

MARKETING AND INNOVATION IN ENVIRONMENT BANKING FINANCIAL - REQUIREMENTS IN A KNOWLEDGE-BASED SOCIETY AND TECHNOLOGY

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Abstract

In the context of knowledge-based economy and society has acquired a connotation marketing role vital for all fields. Evolution of social, cultural, political and economic, information, design and conduct of marketing activities contribute to increasing the efficiency of any institution.

Evolution of marketing over time provoked the great researchers who have tried to define the concept of their views, but only surprising aspects of this vast and important field. The definitions are different as shown in the article approach, the essence is the same.

In the banking and financial role of marketing is to continually improve the quality of customer services and products offered by formulating appropriate marketing strategies so as to be able to influence The consumer buying behavior.

Customer focus, his loyalty and not least an innovative marketing that starts at the client key aspects FEATURES today.

The emphasis on innovation and ingenuity in order to: create new banking services and products, ways to attract customers; loyalty of existing ones, defining marketing and communication strategies lead to appropriate strategies to maximize the results of innovative marketing campaigns.

Referring to work in the banking environment we can say that innovation is the key to success BANK and are based on: product and service innovations, process innovations, organizational innovations, and not least of marketing innovations.

Keywords: marketing, innovation, banks, products, services, consumers

JEL Classification: G21, M21, M31

1. Introduction and context of the study

XXI Century brings multiple challenges to marketing specialists, who are facing two major factors that influence change and marketing communications: a fragmented market that involves replacing outdated marketing techniques (target is to move towards a personalized marketing); and the evolution of technology that accelerates migration to a highly segmented marketing.

Evolution of technology and changes in the economy have led to changes in consumer behavior and thus the institutions. Also, intensifying competition with the items mentioned led the banks to rethink policies and strategies to promote products to attract customers. So they brought in their offers new services and products tailored to the needs of consumers, and have revamped distribution system.

Banking activity aligned to the concept of sustainable development implies innovation, creativity and benefits by creating new banking services and products distributed to new consumer segments in an efficient manner.

Sustainable development gives optimism banking institutions, is central to the mission and activity.

Currently, receptiveness to the needs and desires of consumers, is a trend in the market. Lately a lot of services and products have been developed and promoted starting from consumer proposals and suggestions. Thus, we are witnessing an increased responsiveness of the financial and banking institutions to consumer attitude, an attitude which comes to replace the old mentality that is characterized by a total lack of transparency.

Innovation provides institutions of any nature, the opportunity to continuously improve their product offerings and services.

1. Defining elements in the evolution of marketing innovative banking

Field marketing has evolved over time high, as is the sphere of applicability. Great researchers in the field have attempted to define the concept in their view, capturing only some of the aspects of this vast and important field.

We will focus on the two definitions, different in approach, but the essence is the same to capture important aspects of the concept.

In the banking and financial role of marketing is to continually improve the quality of customer services and products offered by formulating appropriate marketing strategies. Organizations adopt standards of quality, fit or international, customer-oriented, targeting mainly maintaining bank soundness, credibility and honesty, professionalism and solicitude employee growth, reduced dissemination of products/services in order to achieve customer satisfaction.

Regarded as "*management processes that lead to meeting the financial needs of clients in a manner profitable for the bank*" [1] emphasizes the importance of satisfying consumer marketing, but also, and bank interest in achieving their goals because we know that one of the four functions of marketing refers to *Profit Maximization*.

In the current economic conditions, when some markets shrink, there is a need to find and apply solutions to widen them and degree of increased globalization and the new possibilities of communication, technological innovation lead to the idea that marketing should not be regarded as a "advantage" of institutions, regardless of their size.

Today, in a knowledge-based economy, institutions should rethink their marketing strategies and adopt new rules of marketing, those who rely on the use of modern technologies and emphasizing customer relationship.

The role and importance of marketing activities are emphasized in situations where, on the one hand, competition in the banking sector is continuously developing, despite all the high barriers to entry and exit from the market, and on the other hand the phenomenon of globalization and interests the increase in the intensity of market players reinforce actions in this area.

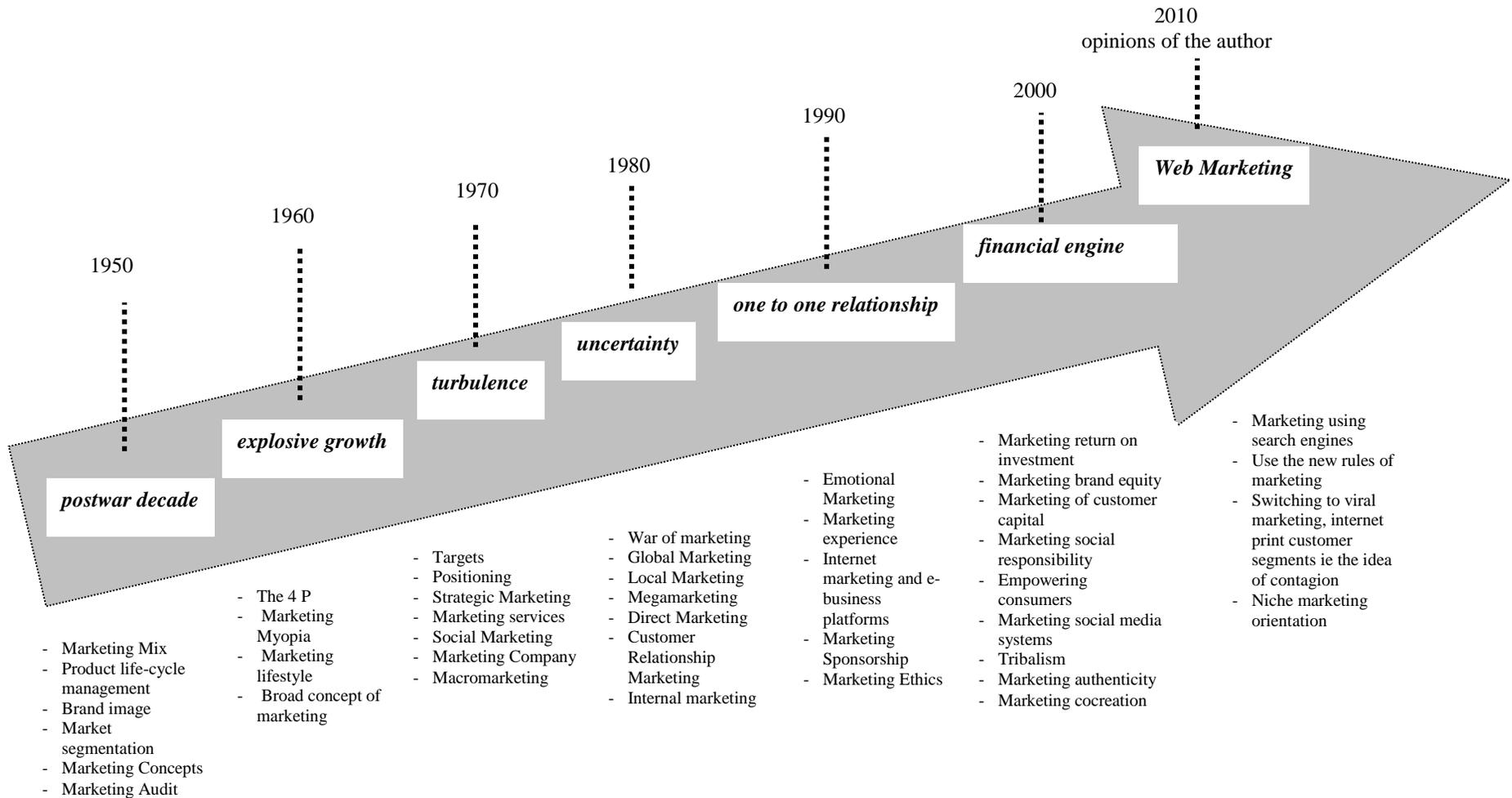
To achieve performance in the marketing, banking financial institutions that subscribe to pursue customer-oriented issues such as: identifying profitable markets that are related to their work; analysis, both current customer needs and desires, but also future ones; identifying methods to promote products and services; customer segmentation; preparing marketing plans in order to achieve objectives; use of modern distribution channels.

Evolution and development of the marketing concept can be described by a generalization progress in all areas of economic and social starting from commodities and extending industrial goods and services. Over time, marketing has faced numerous objections of principle as providers of banking products and services admitted that do not know in depth customer needs and the particular mode of manifestation of the application. In the banking customer loyalty process of banking services and products is more difficult to obtain than in the field of material goods.

Current characteristic of today is represented by customer orientation, by his loyalty and, ultimately, to an INNOVATIVE MARKETING that starts from the client.

Marketing concepts arising in the period 1990-2000 showed more discipline management brands. Stages undergone by marketing are multiple, and the number has skyrocketed new concepts. Below we present the main concepts and vision appeared for years to come (Figure 1.1.):

Figure 1.1. - Evolution of marketing concepts (Source: Adapted by the author Ph. Kotler [2])



Banking institutions have begun to pay attention to marketing activities. Their attitude has changed over time and quickly adapted to the new rules of marketing, in terms of the concept, understanding how important it is to know your target audience, and how it can better achieve this, if not by marketing.

According to Philip Kotler's theory [3], the evolution banks conception about attitudes towards the use and marketing of innovative processes has covered five stages, which are highlighted some fundamental components of marketing in the banking system.

- *Marketing means advertising, sales promotion and advertising* - marketing went into banking as "*the concept of advertising and promotion*"; attract savings from the population represent a competitive action, and consumers must be convinced to access products and services through the use of various marketing tools and techniques; Now the situation has changed, promotion of banking and financial companies are numerous, due to the development of marketing strategies and in recognition of promotion in the context of fierce competition in the banking sector; focus on retail banking is growing.
- *Marketing means smile and relaxed atmosphere* - institutions understood, over time, it is easier and more efficient to provide customers with the convenience of banking, displaying an open attitude, thus prompting them to turn to; However, the real difficulty is in loyalty and retention.
- *Marketing segmentation means and renewal* - the need and importance of market segmentation and providing appropriate services are important aspects for banks because financial services can be easily copied and services specific advantages have short life cycle, which is why institutions were forced to adopt policies Innovations them. The segmentation is to identify consumer groups seeking the same benefits of a product or service.
- *Marketing means market positioning* - positioning in the market is not restricted to a particular image formation, institutions looking to develop in the minds of consumers - individuals or legal entities, the image of a strong institutions, friendly and efficient. Brands not spread randomly on the market; they are the carriers of messages promises unique addressed to potential clients, previously defined. For effective positioning, differentiation source (base position) must have five characteristics [4]:
 1. be unique;
 2. to be important for the consumer;
 3. can be communicated;
 4. be easy to understand;
 5. can be supported by the product.
- *Marketing means analysis, planning and control* - referring to the development of effective systems analysis, planning, implementation and control of marketing activities, utilizing the potential of the area of activity.

Through marketing process are identified, designed, promoted and sold products and services. The new rules of marketing promotes special packages designed for different types of customers, and is not limited to the preparation of the act of sale.

In the age of technology and innovation banking institutions should focus more on those elements that define the relationship with existing customers, but also with the potential, and not on what other institutions can provide. There will always be a competitor capable of delivering more than another company.

Beyond CREATIVITY AND INNOVATION, when you want to build a picture of the institution, be seen on creativity, innovation and quality of services and products to build context in which they are sold.

Degree of innovation varies from institution to institution, its role being to attract new customers and retain existing ones. Differentiation between institutions is precisely the degree of innovation and product/services.

Due to the changes in the economic environment banking institutions have seen put in a position to use a new approach to marketing that can meet the wishes and needs of the moment the market.

The challenges of the knowledge society oriented institutions to optimize and prioritize communication processes with clients to maximize their impact achieved before.

The emphasis on innovation and ingenuity in order to: create new banking services and products, ways to attract customers; loyalty of existing ones, defining marketing and communication strategies lead to appropriate strategies to maximize the results of innovative marketing campaigns.

Marketing strategies that banking institutions conceive them and implement them to current customers, and potential, are summarized in three important elements: segmentation, targeting and positioning.

From the above we can **conclude** that the entire marketing process has successfully evolved in the direction of satisfying the desires and needs of customers better informed and documented in this age of technological developments and a knowledge-based society.

2. Market banking products and services in the context of the knowledge economy and technological developments

Technological progress can be represented as a sequence of curves in S (characteristic appearance and development of technologies becoming more efficient) and the connection between them - the phase of continuity and discontinuity - is represented innovation in a broad sense in the context of the objectives of increase competitiveness (= rate of change and adaptation + return) on a free market. [5].

The innovation process is:

- Sequence of activities of management of a company in order to develop products and services, for sale
- Activities of expanding markets,
- Improving the functioning of supply, production processes and the maintenance of equipment, distribution channels, the service and, not least, improving administrative and management activities of the company.

In other words, changes made within the institution in order to improve the economic situation, market position, staff working conditions or environmental protection constitute an integral part of the innovation process.

In the current economic conditions trying to redefine innovation, we find that the results need to change the entire company staff views in consonance with the concept of innovation, especially how to approach innovation managers.

From the above we can see the direct link between innovation activities and the marketing of an institution.

In an attempt to define and reap the benefits from the innovation process can be seen as not enough just changes in products/services and markets, have changed the technological processes, methods of work, labor relations, relations with the outside firm them, especially with shareholders, with financiers, suppliers and, not least, to clients [6].

The banking environment is among the important pillars of the economy is influenced by many internal and external factors, which include and technological change. A major challenge for banks worldwide is the diversification of communication channels with their customers and integrating information systems so that they are provided the same information in different distribution channels (e-banking, phone banking etc.). A real competitive advantage for banks was open innovation is the ability of making customers intelligent processes that involve access to banking services without problems of self, speed and security processing, ready access to banking products and services. The mission is not only banking institutions to attract new customers, but also keep them and boost the existing ones.

Banking institutions are investing in technology to promote new products and services using alternative distribution channels, giving at the same time, increased attention on market forecasts to convert any new direction diversified environment in which it operates.

Over time packages of services and products offered by banking institutions have diversified greatly due to fierce competition, but also to change consumer behavior.

In a knowledge-based society **BANK INNOVATIONS** the key to success based on:

1. **innovation of products and services** - refers to goods and services with the use or intent to differ significantly from the products/services institution made earlier. In this case, innovation is mainly based on the relevant changes to the products, services, and processes that lead to the appearance of new goods with superior quality, considering more drastic criteria of evaluation.

A more difficult step in shaping and creating a new product/service is to identify that product/service or idea that lead to the satisfaction of needs that the customer has not yet, that is, the customer must still did not feel need but which is manifested by what face in everyday life.

Great technical achievements of recent years, except for massive innovation in distributed production organization that brings globalization nowadays, needs that are related to the generation before us, a few decades ago, did not. Needs were invented, and mankind has assimilated a much higher speed than he could have imagined their creators itself as not only addressed the basic needs of Maslow's ladder known, but some higher. We think it is enough to mention only the explosive evolution of products and services in the field of informatics and communications, to understand how this process acted in recent years economic and social complex [7].

2. **innovation processes** - both appear in the service sectors and in sectors of production and production methods include new or significantly improved: logistics, supply and distribution systems and activities "back office" such as maintenance, purchasing and accounting operations.
3. **organizational innovations** - is implementing significant changes in business practices of institutions, organization and decision making responsibilities at work, including training and education to increase competencies and responsibilities and organizing external relations with other institutions.
4. **marketing innovations** - refers to significant changes in the way a market institution sells goods and services including changes in design. All this with the express purpose of achieving maximum gains.

The banking sector recorded an increased dynamism which effects are felt in the relationship bank - its customers and competitors.

In today's knowledge-based economy under the influence of globalization, both the structure of financial markets and consumer characteristics will change as a result of using new information technologies and communication, access free, easy and real-time information of any kind and from anywhere in the world.

In the future, financial institutions will form trusts with large transnational activities that will provide integrated financial services and products globally. Consumers will suffer and they modifacari in terms of typology and behavior in the sense of diminishing the importance of characteristics related to their belonging to a certain nationality. Global cultural values will be extended and adopted by consumers in all countries; this will not lead to the disappearance consumer personal identity, on the contrary it will be enhanced and will reconfigure the access to other cultural values will be taken to the extent that they better correspond to their personality.

In recent years a lot of factors significantly affected the banking products and services market, with a strong impact on customer relationship bank by:

- Changing consumer behavior;
- New policies of the state;
- Use of advanced technology;
- Environmental protection.

In the evaluation of the quality of performance of the institution, a customer appreciation given to the services and products, remains a defining. Under these conditions, the relationship "*consumer-bank*" can be considered a reference variable, non-values by nature, but with a significant influence, became measurable in every moment of analysis through figures obtained both at central and local level. If the customer to choose the banking institution may be guided by a series of public information (from the products and services offered, facilities, up to the balance sheet figures, attesting the soundness of the institution), to validate and maintain its option returns a decisive role communication provided within the institution requested.

The quality of this dialogue, the extent to which it leads to satisfying customer requirements and prevention has become an increasingly competitive well-defined criterion, which requires deepening the concept of "customer-bank relationship" in a managerial concept perfected.

This approach is based on developing an organizational culture that provides the necessary framework conditions and training *Relations Manager "consumer-bank"* in accept more complex than that of a nucleus that create and maintain mutually beneficial cooperation, where I hold the priority customer requirements and their satisfaction leads to profitability activity.

Bank customer relationship manager occupies a strategic position that headteachers have to remunerate all aspects considering that [8]:

- Is the first institution connecting link with customers;
- Ensure uninterrupted broadcast channel products, services and all financial instruments offered and charged first response of the beneficiaries;
- Is test point for new ideas and products promoted permanent contact with the client and his needs by giving him the opportunity to assess whether new products are sellable or, for one reason or another, remain only theoretical concepts hard to use in practice;
- maintain close liaison and collaboration with the company's specialists, in order to get the optimal set of offers to meet and prevent the most demanding customers.

Development of innovative banking products and services was done in parallel with quitting obsolete packages that no longer met the current stage. Experts point out that advanced banking services and products are not necessarily more profitable, but they contribute to consumer loyalty.

Studying consumer behavior remains an ongoing concern to marketers because they can get information about how consumers choose their goods and services to satisfy multiple needs, which are stimuli and factors that influence their choice.

The customer will be satisfied only when what is offered meets or exceeds expectations. According to *Craig Cochran* [9], **customer satisfaction depends largely on its perceptions as to the customer**, which is equivalent to perceive reality. Because customers may have different expectations, their perceptions about a product or service may be radically different from use. The effort to obtain consumer satisfaction must be carefully managed and supported one.

Customer satisfaction should be seen above all as an investment. *Philip Kotler* and *Kevin L. Keller* [10] said that through a better customer relationship management companies are able to respond appropriately and promptly to different occasions coherent fructification relationship with a client. Not the least, **the entire staff of a company must be involved in the process of customer satisfaction.**

Connections with modern banking practices, provided by the banks with foreign capital, plus increasing demanding customers and gain competition led to the introduction of new banking products and services that require advanced technologies.

We can say that, due to technological developments and innovations in the field, in Romania, payments are made both through paper-based instruments, and by means of electronic instruments. Thus, apart from increasing the number of users and the volume of operations carried out by electronic payment instruments in Romania is developing more and more internet banking services, in line with the European development trends of e-banking and e-finance. It introduced the concept of - selfbanking - that meet customer requirements through flexible working hours of banks, on the one hand, and on the other hand, allows them reduce operational costs, which is important in the current market context.

Today, banks put increasing emphasis on the use of alternative channels for selling products/services, responding to the changing needs of consumers.

Even in Romania usability of online banking services is still very large, the banks hope that in the coming years, consumers become aware of their usefulness and adapt to these payment systems remotely. The fast life could cause customers choose to perform faster transactions directly from the office, at home, rather than go to the bank's headquarters. For this, we need a broader financial education in Romania for many consumers who still do not have confidence in these payment methods.

The regionalization process is influenced by the trend of innovation embodied in continuous diversification of supply of services/products for clients, either by opening agencies with distinct profile (insurance companies, brokerage, leasing) or by offering new products (housing loan, mortgage, checks travel, student loans etc.) and services such as international transfers of funds, foreign exchange services, private banking (personalized financial advice).

Offer banking services and products available on the market is varied, differentiation being made by each banking institution capacity for customization according to customer segments to which it is addressed.

We believe that the success of banking institutions is conditioned by the permanent customer relationships and improve the quality of services and products required by competition issues in the field, but also the needs of consumers. They are achievable given that continuously monitors consumer satisfaction, it rewards good performance is financially motivated staff and offers service packages that enhance customer satisfaction.

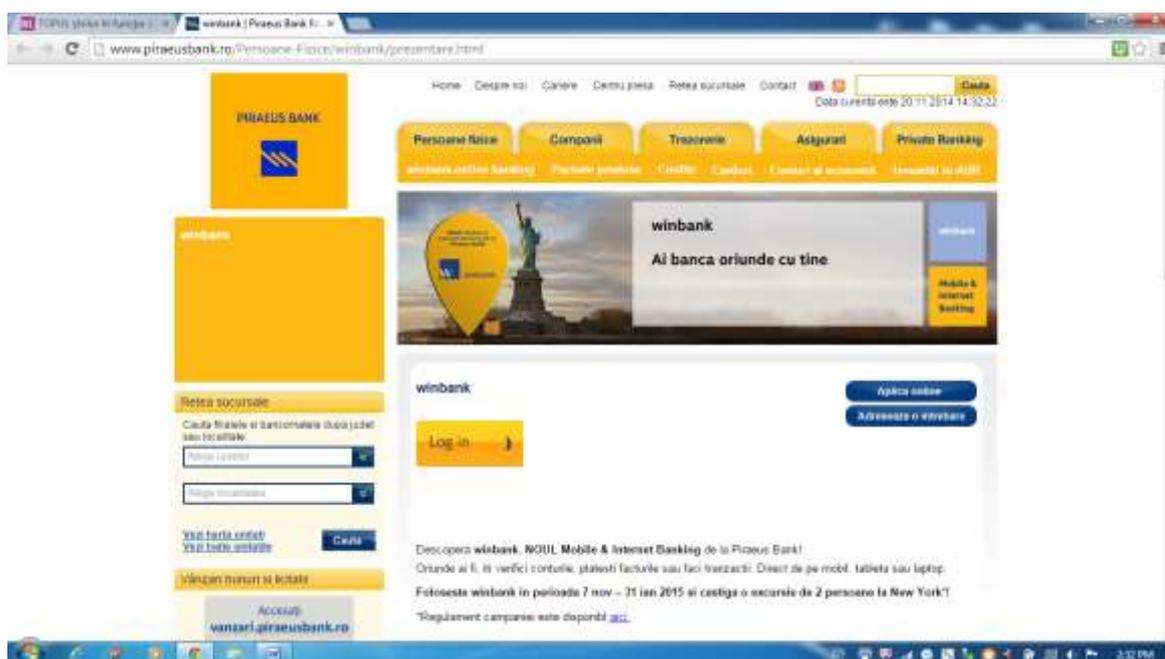
We believe that the future will be reserved services and online payment instruments due to the development of mobile communications and the growing tendency to streamline the time allocated to certain operations.

Offer banking services and products are constantly being influenced diversify the competitive environment and market requirements, the channels of access to banking services, orienting itself towards the use of new trends and technologies.

Banking institutions carries a lot of different banking operations in the form of bank products and services. The success of a bank's profits are determined by the types of banking services and products, the simplification techniques and procedures specific work, promptness and efficiency of services. In other words, banks should ensure success in the market by offering products and services through the use of methods and marketing strategies and effective management, based on the planning, creation and challenge assumptions.

Below are some examples of innovative products and services in banking finance:

1. PIRAEUS BANK ROMANIA S.A. – launched new service winbank



Source: www.piraeusbank.ro

What is winbank? - Winbank is internet banking & mobile banking institution's Piraeus Bank. This service is that wherever you are you can check your accounts, pay bills or make a purchase, all from your mobile phone, PC or tablet.

ADVANTAGES:

- **Available around the clock.** Anywhere in the world, from any computer, phone or tablet connected to the internet.
- **100% Secure. And even more than that.** A unique set of security features (username and password) you ensure that only you can access your accounts and make transactions desired from both internet banking and mobile banking in. Transfers to third parties are additionally secured by SMS Extra PIN or Token (**Token** is a hardware device or software that generates and displays a random number (6 digits) to allow users to access protected resources on the network secure. Random number is called tokencode).
- **Unlimited access to accounts and transactions.** Check account balance, pay utility bills, make deposits or send money. Easy and fast.
- **Customizable.** You can save the transactions you make in cation month (such as rent, phone bill or insurance policy), even from mobile winbank to automatically perform monthly at a certain time, depending on your choice your needs. Moreover, you can save with a name of your choice that you make payments most often to navigate easily and quickly through winbank and to save time.
- **Easy to use.** To make things simpler, extraPIN code you receive via SMS or you generate using a Token is available throughout the session as you are connected. So you can make any transactions with a single code.

Save money. Commissions for the transactions are lower than in banks. In contrast, interest rates for deposits are higher! [11].

2. BANCA TRANSILVANIA - Comes with a message on Facebook: To ease your shopping at EMAG of BlackFriday we prepared 12 installments without interest by STAR CARD. What do you want to get your Black Friday?



Source: www.facebook.com/BancaTransilvania

Banca Transilvania - ranked in the top three banks in Romania in terms of assets. Its job is to support business growth through innovative products and services offered to customers with professionalism [12].

3. CREDIT AGRICOLE BANK ROMANIA - Get the www.bancapentrutine.ro, download your application and if you do I connect transactions directly from your smartphone during October 6 to December 14, automatically enter the race for the grand prize: an iPhone 6 [13].

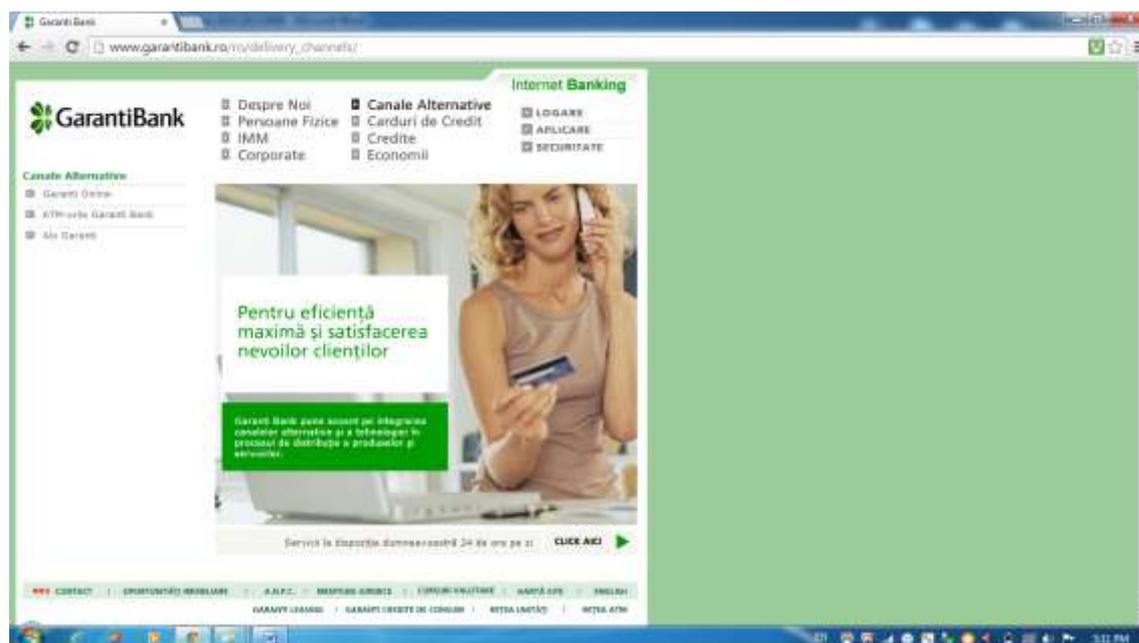


Source: www.facebook.com/CreditAgricoleBankRomania

4. GARANTI BANK - Garanti Bank emphasizes the integration of technology and alternative channels for the distribution of products and services. Garanti Bank is a universal bank with a full range of quality and innovative products and services for all customer segments.

Garanti Bank launched innovative products and services which include:

- Bonus Card - the first multi-brand credit card with chip in Romania
- Contactless payment instruments that MasterCard PayPass technology
- Bonus Debit Card - Debit card that offers bonus on purchases made at merchants
- Bonus Card with mirror - a credit card that also offers ladies a mirror as accessory
- WWF Bonus Card - the first eco affinity card on the banking market in Romania
- Multifunctional ATMs that allow bills in cash, without using the card [14].



Source: www.garantibank.ro

The list goes on with examples. Each banking institution wants to meet the consumers by offering more attractive and advantageous compared to competitors.

In adopting new technologies, an important aspect that must take into account financial institutions is information security in the online environment, since it is known that INNOVATION is often accompanied by risks and threats are growing.

Conclusions

Managers bank financial institutions, and not only understood over time the importance of using marketing strategies within their companies. Attracting new customers is subject to actual marketing activities based on trust, transparency and loyalty. Creating a market and a name in the minds of customers depends also of marketing actions undertaken.

Banking institutions are aware that operates in a dynamic environment, and in order to meet increasingly demanding customers have adopted marketing strategies, which take into account the range of products and services, introduction of alternative distribution channels and creating reputation by way of serving.

Today, marketing through an exciting time in the desire to achieve the objectives of superiority and domination on the market, and is outlined new rules of marketing.

It should be borne in mind that, today, customers in front of a full range of services and products of all kinds. No surprise that institutions thrive are those that manage to offer their customers the expected satisfaction, understanding marketing activity not as a separate function, but as a philosophy learned throughout their organizations. Customer perception can be enhanced through effective marketing and special concerns and sustained through continuous quality development and meeting the needs, requirements and expectations. The customer needs to feel important and wanted to stay at the bank.

In the current economic conditions and taking into account the above, consider the following:

- Competition develops the quality standards, the novelty of banking products and services and profitability related to the distribution process;
- If banks will establish a balance between the needs of the market and the rules of prudence, showing creativity and consistency in products and services offer savings will be based on long-term sustainable profits;
- Creation, development and launch of innovative products and services that incorporates more value added, for which customers are willing to pay some higher commissions, ensure constant growth of bank profit;
- Consumers will become more selective in choosing institutions that provide the best balance of quality and price, and how the quality tends to uniformity, no longer an asset but a compulsory condition, the price could play a role;
- Evolution of the attractiveness of savings products (interest fixed for longer) and long term loans (during which customers are offered other services of the bank) lead to customer loyalty.

Given the above, I consider that in Romania was created, both in terms of conditions, clients and the general framework for developing a competitive banking activities, still in training that targets a population with a relatively

low level banking culture. Consolidation and maturation banking system, increasing the attractiveness of the specific market instruments are dependent on growth and economic stability, essential aspects of an opening towards a financial and banking market fully functional.

We are in a new phase of development of human civilization, which requires intensive use of information with a strong impact on the economy and society in general.

Access to information contributes to the development of modern society, by increasing volume and diversity of information processing and use of information and communications technology, resulting in an information society

We believe that success is influenced by redesigning banking institutions and diversification of products and services so as to converge not only to achieve customer satisfaction, but also to attract them using the well thought out marketing strategy.

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