality management systems effectiveness is accentuated with more insistent lately due to increased competition and market globalization.

The last decade and a half of the banking system accounted for a period of radical transformation. They were concerned not only modernize by creating appropriate legal and institutional framework and that a wide range of banking products and services, but also assimilation's *acquis communautaire* and aligning policies, strategies and practices of the European Union. In this context, is an essential part of the National Bank of Romania, which authorizes the operation of banks, regulate and supervise their activities for the development in healthy conditions and high caution. In recent years, banks in Romania have started to move towards the market segment represented by individuals. However, identifying customer needs (existing and potential) individuals shall be made by banks on their own or with help of specialized firms, there is the possibility of misunderstanding or misinterpretation of the results of market research. The transformation of the requirements in banking products and services for this segment of customers is difficult, especially for unusual banks have many customers, but small.

Evolution of the international environment is influenced by the development of banking systems in different countries, which, in turn, is determined by the historical, social and cultural economies. Based on these facts, and have outlined a series of functions and a way of organizing activities in the field. To be more explicit, representing banking systems still present, existing in countries with a developed economy and some aspects of their evolution.

Peculiarities of the largest global banking system

Country	The peculiarities of the banking systems
SUA	<ul style="list-style-type: none"> - The beginning of banking regulation; - Demarcation of trade and investment activities in the banking busines; - Categories of banks: commercial (deposit) and investment (credit); - The creation of bank holding company.
Marea Britanie	<ul style="list-style-type: none"> - Strong and stable banking system, which dominated a long period, the entire world banking system; - Strict specialization of banking activities;
Germania	<ul style="list-style-type: none"> - Developed banking system; - Banking activity one of the most dynamic sectors of national economy;

	<ul style="list-style-type: none"> - The structure of the banking system is represented by the universal banks (public institutions, cooperatives and commercial banks) and specialized; - Initiation of insurance companies.
Japonia	<ul style="list-style-type: none"> - The banking system is focused on holding impressive sites, including: the production unit, commercial unit and one or more banks; - Risks are high, but also are monitored and controlled by the bank; - Banks have provided the high-tech logistics; - Specialization strong banks.

Problems facing eastern european banks at present, by their nature are very varied.

First, it is necessary to adjust the cost structure of the bank margin, since the unification of banking services in EU countries and increased the absorption and merger reduced the cost of these services.

Secondly, it highlights the problem of maintaining profitability and strategy for improving the management procedure of financial, technical, human. In order to solve these problems, the FMI analysts suggest four rules banks "gold":

- exactly follow the bank's development strategy. Deviating from the direction of development chosen perplexities and diminish confidence finds customers and shareholders;
- deepening specialization within each activity directions of the bank;
- ensuring an adequate level of diversification of bank activities (analysis of each participating institution's directions to the profitability of banking activity);
- establish a balance between stimulating the sales of financial services and insurance cost control.

For integration into the european banking system, banks and financial companies create their universal system for selling products and services.

Study of peculiarities of development of the European banking market is a prerequisite for the banks in Romania. Regarding the Asian financial market, it includes a large number of financial centers in Tokyo, Hong Kong, Shanghai, Singapore, whose experience, especially in investment services, portfolio management services provided by a huge network of branches and agencies is of real importance for banks in Romania. Using information technologies for the development of banking is a practice used today not only the asian banking system, but also the entire global banking system.

Of particular interest to local bankers is the experience of developed countries in the sphere of communicative policy improvement, the working relationships within the group and the "behavioral approach to management." This includes system design complexities of human relationships inside the bank, between management and staff. The objective is to exclude conflict situations should be the collective incentives for staff to obtain good results of activity. Thus, the practice shows that the effectiveness of modern market economy, including banking business, is up at a rate of one third of the technical components and materials. 2/3 are determined by the intellectual potential of both managers and the employees. Many american banks, to streamline the relationships within the bank, uses the principle of feedback. Thus, the "open door", which requires that any employee can address the leaders of all ranks, organizing individual discussions, carrying out investigations with different purposes are distancing measures to prevent major bank managers collectively. Creating a favorable environment in Western banks is based on such methods as reducing the distance between client banker working process, ethics leader, the client - the most important person, removal and prevention of conflicts.

An important aspect of communicative relationships are relationships with clients and attention with which they are treated. The idea deserves to be remembered is: "*Client does not depend on us (the bank), we depend on him. We do not do favors and serving him, but he give us the*

opportunity to serve him. Our work consists in solving the problem of the client in an advantageous way for him and for the bank".

We mention that in the bank's business customers, while ensuring high quality of service process, develop informal relationships. An example may serve Bank Koelner German bank, which organizes tourism travel information clients. Client, its requirements, wishes and meeting their milestones bank marketing.

Banks should not only make financial transactions, but also to provide quality advice to their clients to explain the possibilities of making transactions, to propose optimal choices, that is to be concerned that the financial situation to be a good customer. Western banks are given public attention and involve training in business than advertising.

Most times, the supply of products and services is the main criterion for choosing a bank by a customer as an individual. Consequently, the more banking products and services offered presents several possible variants, in which only some features vary, the more customers will have a choice. The offer is applicable to understand both the rates and fees and all other aspects of banking product or service taken into account, eg deposits due to credit and interest rate, number of days until the issuance and validity of a card formalities and completed forms to obtain a loan or issuing a card etc.

Banks' ability to obtain long-term competitive advantages as a result of innovation and differentiation of products and services is limited by two things:

- banking products and services can not patent a new product being imitated by competitors within a short time;
- banking products and services are strictly regulated and supervised by the authority in the matter.

Differentiation range of banking products and services is manifested by small variations or nuances of specific items, sometimes in the details. Because differentiation is achieved through the quality that satisfies customer requirements, can be considered as a strategy to be adopted is the quality strategy. And this even more as the distribution channels are diversifying banking products and services continuously. Era in which bank customers moved to its location to find information or to request a loan or deposit a sum of money is already outdated.

Currently, today, customers have many other opportunities to meet the demands and expectations regarding products and banking services, such as: call center, ATM, Internet banking, mobile banking, co branding (cards issued together with a distributor products and services), partnerships with distributors of products (eg: consumer products).

Series of factors that led to the expansion and lead the implementation of technological innovations in the banking industry is composed of: new discoveries in terms of technological innovation, developing economic relations and the number of transactions, restructuring of banking; growth and diversification of customer demand, especially amid the rise of education degree in banking and extend more and more resources "for" increased costs for maintenance and development of traditional banking networks.

New distribution channels could be implemented due to the development of information technology. However, their expansion is limited by the need to ensure the necessary infrastructure and security operations, and customer behavior. Modern distribution methods means an increase in banks' ability to offer products and services beyond their territorial network. Deriving significant benefits:

- there is no need to go at the bank for each customer or transaction information desired;
- automatic or electronic distribution allows the advantage of standardization of products and services, leading to a continuous and homogeneous quality;
- activity is enhanced by relieving banks of any crowded desks.

It must, however, that these alternative distribution channels to benefit from increased attention from the banks to notify potential malfunctions, establish and implement corrective and

preventive measures necessary to train staff properly and meet customer reactions in parallel monitoring the life cycle of products and services.

3. Conclusions

Banking Financial Marketing is knowing and meeting customer needs and desires, their orientation towards the needs of the institution's activity, are being found both in commercials and advertising, and financial innovation in the banking, distribution services and banking products, the actual supply, adequate supply market needs and at an affordable price for both partners.

The introduction of high technology in banking activity leads to an improvement in operational staff work in banks, focusing more and more towards the work of guidance, coordination and advice to clients. Thus, visible increase customer service quality of banking services and banking.

A new era of doing business in the Internet requires a new model of strategy and marketing practice. According to a strategist: *"In light of new technologies, especially the Internet, a corporation undergoes a radical transformation that can be compared to a new industrial revolution. To survive and thrive in this century, managers will have to assimilate a new set of rules. Corporation XXI century must adapt to web management"*. Another suggests that the Internet is *"revolutionizing the way we think about relationships with suppliers and customers, how to create value for them and how to make money in this process, in other words, it represents a revolutionary marketing"*.

New Economy focuses on information. The information has the advantage of being able to be arranged, divided, personalized and sent via network at incredible speeds. Due to rapid advances in Internet and other connectivity technologies, institutions have come to comprehend the gathering of data about individual customers and business partners (suppliers, distributors, sellers). In turn, they become more flexible in the individualization of products and services, messages and media.

Bank financial institutions in our country will face more and more demands imposed by the EU and their competitiveness on the European single market will be very largely dependent on how they will manage to implement an effective quality management system. The problem of quality management systems effectiveness is accentuated with more insistent lately due to increased competition and market globalization.

In conclusion, we appreciate that, given the emphasis of the competition, the European single market is a challenge both in banking and for organizations involved in harmonization of standards and legislation, which is why banking institutions adapt to new technologies is very important in front of customers.

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