MARKETING CULTURE IN FINANCIAL SERVICES WITH SPECIFIC REFERENCE TO RETAIL BANKING IN INDIA

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Abstract: Service industry is fast becoming the key to a nation’s success and its importance in the world economy is tremendous. In India too, the service industry boom has powered the growth of the economy. Service industry is different and hence poses special management challenges. There are some unusual variables that affect the performance of these organizations. The ‘marketing culture’ of the organization is one such factor. The paper relates to it, in the context of banking sector in India. Post liberalization, the banking Industry became highly competitive as the number of banking institutions increased, multi-folds. Currently there are 87 banks in India (21 public sector banks, 21 private sector banks, and 45 foreign financial intermediaries and Banks) competing with each other. It has also been observed that one of the variable on the basis of which the banks are competing is providing superior customer contacts, which is possible through customer centric employees and the marketing culture that exist in the banking organization. Marketing culture refers to the pattern of shared values and beliefs that help individuals understand the marketing function and provide them with norms for behavior in the firm. An orientation and culture towards marketing within the organization is most imperative.

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The paper is based on primary research being undertaken on three banks selected from each category mentioned above. A questionnaire was developed with the help of which the marketing culture of a service firm was assessed. The questionnaire uses 34 items measuring six dimensions of marketing culture, as identified by leading researchers. These six dimensions are service quality, internal communication, innovativeness, organization, interpersonal relationships and selling tasks. The paper has used parametric approach to analyze and understand the attitude of the employees of each of the banks towards the dimensions identified. The inter-relationships among the six dimensions for each of the banks have also been studied. Weights have been assigned to the six dimensions and the responses have been accordingly assessed. The results of the analysis clearly show the foreign banks score the highest on the IMC index and the nationalized banks the lowest.

Key words: Marketing culture, liberalization, service quality, internal communication, innovativeness, organization, Inter-personal relationships and selling tasks