



ROLE OF MARKETING MIX IN THE EFFICACY OF BANKS AFTER EMERGENCE OF COVID-19: AN EMPIRICAL STUDY OF PUBLIC AND PRIVATE BANKS OPERATING IN UDAIPUR

Mahendra Pareek Research Scholar Department of Management, Bhupal Nobles' University, Udaipur.

Dr Rajni Arora* Head, Department of management Faculty of Commerce & Management, Bhupal Nobles' University, Udaipur.*Corresponding Author

ABSTRACT **Purpose** – The study aims to identify role of marketing mix with regard to Public and Private sector Banks of Udaipur after the emergence of COVID-19. **Design/methodology/approach** – A total of 200 respondents from the city of Udaipur provided the primary data. Structured questionnaires were used by the researcher. Initially, 230 participants were polled, but only 200 of them offered insightful responses, and the other 30 were unresponsive, incomplete responses that were removed for research purposes. **Findings** – The results revealed that there are differences among the respondents on building up of marketing mix in private and public sector banks in Udaipur city. The degree of change can be seen more in Private banks than in Public ones. Research limitations/implications – With a small sample size and a constrained sample area, data from the public and private sector banks were collected; a larger sample size and expanded sample area would have produced more accurate results. **Practical implications** – The study offers information about marketing mix creation, emergence of COVID-19, its combination and effect on respondents, which on itself is a crucial subject. **Originality/value** – The write-up is based on the researcher's personal opinion and the findings from the data collection, which was done on a primary basis.

KEYWORDS : Marketing Mix, COVID-19, Public and Private Banks.

1.1 INTRODUCTION

A significant tool for formulating the finest marketing strategy and putting it into practise using effective tactics is the marketing mix. Your total marketing plan must include an evaluation of the roles that your product, promotion, price, and location have played in the market. The combination determines which marketing plan is optimal for the organisation. Even before the marketing plan, it is the first step. This is owing to the fact that judgments you make regarding your marketing mix also have an impact on decisions regarding positioning, targeting, and segmentation. The components of the extended marketing mix are constantly interacting with one another.

In order to meet customer expectations and protect market share from an expanding number of competitors, the Indian banking industry is becoming more strategically focused, technologically sophisticated, and client driven. The primary forces behind the disruption of banking include a number of advances in digital technologies and a significant shift in consumer behaviour, profiles, and preferences. The factors influencing these developments have forced bankers to re-evaluate the role of bank marketing strategies, viewing them more as "enablers" than as merely suppliers of goods and services.

As mentioned stated by Kotler, P. (2003) in his book A framework for marketing management. Stated that "The marketing strategy is based on the marketing idea that being more successful than competitors at creating, delivering, and communicating superior customer value to target customers will ensure profits through customer satisfaction and be the key to achieving the company's organisational objectives. The "4 Ps," sometimes referred to as the traditional marketing mix, are product, price, place (or distribution), and promotion (or communication)." Borden first presented the idea of a marketing mix in 1953, first specifying 12 components of the manufacturer's marketing mix that were later condensed by other authors. E.J. Mc Carthy developed the 4Ps classification in the 1960s. In 1993, its R.F. Lauterborn proposed the 4 Cs classification, claiming that it was more focused on the needs of the consumer. In Lauterborn's paradigm, "Consumer" stands in for "Product," "Price" for "Cost," "Convenience" for "Distribution," and "Communication" for "Promotion." However, the conventional marketing mix must be expanded in order to include additional components in service marketing. The traditional 4 Ps, as well as the process of providing services, the physical environment, and people, make up the 7 Ps of the marketing mix.

The development of the marketing mix for financial services is primarily the responsibility of bank experts. They work to advertise their services and schemes profitably based on their knowledge and skills.

Frequent innovation processes are made possible by the bank experts' top-notch expertise, which makes it simpler for them to sell more while

spending less. Banking companies undoubtedly value the four components of the marketing mix—product, promotion, pricing, and place—as well, but in addition to the traditional combination of receipts, marketing experts have been talking about additional mixes in order to get the best results. In the management of the marketing mix, the "People" sub-mix is currently gaining a new position.

It is important to note that the calibre of a company's workforce assumes a position of extraordinary importance. Therefore, it is imperative to pay close attention to the training of personally committed, capable, and value-based personnel who make a substantial contribution to the process of making the efforts cost-effective. We also overhear some marketing experts discussing a novel combination: physical appearance. Recent challenges in the banking sector have been diverse, and businesses that pay close attention to the formulation processes succeed. The marketing mix is created similarly to the combination of ingredients and spices used in cooking.

COVID-19 has been a revolutionary shift in the working of the economy, on the whole. No sector has been left unaffected as a result of its inception. All the sectors have been affected either adversely or minimal due to it. Marketing mix, which is an integral part of the organisation's marketing strategy is also no exception to it. Through the present research paper we have attempted to touch this dimension by working statistically on the collected data

1.2 REVIEW OF LITERATURE

Mateev et al., (2022) in their research work titled as "Bank performance before and during the COVID-19 crisis: Does efficiency play a role?" states that overall, Our findings imply that managing at a greater efficiency level improves financial stability while also increasing the bank's willingness to take bigger risks. These results reinforce the assumption that efficient banks are more resilient to financial crises on a global scale and highlight the significance of regulatory changes for banks that increase efficiency in fending off the detrimental effects of the most recent (COVID-19) crisis.

Wibawa et al., (2022) in their research work titled as "Banking Product Marketing Strategy through Instagram Social Media in the Middle of the Covid-19 Pandemic" states that The purpose of this study was to ascertain how to convert marketing strategies from conventional to marketing through social media, notably Instagram, in the midst of the COVID-19 epidemic. The study's findings demonstrated that banking products was resilient to the pandemic and even had an increase in assets as a result of the impact of Instagram social media and digital marketing.

Raewf et al., (2021) in their research work titled as "The relationship between the elements of marketing mix and consumer behavior during environmental uncertainty" states that The researchers came to the

conclusion that there is no doubt that consumer behaviour principles are impacted by environmental uncertainty. Additionally, during crises and pandemics like COVID-19, consumer behaviour will shift. The key findings included a favourable relationship between consumer behaviour and product availability, quality, and price. However, commercials have a bad relationship.

Rumiyati et al., (2021) in their research work titled as “The influence of service quality, marketing mix, on bank customer satisfaction in the era covid-19” states that The findings demonstrated that customer loyalty is positively and significantly impacted by customer satisfaction. The reliability, effectiveness, and assurance of the service portfolio, price, and access are all impacted by customer satisfaction. In order to boost client happiness, Tangible needs additional attention.

1.3 RESEARCH QUESTIONS AND OBJECTIVES

The research questions that guided the above written hypothesis are:
 Q1. Has the efficacy been affected post COVID-19?
 Q2. Are the private and public banks of the same opinion on this subject?

The key objectives of the study are:

1. To study the efficacy of banks post COVID-19,
2. To compare between public and private banks keeping marketing mix in priority.

1.4 RESEARCH METHODOLOGY

200 respondents from the city of Udaipur who work for public and private commercial banks were contacted for the study. Purposive sampling is the method used because the sample was purposefully taken. The purpose of the Likert statements was to determine how respondents felt about the marketing mix and COVID 19 impact. The following hypothesis was put forth in order to determine how the pandemic affected the marketing strategies of public and private banks:

1.4.1 LIKERT STATEMENTS:

1. It was a very big cultural shift.
2. We as employees faced extremely big expectations.
3. It increased costs, reduced challenges and led to labour related challenges.
4. Rise in bad loans or non-performing assets.
5. The pandemic made us become more and more alert and design customer-oriented mix wisely.
6. The entire marketing mix was revised, re-revised multiple times to bring satisfaction.
7. Service marketing mix gained momentum and importance.
8. Product mix was revolutionary changed to meet the needs of the customers.
9. Credit risk, Operating risk and market risk increased significantly.
10. COVID brought latest innovations penetrate into the banking system.

1.5 DATA ANALYSIS AND INTERPRETATION

1.5.1 RELIABILITY STATISTICS

Table 1

| | |
|------------------|------------|
| Cronbach's Alpha | N of Items |
| 0.784 | 10 |

Table 1 displays the reliability statistics for the questionnaire used to collect data. Cronbach alpha was found to be 0.784, indicating that the reliability and performance coefficient is above average. As a result, we conclude that our questionnaire was adequate in eliciting the data analysis.

1.5.2 OVERALL OPINION OF RESPONDENTS

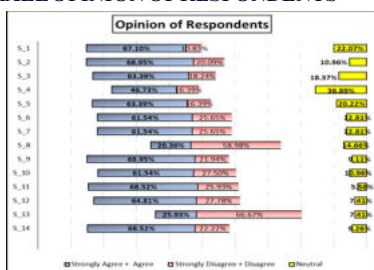


Figure 1

Figure 1 depicts a graphical representation of respondents' perceptions. The blue bars represent agreement, the pink bars represent disagreement, and the yellow bars represent neutral responses. The graph clearly shows that agreement was reached on the majority for ten Likert statements.

1.6 HYPOTHESIS TESTING

H₀₁: There is no significant impact of COVID-19 on the marketing mix of private and public banks of Udaipur city.

For the purpose of testing the above mentioned hypothesis “There is no significant impact of COVID-19 on the marketing mix of private and public banks of Udaipur city”, one sample t-test was applied and the result so derived have been furnished as follows

Table 2 One-Sample Statistics

| | N | Mean | Std. Deviation | Std. Error Mean |
|---------------|-----|--------|----------------|-----------------|
| Average Score | 200 | 3.7195 | 1.03140 | .07293 |

Table 3 One-Sample Test

| Test Value = 3 | | | | |
|----------------|-------|-----|-----------------|-----------------|
| | t | df | Sig. (2-tailed) | Mean Difference |
| Average Score | 9.865 | 199 | .000 | .71950 |

As depicted from the above Tables 2 and 3p-value was found to be less than 0.05 which indicates that population mean to be on agreement side and more than test value 3. As a result, the researcher fails to accept the null hypothesis and concludes there is significant impact of COVID-19 on the marketing mix of private and public banks of Udaipur city.

H₀₂: There is no significant difference in the perception of bank employees regarding significant impact of COVID-19 on the marketing mix of private and public banks of Udaipur city.

For the purpose of calculating the hypothesis average score of ten Likert statement was calculated and independent t-test was applied

Table 4

| Group Statistics | | | | | |
|------------------|-----------------------|-----|--------|----------------|-----------------|
| | | N | Mean | Std. Deviation | Std. Error Mean |
| Average Score | Public Bank Employee | 78 | 2.6346 | .76715 | .08686 |
| | Private Bank Employee | 122 | 4.4131 | .36226 | .03280 |

From the above table, the opinion mean score of Public Bank Employees (2.63) was found to be less than that of the Private bank employees (4.41), regarding significant impact of COVID-19 on the marketing mix of private and public banks of Udaipur city.

Table 5

| Independent Samples Test | | | |
|---|-----------------|-------------------------|-----------------------------|
| | | Average Score | |
| | | Equal variances assumed | Equal variances not assumed |
| Levene's Test for Equality of Variances | F | 73.768 | |
| | Sig. | .000 | |
| t-test for Equality of Means | t | -22.067 | -19.155 |
| | df | 198 | 99.236 |
| | Sig. (2-tailed) | .000 | .000 |
| | Mean Difference | -1.77850 | -1.77850 |

From the above table, as the significance value of independent sample t test was found to be less than 0.05, the researcher fails to accept the null hypothesis and conclude that there is significant difference in the perception of bank employees regarding significant impact of COVID-19 on the marketing mix of private and public banks of Udaipur city.

1.7 FINDINGS

The results from the above statistical analysis revealed that COVID has undoubtedly been a big challenge for both the types of banks but challenge for public sector banks strictly with reference to marketing mix designing has been even greater. This is because public sector working is of better flexibility degrees whereas private sector banks already have a strict work culture where employees are not given any kind of choices, the changes come and there is no other option than to accept it, thus the resistance level is weak in private sector banks and was found to be very high in public sector banks. On the basis of Likert statements, the mentions were commonly agreed by the respondents irrespective of respondents being private or public sector bank employees. But on the basis of core strength of the employees from their respective domains, a unique marketing mix is being developed post COVID which is different from the previous situation, now the banks have included product and service marketing mix more dominantly and integrally into their mix.

REFERENCES

1. Aburumman, A. A. (2020). COVID-19 impact and survival strategy in business tourism market: the example of the UAE MICE industry. *Humanities and social sciences communications*, 7(1), 1-11.
2. Idris, J. (2021). Marketing Mix 4Cs: Impact on Small and Medium Entrepreneurs (SMEs) Marketing Performance. *Proceeding of the 8th International Conference on Management and Muamalah*, 5(4), 221-226.
3. Mahbub, T. (2021). The Implication of COVID-19 Pandemic on Banks Marketing Preferences. Available at SSRN 3912742. Retrieved from <https://ssrn.com/abstract=3912742>
4. Mateev, M., et al. (2022). Bank performance before and during the COVID-19 crisis: Does efficiency play a role? *Review of Managerial Science*, 1-54.
5. Raewf, M. B., et al. (2021). The relationship between the elements of marketing mix and consumer behavior during environmental uncertainty. *Cihan University-Erbil Journal of Humanities and Social Sciences*, 5(1), 50-55.
6. Rumiati, R., & Syafarudin, A. (2021). The influence of service quality, marketing mix, on bank customer satisfaction in the era covid-19. *Ilomata International Journal of Tax and Accounting*, 2(1), 84-96.
7. Siahaan, M. (2020). Increasing the Role of Bank Financial Institutions and Non-Bank Financial Institutions in Providing Optimal Distribution for Communities during the Covid-19 Pandemic. Paper presented at the The 2nd International Conference on Business and Banking Innovations. Retrieved from <https://eprints.perbanas.ac.id/6299/>
8. Wibawa, I. K. A., & Maradona, A. F. (2022). Banking Product Marketing Strategy through Instagram Social Media in the Middle of the Covid-19 Pandemic. *Jurnal Ekonomi & Bisnis JAGADITHA*, 9(1), 76-81.
9. Wolok, T., & Kango, U. (2021). Factors Determining the Effectiveness of Sharia Bank Marketing Management During the Covid 19 Pandemic in Gorontalo Province. *International Journal of Accounting & Finance in Asia Pacific (IJAFAP)*, 4(3), 114-121.
10. Kotler, P. (2003). *A framework for marketing management*. Pearson Education India.