Research Paper Marketing

How to Increase the Success Rate in Banking Sale Campaigns

Barbu Bogdan Popescu | Bucharest University of Economic Studies

ABSTRACT

This article deal with a real concern of any organization, that of increasing the success rate in sale campaigns. There are several ways that contribute to raise the sales of a product according to the market strategy of each organization in general and of each bank in particular. I consider that, no matter the strategy a bank follows, there are 3 main aspects that a bank should take into consideration and improve if necessary, in order to increase the success rate of sale campaigns.
First, it is very important to improve sales skills of employees (this should be a concern not only for the organization, but also for each employee). Second, each sales people should promote a consultative sale. Third, banks should include in sale campaign only interested customers.
I will present additional arguments that will support the above mentioned statements.

KEYWORDS marketing campaign, sales skills, consultative sale, in depth interview

1. **Introduction**

Nowadays, taking into consideration the economic crisis, organizations in general, and banks in particular, are more interested than ever before to increase the success rate in sale campaigns.

Banks could improve the success rate of sale campaigns by concentrating on 3 issues as least.

Firstly, in any sale campaign it is very important that the sale people improveemployees' sales skills. Secondly, consultative sale (collaborate with the customer throughout the sale process) from the very beginning to the implementation of sales. Thirdly, include in sale campaign only interested customers.

In the pages below I will prove how the 3 issues that I mentioned before could help an organization in general and a bank in particular to increase sale campaigns

2. **Arguments**

(i) The first objective: **improve employees' sales skills**

This objective should be a concern both for employer and employees as well. Big companies have special training departments that teach employees how to improve their sales skills in order to obtain better sales results. Companies spend a lot of money in this respect. As mentioned by Altman I. (2014) "a publicly available program will often range from one to two days and cost $500 to $5,000 per participant".

In these trainings, employees learn sales techniques that help them to improve their sale skills. They learn how to address to customers, what to ask the customers to obtain what they need: concluding sale.

(ii)The second objective: **Consultative sale**

In my opinion a consultative sale is the key point of a sale. A consultative sale is that of selling a product taking into consideration the customers' needs and keeping the customer informed not only throughout the sale process, but only after selling a product or service.

The seller should discover the customers' needs even if the client says that he/she is not interested in purchasing a specific product or service. It is very useful here the previous sales experience, the ability of a salesperson to listen the customers. The sale person should not make suppositions, because these hypotheses the most times are not the ones that customers thought at.

The sale process is not finished when the product is purchased by the customer. After selling a product or a service, especially in banks, the communication between customer and sales person should continue because this is the point of starting another sale. A customer will be very pleased when the bank employee's call him/her asking if she/he is satisfied about that specific product or service. At this moment the customer could have other needs that might be accomplished by selling another product or service.

(iii)The third objective:**include in sale campaign only interested customers**

Banks organize various sale campaigns, according with their market strategy at a moment. The campaigns are designed for individuals and companies as well.

For individuals, sale campaigns could be organized to target persons with important amounts of money from other banks, by offering them better interest rate that normal for a period of time or sale campaign could aim people that have a debit card and are possible interested in buying a credit card with better facilities associates with the credit card.

For companies, sale campaigns could address to new firms (start-up companies) offering them preferential operational costs or could address to very good companies, with very good financial indicators to provide loans with attractive costs in order to acquire new business (make profit not only from borrow money, but also from transactional operations of the companies).

Preferential operational costs refer to better costs when purchasing a whole operational package than purchasing the components of the package separately. For example, the Romanian Commercial Bank, the most important Romanian bank taking into consideration the assets, offers various types of transactional packages that include, current account, debit card, online banking, ATM cash withdraw, included in the cost of the package, cost of the packagebeing more convenient than purchasing independently each product of the package (current account, debit card, etc.). A middle package with current account, debit card, online banking, and 2 ATM cash withdrawals, 2 local payments included costs 30 RON (approximately 7 EUR), while only the monthly fees for a current ac-

count, with nothing else included, costs 6 EUR.

I consider that the best results for a bank (in terms of profitability) could be obtained by including in the sale campaigns not only eligible people for a certain product, but also only interested people.

Popescu has made a research to find out what is the problem in a Romanian bank where the success rate of credit cards sales campaigns is low. The problem identified was that in the sale campaigns were introduced only the eligible persons in terms of banking conditions. This approach was not proper, because most of those people included in the campaign were not interested to buy a credit card; they had not the right profile for buying a credit card or they were interested in a better product from their point of view.

The solution identified by Popescuin order to increase the success rate of credit card wasto select the customers that were eligible taking into consideration the banks regulations, and then tocalculate a rating for every eligible customer that does not have the product (credit card), and then associate a certain profile ("*interested*" or "*not-interested*") for every customer. The interest profile has been shaped using a model based on discriminate analysis (Hair, Anderson, Tatham and Black, 2009). So, those customers that are included in the "*interested"* group are people with a better probability to purchase a credit card. The rest of the customers that are eligible but do not have the profile of the clients that have a credit card are included in the "*not-interested"*group. In order to obtain the best results in the sale campaign should be included only the interested customers. This approach will contributes to sell credit cards only to "*interested*" people, therefore, the success rate of sale campaign raises.

3. **Conclusions**

To conclude, I think that the 3 aspects detailed above (improving employees' sales skills, using a consultative sale approach and including in sale campaign only the interested customers) are very important in order to increase the success rate in banking sale campaigns.

Sale campaigns are generally organized for existing customers and it is essential for any bank to sell as much products as possible to each customer. When an existing customer has a large number of products at a single bank (debit card, credit card, current account, mortgage loan, etc.) it is difficult for that customer to migrate to other bank.As Aaker, Kumar and Day(2013)mentioned,"customers are easier to retain than acquire. The first reason is that it takes five times the energy and budget to get a new customer as it does to keep an existing one. A disproportionately small number of your customers generate a very large proportion of your income. The old 80/20 rule – that 80 percent of your business comes from 20% of your customers – is a remarkably accurate generalization".

For the reasons mentioned above, it is very important to any bank to keep the existing customers and to increase the products and services that each of the customers have at a bank, by gaining as much business as possible from sale campaigns.

REFERENCES

1.Aaker, D. (2014). Strategic Market Management (10th ed.). USA: John Wiley & Sons Inc. | 2.Aaker, D.A., Kumar, V., Leone, R.P. & Day, G.S. (2013). Marketing Research (11t h ed.). Singapore:John Wiley & Sons Inc. | 3.Altman, E.I. (1968). Financial Ratios, Discriminant Analysis and the Prediction of Corporate Bankruptcy. The Journal of Finance , 23 (4), 589-609. | 4.Altman, I. (2014). How Much Does Sales Training Cost? Available: http://www.forbes.com/sites/ianaltman/2014/12/01/how-much-does-sales-training-cost/ (Jan, 2014) | 5.Chernev, A. (2011). Strategic Marketing Management (6th ed.). USA: Cerebellum Press. | 6.Hair Jr., J.F., Anderson,R.E., Tatham, R.L. & Black,W.C. (2009). Multivariate Data Analysis (7th ed.). New Jersey: Prentice Hall, Upper Saddle River.