

THE BANKING MARKETING IN SUSTAINABILITY CONDITIONS

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Banking Marketing and Quality Management

1. Introduction. Quality - a need for the consonant development of companies (brands)

The search for quality had been already proven also in other branches and professions. An increasing number of European institutions are to be launched with determination relating to the application of a total quality policy, expressed by a certification application form.

The attitude of the bank toward quality becomes a reality for at least three main reasons of efficiency: benefit, the pressure exercise by the competition and the evolution of client's expectations.

First of all, the benefit. Some authors observed that "If inside companies we will account all useless and wrongly performed activities, there will result a deposit of about 20% to 30% from the turn over". Other experts issue more modest estimations for the costs related to lack of quality, estimating that it represents 10% or 20%, depending on the companies. At Merrill Lynch, almost two hundred quality teams had been created to reduce the errors and to simplify the procedures. According to the officials from the company, this action would have been generated lower costs of about five million euro. No doubt, that these kind of economies represent an important source of reflection for banks, which are aware of the need to realize productive earnings.

The competition is, probably, the second reason of progress in respect to

quality. As in other industries, the lack of quality and a big competition might become a major cause of the decline.

The trump of quality is even more important, because the clients' expectations develop. The clients' sensibility to incidents is a phenomenon registering a progressive process. In this respect, it is interesting to observe that in the eyes of public opinion, in some countries, there will be accepted less the incidents coming from the bank than the ones coming from the police, for example. The development of the internet, by means of forums, "chats", "blogs" and various methods for clients to meet, only makes stronger the imperative of quality. The ISO certification is more and more required by the clients of the company. Quality provision required the consumers' approval.

Due to the employment of a quality policy, a company can leave the vicious circle of lost clients to enter into the circle of faithful clients.

2. From quality to legality

The change of a mentality imposes to banks to develop policies that go beyond the quality in order to reach the legality. The thing to have a clear conscience and legal justice is not a sufficient reason to keep and attract clients, if the attitude of the institutions is not considered legal by the environment factors.

Beyond the quality of offers, the trading and communication relations increase the consumer's sensibility to the ethical and social role of the companies with which he wants to have relations.

The legality inside the surrounding environment refers to all proposals and actions beyond the simple relation client – supplier. The financing of the polluting industries by a bank, the refuse to participate to the insurance of certain natural disasters which harm the population, as a result of unforeseen disasters, can be considered as illegal before the clients and to bad plate the requests for a service.

These phenomena might have a negative impact, if the company supports a part of its image and identity on an ethical approach. The Benetton Company knew in the United States a strong rejection of the communication means, considered as illegal and shocking by its clients. Confronting with a deviation of its clients and of its distribution networks, it was necessary to revise its policy. The companies in France, for example Caisses de Crédit Mutuel, base their image on a strong commitment to ethical and social values. The legality of their actions within their media cannot enjoy of a limited quality policy, for the offers and communication actions. It integrates all the partners' behaviors and attitudes when they are assimilated as an image of the company.

3. *Establish a policy of quality and legality*

The organization of an efficient quality and legality policy starts by drawing up a middle term plan. This fact usually implicates four stages:

- performance of studies;
- establish a strategy of quality or legality on term;
- apply the methods;
- define the control procedures.

Most of the times, the quality development process has three stages.

First of all, *one should improve the personnel's attitude from different company departments*, by creating inside the company, a communication attitude, understanding and mutual trust.

Secondly, *one should develop relation of friendship as competent as possible, between the personnel from the*

headquarters, regional offices and the personnel networks.

Thirdly, *one should apply a policy of competence volunteering, friendship and dynamism between the companies' representatives* (central office and networks) and clients.

The assembly of this policy, with the improved technical and trading procedures, should permit, in time, the bank companies to give a concrete content at positioning the company: "amability, professionalism and dynamism". The success of a quality policy is always hard to be obtained on a long term.

Two professors from, M. M. Jean-Charles Chebat and Michel Langlois propose to the banks a method to apply a very efficient policy in this area. It is based on what people call the 5 C:

- communication;
- commitment;
- cooperation;
- creating a quality climate;
- creating a quality culture.

Being an employee consists in trusting the quality policy to an important leader.

4. *The marketing and durable development*

The concept of durable development. Right from the beginning, the company extended its circle of influence.

Paternalistically, it took care of the life and welfare of its workers and employees.

Today, or first tomorrow, it should take into consideration all the consequences of its activity related to the environment on a widely meaning: nature, humans, society. It should take measures to observe and to make others observe the principles of durable development.

At the end of 1987, Brundtland gave a definition for the durable development in the report having the same name, and it was presented to the World Committee for the Environment and Development

and to General Committee of ONU: “A development which allows to present generations satisfy their needs, without endanger the capacity for the future generations to fulfill their own needs”.

5. The consequences of durable development for the marketing of tomorrow

The consequences of the marketing, related to the durable development, arise from the fact that those defending causes gather adhesions from the clients, who are natural persons, specialists, institutions, companies. Supported by the power of the curative doctors, who are aware of their influence and who increase their professionalism in communication (ONG, trade-unions), the subjects of durable development tend to direct the consumers' choices. They meet in an increased number of domains directly related to marketing.

Among these we notice:

➤ *The choice of products and services*

The consumers and partners' exigencies over the product are definitively recovered in the end without affecting the entire production and distribution chain. The company cannot be satisfied anymore to sell good products. They must be manufactured in accordance with the principles of durable development. The company must control the entire chain of suppliers as well as the quality of the production methods. In conclusion, we need the following: raw materials, the respect for the environment, social and financial ethics.

➤ *Choosing the investments*

The concept of responsible social investment (RSI), coming from North America, is a current which tends to grow, from the economic and social point of view in developed countries. RSI could be an important selection criterion in actions related to mutual funds or retirement funds. A set of financial funds, of ethics including AXA-Generation; Pactéo (label LCL); Horizon solidarite (Prado Epargne) already exists.

Different actors of social development, as ONG or trade-unions seem to have fully understood the role and the power they can benefit of by means of durable development. Well informed, they will not miss the development of professionalism in marketing and communication. They support the creation of clues or labels, allowing the directing of clients and stockholders to companies which respect the imperatives of durable development and of RSI.

Besides the labels and criteria, the interested parties strongly influence by communication activities with the clients, by lobby between states and government organizations. The lobby can have a direct result over the law regulating the creation of new products. In order to quote an example, in case of future retirement funds, some trade unions request that the companies which can benefit from these funds to respect the accurate criteria of RSI, answering to the preoccupations of social partnership and which are integrated into the legislation in operation.

➤ *The pressure of public authorities*

An increasing number of law related to durable development are to appear. They mainly refer to the: environment, social area, economy. The Europe is concerned by this problem. Today it limits only to editing a white book, tomorrow these could be the directions.

The marketing has the task to help companies to develop pertinent policies in relation to the important subject of the durable development. From now on, it is necessary to initiate a reflection starting from the multi disciplinary project teams, allowing for the anticipation of problems and preparation of the answers to different hypothesis and alternatives which may arise.

It is also imposed the need to establish a policy for lobby and communication, inclusive for products and services; the provision of an internal organization which can permit to answer to the RSI requests, comparable to the one connected to the ISO quality

certification; the possibility to create a ISO 14004 which integrates an answer to the problems of RSI.

➤ *The interest of the bank for durable development*

“The durable development starts as a business plan which turns into a business philosophy”. The interest of the companies for durable development aims several preoccupations:

a. Is an excellent way to create the internal cohesion and to collectively mobilize their personnel starting from the major ethical causes. They can be directed toward the search of a cohesion in a national or international frame. Companies like AXA, HSBC, in their assay to establish common values at the global level of the group, have the possibility to use the cause of the durable development as an unification instrument.

b. It contributes to the improvement of the internal productivity;

c. The protection of the environment leads to a decrease in the energy consume;

d. The obligation to recycle the waste prevents wastage;

e. Good social administration, if we make reference to a study performed by the Agency of Labour Force Occupation, represents for the financial analysts a factor of benefit;

f. Searching for new methods, in order to adapt to these requests leads to the development of creativity and innovation in entities;

g. Protects against the risks generated by major dangers;

h. The observation of the financial ethics and the development of efficient financial instruments against money laundry can prevent the processes within the financial institutions, but also the degradation of the image;

i. The rejection of clients which does not comply with RSI can protect the companies against the accusations of wrong faith which causes risks of sale in loss;

j. The improvement of the profit of the clients' products and services by reducing the risk, especially the industrial risks. A company observing the durable development is less exposed to certain major risks. The permanent concern for improvement in the economic domain, environment protection, cannot only but contribute to the diminution of the industrial risks effects, but also the financial ones, with an improvement within the management of the company. This is an innovation source and creation of proposals for new products and services. The rise of interest for the requirements of durable development inevitably employs rations of prevention. An important market of risk anticipation is a reflection source for marketing.

This leads to the clients and suppliers to become faithful and it represents an original and relevant argument toward the companies implicated in this domain. The argument can be also used in cases of reconciliation or in case of mutual associations which fight for the common values of RSI [6].

The durable development can become the key of success for future banks.

Conclusions

Nowadays, the banks “are directed to client” or condemned to extinction. The marketing is expected to become, beside a basic management function, a thinking which will affect the entire personnel. Just like in the case of wide range trading companies, this led to a transformation of the structures and attitudes toward the clients.

Keeping faithful the clients, the attraction of new consumers starting from attractive brands, the development and maintenance of more clients by offering a package fully adapted to their needs, the inclusion of new technologies, as part of a strategy, become the new essential “challenges” for the success of tomorrow.

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