

**THE PECULIARITIES OF ADVERTISING ACTIVITY ON DOMESTIC MARKET
OF BANKING SERVICES**

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The topicality of the theme is stipulated by the fact that under the conditions of globalization and integration of national economies the world finance crisis, which started in the financial sector and developed into other spheres of national economy, influenced the development of Ukrainian economy and some of its branches in particular. That's why during mass bankruptcy and the loss of capability to repay obligations, banking institutions are in need of using new qualitative methods for attracting customers. One of such methods is advertising. Today, advertising is the most effective and widely used means of influencing the consumers in the marketing communications processes.

The objective of the work is to investigate the peculiarities of advertising activity on domestic market of banking services.

The problems of advertising activity on domestic market of banking services have been highlighted in works of N.Dmytrykovs'ka, O.Radchenko, A.Avranchuk, T.Koniahina, R.Cherkas, etc.

One of the main tools in attracting or not losing the client for any bank is advertising. Advertising of banking products is aimed at formation and stimulation of demand. In its turn, being the prestigious or corporative, the firm's advertising is a commercial advocacy of a positive bank image. A prestigious advertising is addressed to the public in a broad sense, whereas the products' advertising has a peculiar target and is directed toward a target group.

Properly constructed promotional bank concept is the key to its future success. Only thoughtful range of marketing activities and not random advertising appeals will lead to the desired result. A systematic planning of expenditure will help to minimize the expenses and prove the effectiveness of advertising activities being held.

Advertising of banking services is a means of informing about the institution and the services it provides, the commercial promotion of the consuming services quality offered to customers, and the prestige of a particular institution. The result of advertising activity is the preparation of an actual or potential client to the establishment or expansion of business contacts; it is designed to solve the most difficult task – to form and to stimulate demand for financial services.

Not all forms of advertising can be used in banking, but it is one of the most significant communicative means. Advertising activity is generally aimed at meeting the needs of consumers and society as a whole, but sometimes bank's interests of bank may dominate. Advertising can be the means of public awareness manipulation. Such advertising is dangerous enough, because it may harm the image of the bank as of the one ready to meet the customers' requirements.

Advertising of a banking institution in the marketing field today is based primarily on the stability and reliability as a symbol of clients' trust. Such advertising is aimed primarily at consolidating the image of the bank and maintaining a certain image. Positioning of banks as trustworthy institutions is compulsory and inherent, but using only this approach is not always sufficient for the individual bank. It is therefore necessary to find and show those individual aspects that differentiate a particular bank from others. Creation of advertising is responsibility of the marketing or advertising department. However, not all banks can afford such department, as it is cost-consuming.

Prior to the crisis the tendency to increase expenses on advertising and marketing

activities was observed among Ukraine's leading banks. However, as the result of the crisis this impact somewhat reduced. Currently, banks tend to resume marketing activity and to lead an active advertising policy. As to advertising, the largest share takes television advertising – about 50%. Herewith, bank advertising has become more conservative and traditional, as it is associated with a reduction of its risk. Retail banking products, mainly deposit deals and consumer borrowings dominate among the advertising objects. In 2011 the focus of advertising campaigns was observed on credit products, payment cards and electronic banking.

Thus, among the banks which most actively use marketing tools, advertising in particular, may be noted at the following banks: “VTB Bank”, “UkrSybbank”, Bank “Finances and Credit”, PJSC “Universal Bank”, PJSC “Unicredit Bank”, PJSC “Bank Forum”, PJSC “PUMB”, PJSC “Index-bank”, and PJSC “Ukreksimbank”. The advertising budget of the institutions mentioned is about 43% of the total budget on advertising of all national banks.

Research of the development tendencies of the international and domestic markets of marketing communications suggests that most common tools of bank marketing communications are advertising and Internet-marketing. Thus, for example, in 2002-2012 Ukraine's expenditure on advertising has significantly increased, in particular: on television advertising – 9 times more, on radio advertising – 8 times more, on press advertising – 18 times more, on Internet advertising – 113 times more.

During 2008-2012 at the banking services' market of Ukraine, segments of attracting short-term deposits of individuals, consumer crediting and legal persons' crediting (about 101.2%, 38.7% and 29.0%) were actively developing, while the amount of long-term loans given to natural persons decreased by 41.0%.

Right now, an image advertising of a banking institution becomes less popular, focusing on individual user. The methods of advertising help to convey their image and uniqueness. Previously, the advertising of banking institutions was limited to announcing of loan rates and deposit percentage; today it is insufficient, and the client is more eager to have freedom in choosing a bank, banking services and products.

Some Ukrainian banks are trying to use advertising to a larger extent, but its quality can not always be highly appreciated. The development of bank marketing should precede the active use of advertising by Ukrainian banking institutions. With this aim Ukrainian banks may benefit from the experience of foreign banks and expand knowledge in the sphere of bank marketing and advertising. Choosing a bank, the customer, above all, pays attention to the recommendations, appropriateness of banking services to its specialization, its reputation, and history of relationships with business partners. The advertising itself helps to inform the customers with banks offers and draws customers' attention to those important aspects which the bank wants to highlight. Direct advertising has little effect on the selection of banking institution by the client, but it reinforces knowledge about the bank, increases awareness, represents marketing strategy and helps to maintain bank image.

Thus, to improve the effectiveness of advertising activity for banking institutions it is necessary to use not only approved media such as television, radio, press and outer advertising, but also to attract new placing facilities: cinema, Internet, mobile networks and metro, etc. Formation of the right image is an important factor in the process of marketing communications' complex development.