

Features of Marketing Communications Management in RA Commercial Banks

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Մարքեթինգային հաղորդակցությունների կառավարման առանձնահատկությունները ՀՀ առեվտրային բանկերում

Նուշիկյան Ինեսա Վ.

*Ֆինանսական ֆակուլտետի Բանկային գործի և սպահովագրության ամբիոնի հայցորդ,
Հայաստանի պետական տնտեսագիտական համալսարան (Երևան, ՀՀ)*

Անփոփագիր. Հոդվածում քննարկվում է այն մասին, որ արագ փոփոխվող գորբալ, սոցիալական և տեխնոլոգիական իրողությունները, անընդհատ աճող մրցակցությունը դժվարություններ են առաջացնում մարքեթինգային արդյունավետ հաղորդակցությունների ստեղծման գործում կողմնորոշվելու և դրանց միջոցով շահույթի առավելագույն մակարդակի հասնելու գործում: Հոդվածում ցույց է տրվում, որ ներկա փուլում ծառայության հաջող վաճառքի նպատակով բանկը պետք է անի ավելին, քան պարզապես դրա որակը վերահսկելն ու դրա համար նվազագույն գնի սահմանում է: Անհրաժեշտ է մատուցել ծառայությունները՝ միաժամանակ օգտագործելով այնպիսի միջոցներ, որոնք կարող են համոզել սպառողներին այդ սպրանքները գնելու անհրաժեշտության մեջ: Այդ միջոցները մարքեթինգային հաղորդակցություններն են, որոնց միջոցով պահվում է կապը հաճախորդների հետ:

Հանգուցաբառեր և բառակապակցություններ՝ Բանկ, մարքեթինգ, հաղորդակցություն, հաճախորդ, ծառայություն, կառավարում:

Особенности управления маркетинговыми коммуникациями в коммерческих банках РА

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Аннотация. В статье рассматривается, что быстро меняющиеся глобальные, социальные и технологические реалии, постоянно усиливающаяся конкуренция вызывают трудности в создании эффективных маркетинговых коммуникаций и достижении через них максимального уровня прибыли. В статье показано, что для успешной продажи услуги на современном этапе банку необходимо не просто контролировать ее качество и устанавливать на нее минимальную цену. При оказании услуг необходимо использовать средства, способные убедить потребителей в необходимости приобретения данной продукции. Этими средствами являются маркетинговые коммуникации, посредством которых поддерживается связь с клиентами.

Ключевые слова и словосочетания: Банковское дело, маркетинг, связь, клиент, сервис, менеджмент

Introduction: Effective communication with customers has become the key success factors of any bank, which is why we believe that the topic is very relevant now. Marketing communication management is a set of measures to determine and implement the bank's marketing goals, which is carried out through communication tools.

The relevance of the topic is also that through marketing communication, the bank significantly improves its position in the market, and this can be done successfully if it fully possesses the knowledge

of this field and considers the management of marketing communications not only as a carefully thought-out special activity, but also as a leadership philosophy.

Scientific novelty of the research: The scientific novelty of the research is the identification of possible problems of marketing communications in RA banks and proposing ways to solve them. The solutions and methodology of the problems mentioned in the work provided the main results of the research. The recommendations developed for

the improvement of marketing communications in RA banks are also a scientific novelty.

Research Methodology: Researching the problems of marketing communication management of RA banks requires the use of such methods that will enable the study of individual phenomena, to come to important conclusions by combining the results, and to suggest ways of improvement. In our opinion, the following methods can be used to achieve the above goals: method of induction and deduction, method of dialectics, method of analysis. Thus, the discussed methods are up-to-date and applicable, with their help it will be possible to

show the development trends of marketing communication management in the RA banking system and ways to solve problems.

Discussion: Marketing communications are important factors in banks' liquidity management. Marketing communications for banking services are becoming increasingly important in the activities of banking professionals.

The diagram shows various tools of marketing communications implemented in the RA banking system, which have their own characteristics and appropriateness of use.

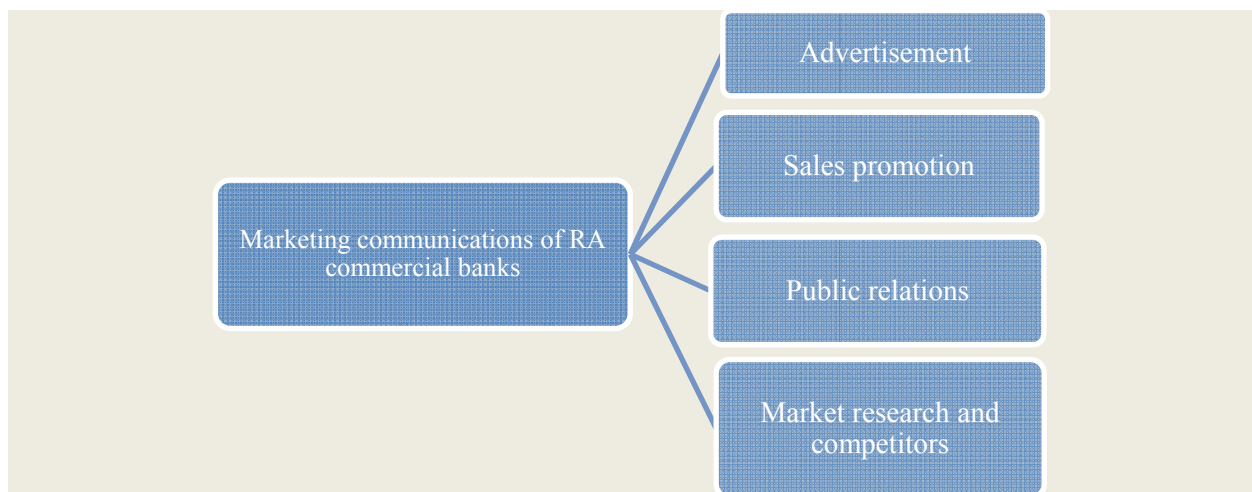


Figure 1: *Types of marketing communications used in the RA banking system, 2024 [1]*

Let's look at each of the above directions separately.

Advertisement: The new conditions of development of the banking system dictate harsh conditions for banks to compete for both potential and existing customers. A properly formed advertising concept of the bank is the key to its further successful operation. Only systematic

planning of cost estimates will allow you to minimize costs and prove the effectiveness of current advertising activities.

In RA, the marketing departments of banks together with the commercial departments develop a number of advertising directions, which, of course, require expenses.

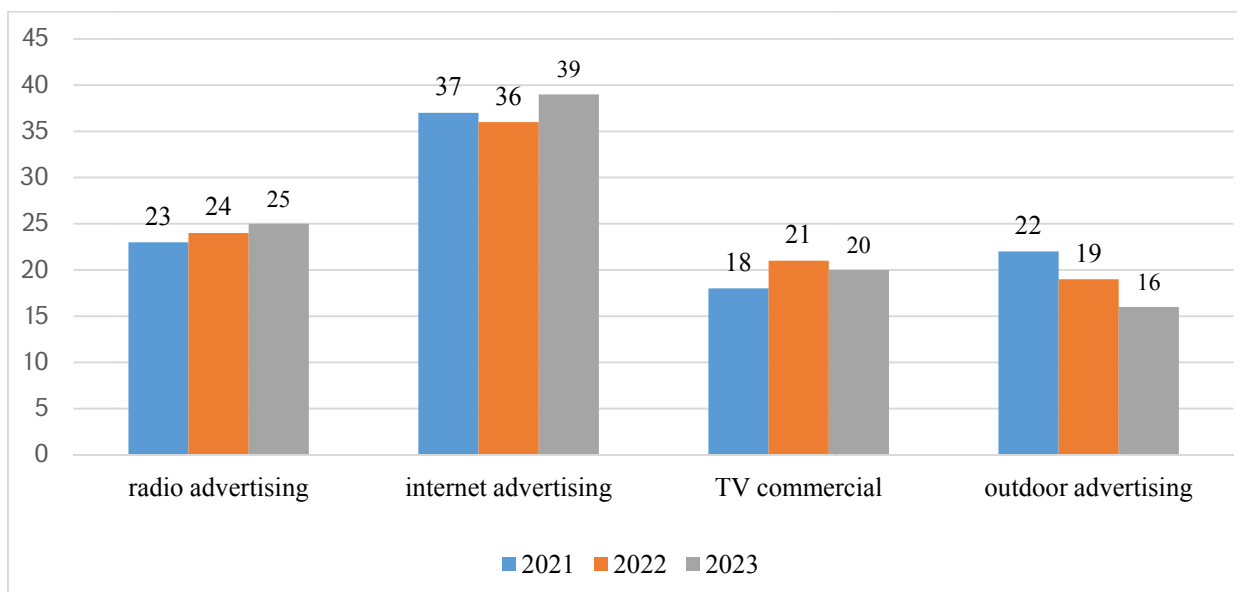


Figure 2: *Directions of expenses allocated for advertising of banks in RA, 2021-2023 (%) [1]*

According to the chart, in 2023, banks allocated 20% of their total advertising spend to the development and display of TV advertising. In the chart, we can see that among the types of advertising, Internet advertising dominates with 39%, followed by radio advertising with 25%. Nowadays, it is also very popular in the sense that people listen to radio commercials every morning and evening while traveling in shuttle taxis or turn on the radio in their apartments.

The types included in the external advertising of the bank are: panels, posters, external media, etc. TV advertising has the least specific weight.

Sales promotion. Promotion of a banking product includes the use of integrated marketing communications as part of the promotion package. Banking communication with the client takes place primarily through the bank's branch network and staff.

Let's present the number of banks operating in RA, as well as the change in bank assets in 2011-2022.

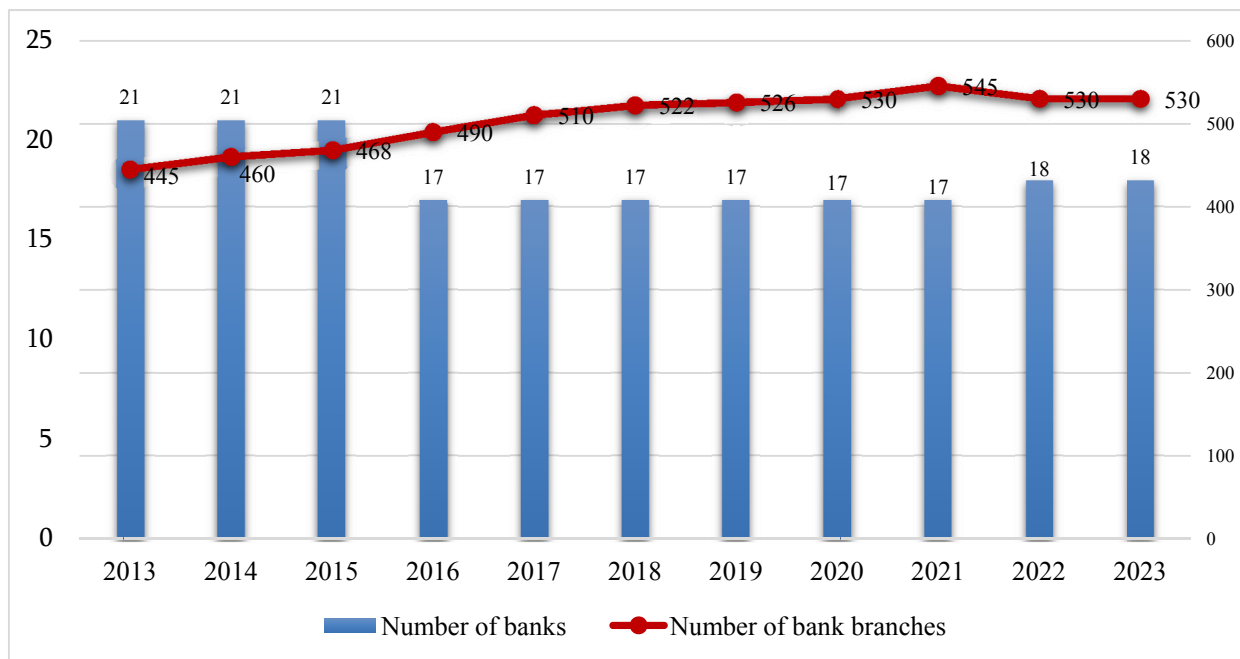


Figure 3: Comparison of the number of banks and the number of bank branches, 2013-2023, (AMD) [1]

Until 2015, 21 commercial banks operated in RA, then with the aim of contributing to the stability of the banking system and strengthening the ability to withstand shocks in various economic situations, the "Procedure for setting and calculating thresholds above the normative limit of capital adequacy of banks" was approved, after which the mergers and liquidations that took place followed by the reduction of the number of banks by 4. Until 2022, the number of banks was 17, after which, after the "Fast Credit" credit organization received a banking license and became "Fast Bank", the number of commercial banks in RA became 18. As of 2022-2023, the number of bank branches operating in Armenia is 530. Compared to 2021, the number of branches in 2022 decreased by 2.8%. The largest number of branches, 247, are in Yerevan. The

capital is followed by Kotayk marz with 40 and Shirak with 35 branches.

The main services of RA commercial banks are providing loans and attracting deposits, for which banks are looking for and finding different ways of realization. In Table 1, we present the loans granted by 16 commercial banks in RA.

In the chart we can see that in 2023 the bank's loans amounted to about 891 billion drams, which increased by 58% compared to the previous year, in 2022 the bank's loans amounted to 56 billion 410 million 990 thousand drams, which increased by about 30 billion compared to the previous year. in drams, in 2021 loans amounted to 52.3 billion drams.

The chart below shows the deposits of the above-mentioned banks.

Table 1: Volumes of loans provided by RA commercial banks 2017-2023, (thousand AMD) [2]

| Banks | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1. Ameriabank CJSC | 479640981 | 547943183 | 585741890 | 696495523 | 673086264 | 735543120 | 984746562 |
| 2. Ardshinbank CJSC | 392011895 | 456757927 | 467390649 | 589146394 | 571728929 | 531423825 | 696565200 |
| 3. Amio Bank CJSC | 382547013 | 435625901 | 563422576 | 635054512 | 6013686 | 499858657 | 497825975 |
| 4. VTB Bank CJSC | 179359471 | 171511326 | 188920564 | 203703726 | 221914837 | 158544821 | 156332911 |
| 5. Acba Bank OJSC | 177513735 | 206012527 | 275443307 | 303018557 | 337787245 | 408439245 | 457803159 |
| 6. HSBC Bank CJSC | 95431247 | 103780022 | 118921797 | 143745937 | 15363413 | 153291072 | 184714579 |
| 7. InecoBank CJSC | 173066076 | 206416531 | 238649450 | 216462240 | 221248728 | 278784266 | 278784266 |
| 8. UniBank OJSC | 135127892 | 134279082 | 141401217 | 156575090 | 139400064 | 119828158 | 149528593 |
| 9. Converse Bank CJSC | 165167500 | 196282332 | 226444991 | 229595621 | 234288706 | 223976683 | 271831024 |
| 10. AraratBank OJSC | 119167143 | 119978388 | 135921392 | 148222057 | 147756084 | - | 242664941 |
| 11. Armeconombank OJCS | 104216558 | 133629775 | 176192585 | 193337215 | 221502527 | 259413495 | 291399068 |
| 12. ID Bank CJSC | 57763789 | 61470502 | 77379245 | 94522560 | 123317853 | 121327795 | 164251371 |
| 13. Evocabank CJSC | 56834306 | 75424473 | 101556815 | 111716348 | 139957954 | 161583223 | 211751365 |
| 14. Byblos Bank CJSC | 28540823 | 34744258 | 34517722 | 39321912 | 40479645 | 52043050 | 50572585 |
| 15. Mellat Bank CJSC | 5811931 | 8771279 | 12567458 | 19424936 | 23525098 | 27609735 | 37662456 |
| 16. Fast Bank CJSC | - | - | - | - | 52318930 | 56410990 | 89181788 |

Table 2: Deposits of RA commercial banks in 2017-2023., (thousand AMD) [2]

| Banks | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Ameriabank CJSC | 375170779 | 399086132 | 593223433 | 598960666 | 600614296 | 784634192 | 907749557 |
| Ardshinbank CJSC | 344968629 | 367182381 | 301458963 | 339772972 | 415130748 | 948080987 | 99500123 |
| Amio Bank CJSC | 398967148 | 473205797 | 572141369 | 603633107 | 556659294 | 462657768 | 496808089 |
| VTB Bank CJSC | 179359471 | 171511326 | 188920564 | 203703726 | 288445026 | 178743031 | 169164097 |
| Acba Bank OJSC | 166550033 | 201775444 | 254667620 | 296944080 | 298637337 | 424168945 | 503231650 |
| HSBC Bank CJSC | 158579491 | 152952355 | 162843540 | 170863821 | 198416816 | 202336299 | 204372326 |
| InecoBank CJSC | 140773746 | 164377527 | 195656532 | 220478528 | 253215411 | 373383546 | 407160776 |
| UniBank OJSC | 128427923 | 151452004 | 189738550 | 156805550 | 191869529 | 252805069 | 211631873 |
| Converse Bank CJSC | 182214116 | 173914157 | 222172144 | 227973075 | 261422606 | 341850325 | 360249656 |
| AraratBank OJSC | 95811913 | 80850763 | 83418886 | 97936482 | 116653113 | - | 200903004 |
| Armeconombank OJCS | 91703898 | 95828876 | 113366878 | 112495410 | 135948859 | 156197592 | 183695686 |
| ID Bank CJSC | 64651008 | 56320356 | 58819120 | 66773517 | 106875167 | 188283970 | 238876880 |
| Evocabank CJSC | 49830715 | 63933542 | 100127629 | 124226407 | 153009627 | 229262980 | 280821591 |
| Byblos Bank CJSC | 45269985 | 53623256 | 68172012 | 58995826 | 61761731 | 61784306 | 73831733 |
| Mellat Bank CJSC | 4469380 | 6055416 | 4442635 | 5548121 | 4834751 | 6231644 | 8038583 |
| Fast Bank CJSC | - | - | - | - | - | 582925 | 34316341 |

It is clear from the chart that the bank has registered different indicators of deposit attraction. In 2021, the "Fast Credit" credit organization turned into "Fast Bank", at which time the bank did not yet attract deposits. In 2022, the organization takes its first steps, after which, thanks to various ways of

promoting sales, the bank's deposit attraction indicators increased dramatically, the bank's deposits increased by 5786.9% in 2022-2023.

In the chart below, we can see the indicators of the net profit of RA commercial banks.

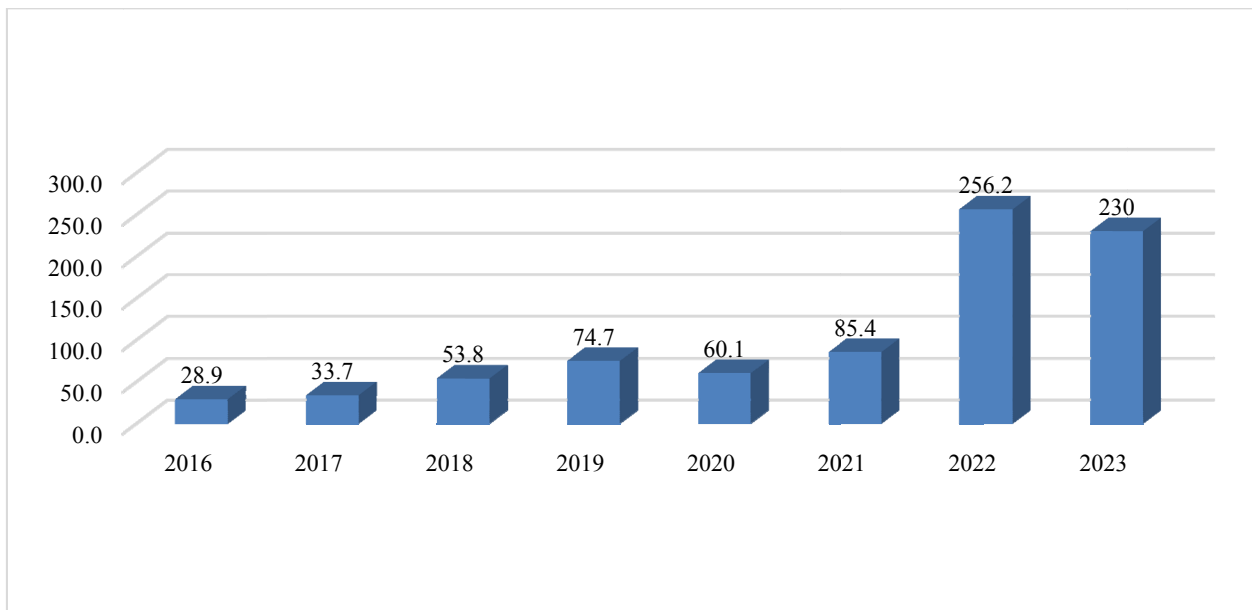


Figure 4: The net profit of the RA banking system in 2016-2023, (billion drams) [3]

The banking system of Armenia continued to work with high profit in 2023. Although the profit of the system has somewhat decreased compared to the previous year, it is several times higher than the indicators registered until 2022. In 2022, 18 commercial banks operating in Armenia received a net profit of 256.2 billion drams, which tripled compared to the previous year.

Public relations. RA commercial banks use many PR technologies to increase their reputation, maintain customer trust and attract new customers. Here are some of them.

Social media. Banks are actively using social media platforms (eg Facebook, Instagram, Twitter, LinkedIn) to spread messages, introduce new offers and connect directly with customers.

Blogs and articles. They can create blogs or publish articles about financial education, new products and services, and bank achievements.

Media companies. Banks work with media companies to disseminate information about their services, report news and publish news reports.

Customer relations. Effective customer communication and problem solving is critical. This includes working with customers, right down to listening to their feedback and making improvements based on it.

Interactive events. For example, webinars, conferences and events that allow customers and partners to interact directly with bank representatives.

Public responsibility. Banks participate in social and community projects, such as charitable initiatives, educational programs and environmental activities.

Teamwork and partnerships. They partner with other companies, sports teams or cultural organizations to promote their brand.

The combination of these technologies helps banks create a positive image among the public and build long-term relationships with their customers.

Market research and competitors. The study of competition is the basis for improving the marketing communications of banks in the banking sector and the driving force of qualitative changes aimed at increasing the stability of banks, diversifying their activities and expanding the availability of financial services. Now let's consider the main indicators of profit and profitability of 18 banks in the RA banking system in order to understand the place of each bank in the banking system.

In 2022-2023, 16 out of 18 banks of the RA banking system ended the year with a profit. Only VTB Bank ended the year with a loss. According to the diagram, the largest share of the RA banking market is occupied by Ameriabank - 18%, then Inecobank - 15% and Ardshinbank - 14.2%.

The share of RA banks according to the ROA indicator as of 2023 is presented below.

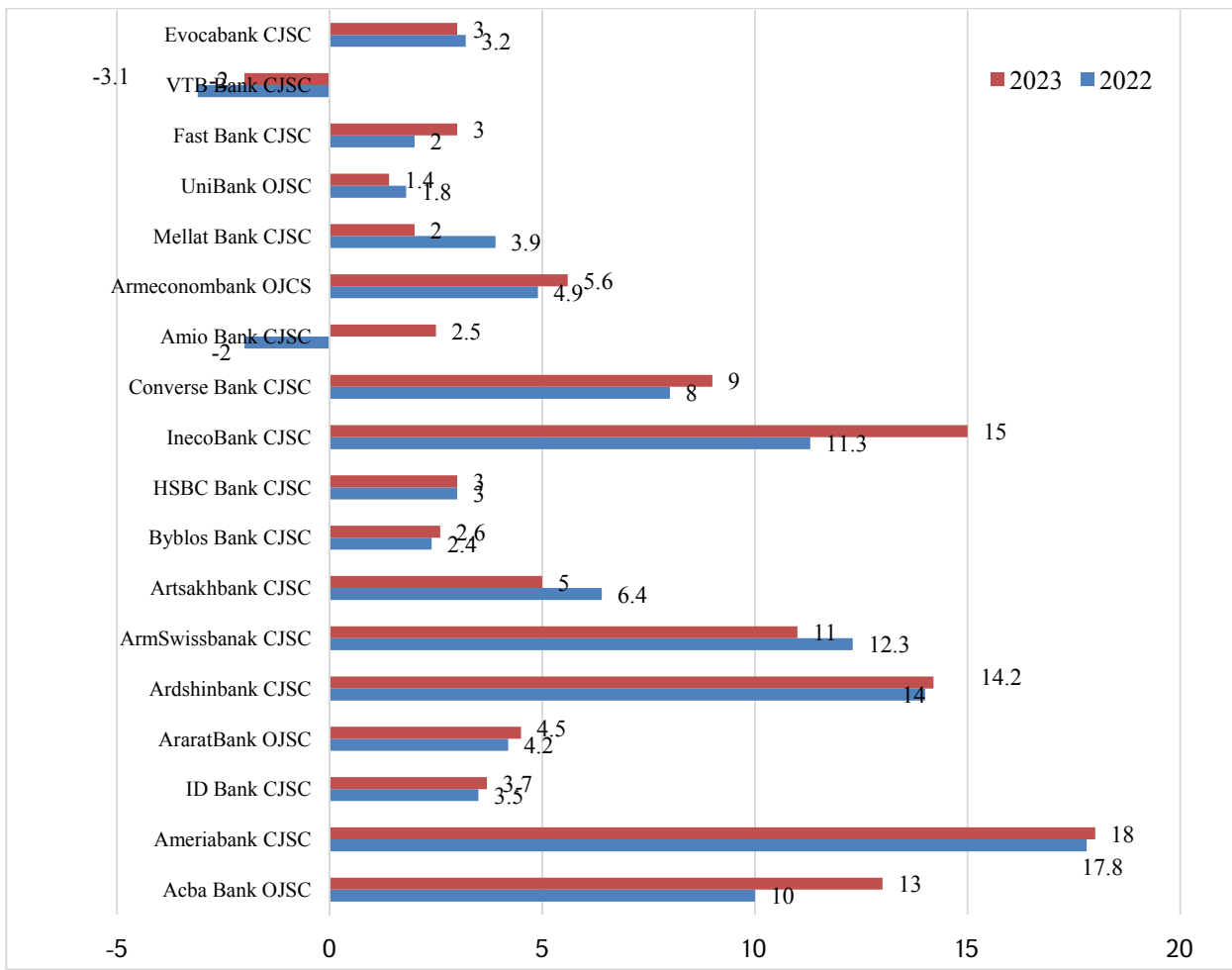


Figure 5: As of 2022-2023, the market share of the banks of the RA banking system according to the level of profit, % [4]

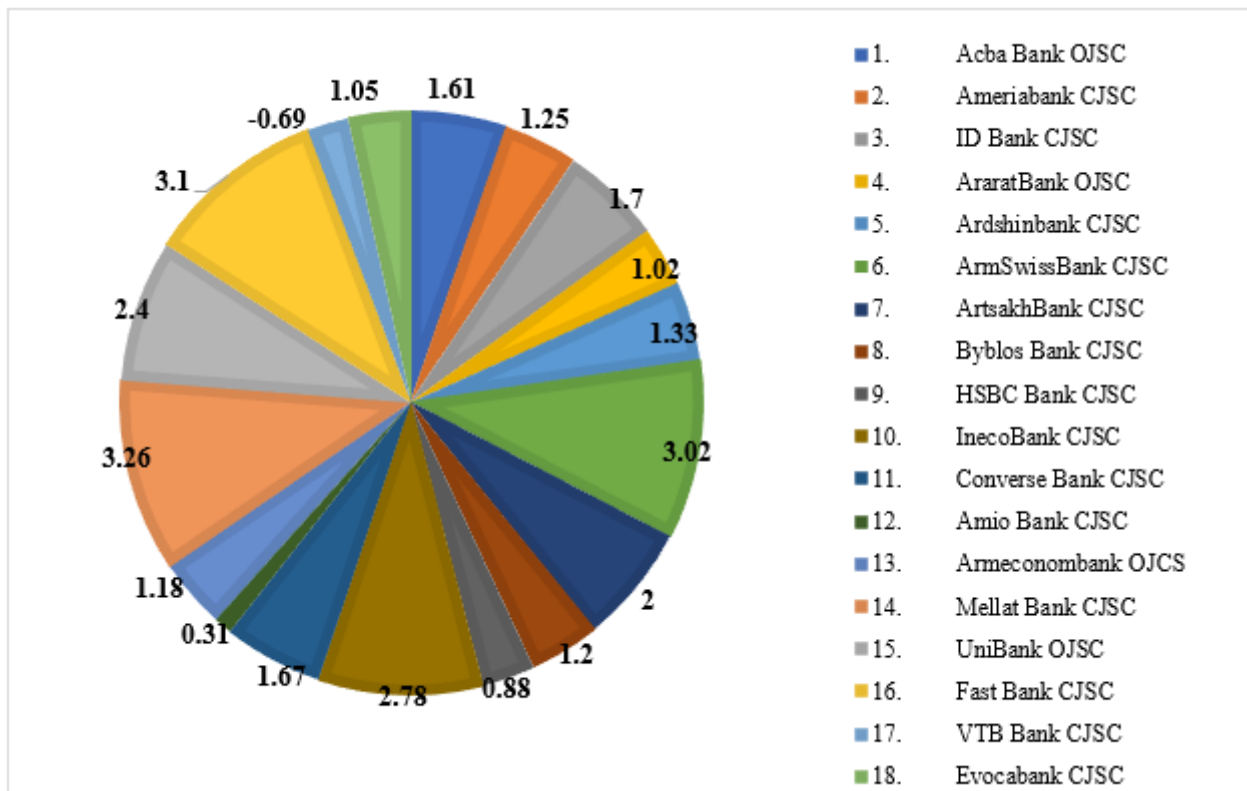


Figure 6: Share of Armenian banks according to ROA index, 2023, % [4]

In 2023, Mellatbank has the highest return on assets in the RA banking system - 3.26%, followed by Artsakhbank - 3.19% and Armswissbank - 3.02%. In 2023, Mellatbank had the highest return on assets in the RA banking system - 3.26%,

followed by Artsakhbank - 3.19% and Armswissbank - 3.02%.

The minimum volume of ROA is made by VTB Armenia Bank, which is determined by the level of loss in 2023.

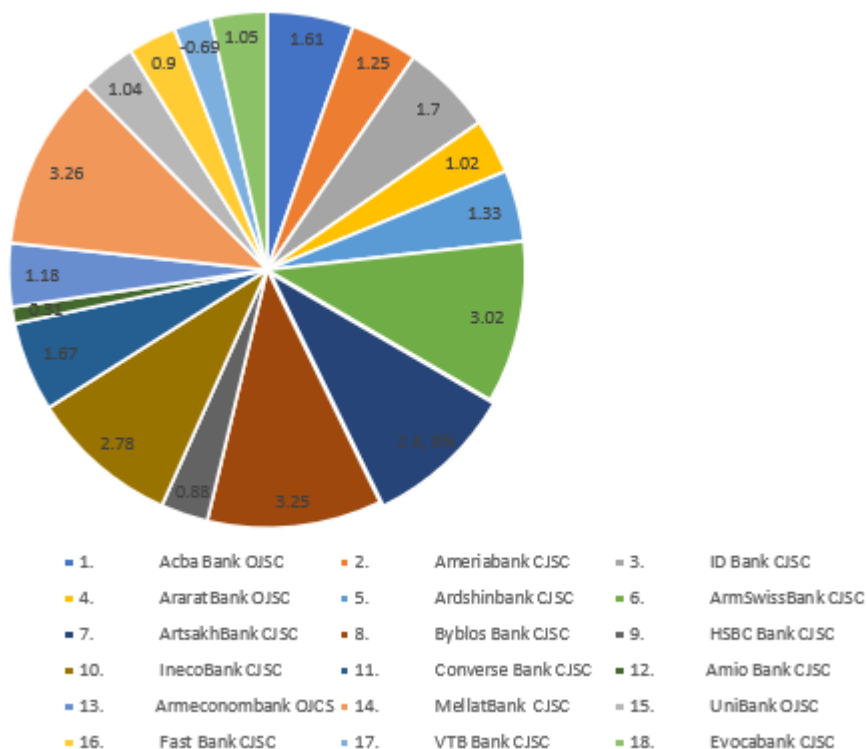


Figure 7: Share of Armenian banks according to ROE index, 2023, % [4]

It is clear from the chart that Byblos Bank dominates the RA banking system by ROE index: 3.26%, Mellat Bank: 3.25%, Armswissbank: 3.02%.

The competitiveness of a commercial bank is identical to its competitive potential as a set of competitive advantages, the use of which automatically means achieving excellence. At the same time, the competitive position of a commercial bank is determined not only by the quantity and quality of its competitive advantages, but also, first of all, by the scale of the financial market segments covered by interbank competition. Ignoring this fact, which is essential for the development and implementation of the commercial bank's competitive strategy, significantly reduces the semantic value of this definition. Competition forces banks to conduct an active policy of promotion and consolidation in the market and work with customers to constantly expand and replenish the range of banking products, improve the quality of services provided, which increases production efficiency and redistributes economic resources. Thus, competition can be considered a driving force of quality.

Conclusions: The analyzes of marketing communications of RA commercial banks led to the

conclusions that marketing communications in the market of banking services are becoming more and more important in the strategy of banking business development and liquidity management.

The analysis of marketing communications and the presented charts showed that RA commercial banks have implemented various marketing communication tools, which have their own characteristics and feasibility of use. Advertising was one of those tools, which dictates new conditions for the development of the banking system.

It was also clear from the graphs that social media advertising has the largest share in banks, followed by radio advertising. The accuracy of the calculated sequence of advertising campaign planning directly determines its final effectiveness.

In the analysis, we saw that the most used type of social media is collaboration with influencers, followed by advertising on Facebook and Instagram. Of the listed types, banks currently use the "post" function the most, marketers make regular publications on the banks' Facebook social pages.

Due to the strengthening of competition in Armenia, banks are increasingly turning to forms of marketing communications, in order to achieve

efficiency, banks are recommended to strengthen relations with the public through interactive events, for example, webinars, conferences, courses, trainings, entertainment, which will give customers and partners the opportunity to directly communicate with bank representatives. and get to know banking services better.

References

1. The chart was compiled by the author based on the annual reports published by the Union of Banks of Armenia.

https://www.uba.am/uba/hh_bankain_hamakargy_tver_ov.html

2. RA commercial banks 2017-2023. annual financial statements.
3. The chart is based on the 2016-2023 annual financial reports of RA commercial banks.
4. The chart is based on the 2018-2023 annual financial reports of RA commercial banks.

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