



Studying the Relationship between the Marketing Mix and Absorption Deposits Foreign Nationals in Saderat Bank (Studied All Bank Branches Export Mashhad)

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Abstract: deposit attraction is one of the main factors in bank's economic growth which as a complementary for internal savings other than filling the savings' gap can fill the currency gap as well through internal and external sources. So the purpose of this research is studying the relationship between marketing mix components and deposit attraction in Saderat Bank branches. The present study has a functional purpose and correlation-descriptive method. The population of the research are managers of all Bank branches in the city, 108 of which have been selected randomly as samples. Data questionnaire structures was approved due to the reliability of 94/0. Data analysis was done using the Pearson correlation coefficient and stepwise regression. The results showed that all marketing mix components have a significant relationship with deposit attraction of foreigners in Mashhad city. Also the results of stepwise regression analysis showed that the marketing mix components predict 53% of the deposit attraction changes.

Keywords: Foreigners, Deposit Attraction, Saderat Bank, Marketing Mix.

INTRODUCTION

In developing countries and transitional economies, with less developed financial markets, banks are important institutions, because they are a safe place for the maintenance of people's cash assets and providing suitable financial services and having various accounts, proper to different people's needs in different times, banks work as the most important institutions that collect cash assets. (Huang and sarigollu, 2014). On the other hand, banks act as financial intermediaries and help lower the risk of investment providing various methods. For the realization of this intermediation, banks finance different projects and any dynamic economy needs the constant flow of investment to continue to growth and develop (Kumar, 2013). In order to have investments in the economy it is necessary to have savings first. To achieve this purpose, non-usury banking operations law has set a framework so that people's deposits can be involved in investments through the banking system. (Yoo and Lee, 2012) therefore, we can say deposit as bank's main source is very important, because the status of deposits has an impact on liquidity and liquidity risk and the amount of granting facilities and as a result on operational costs and income of the Bank. Therefore, deposit

attraction as the main part of banking activities provides the required field to perform complementary functions of non-usury banking operations law (Ghadiri, Soori and Bahrami, 2013).

Based on theories and rules of banks there are many ways to attract deposit and based on international organizations' authorities' opinion attracting deposit from foreigners can be as a reliable financial source for developing countries, because according to the current challenging world in which we are facing economic obstacles and problems every day and the impacts of years of sanctions still remains on Bank economics, one of ways to overcome this problem is attracting deposits from foreign sources. Today attracting financial resources are so critical for banks and it has created a very strong competition between them (Nazari, Bordbar, Emami and Hosseini fard, 2010). In this regard, and during the recent decades, new fields have been made to attract more Bank sources and offer better and faster services to customers.

One of the ways of attracting deposits from foreigners is using marketing techniques (ManchandaRossi and Chintagunta, 2004). Marketing at any Bank, is considered a subsystem which is interacted with all Bank subsystems and as a result with the original system that is the totality of the Bank. Upgrading marketing system, leads to upgrading other systems and as a result upgrading the whole Bank, and the other hand, upgrading other systems is also effective on marketing system. (Harel and Tang, 2011). In the meantime, awareness of banking services marketing mix element and how to use any of the parameters related to them including type, diversity, quality and size of banking services, rate and facilities and credits conditions, distribution cover, time, location, new facilities and equipment to offer services such as electronic banking and using advertising and promotion tools and techniques and sales services and managing the relationship with customers and especially managing brand name. if these tips are considered banking system's new marketing and if they are used by professionals with help and support from senior managers, they can improve banks' competitive force in attracting deposit and provide an advantage in competing for them (Grimpe and colleagues, 2017). In this regard, Abhiman and colleagues in 2009, considered human resources, education of the staff, environment of the Bank, location of the Bank, advertising, government rules and regulations and reducing government's interference in Bank affairs, important factors in attracting people's deposits by studying some branches of some of india's big public banks. they believe the most important and effective factor in attracting people's funds is human resources. Jung and Zhang (2006) studied the long-term profitability in Taiwan's banks and concluded that banking services is the most important factor in the profitability for branches of the studied Bank. So marketing mix components can be one of the factors affecting deposit attraction from foreigners.

Also organization chart of Iranian banks show that most of them still have no independent Department of marketing. It's obvious that without Department of marketing reaching goals in marketing is impossible. on the other hand, banks that have created it also, due to lack of offering the necessary authority, bright and effective, lack of accurate and effective job description and reaching goals and marketing strategies, couldn't benefit from this area's features and capacities. The lack of structure has caused the critical task of adjusting coherent, seamless and comprehensive mixes to be divided between groups of staff that most of them lack marketing sight and knowledge. For example, the task of sales advance (focusing on ads) is done by public relations, new products and processes by planning and programming, pricing by financial management, physical evidence by support and location by branches affairs. They all follow their marketing duties alongside other tasks and their responsibilities. Even the most important matter such as the quality of services is left without anyone responsible for it. on the other hand, foreigners are special customers for banks, so using marketing techniques for foreigners and studying the factors which can help get best use of these techniques seem necessary.

Also today putting the competition between available national banks aside, creating new private banks, new financial and credit institutions and also spreading current account institutions' have added to the competition for attracting financial sources in the country's banking system. (Armstrong, Adam, Denize and

kotler, 2014). Therefore, we can say that foreigners can be a profitable source for banks and we can take a step towards attracting their deposits using marketing mix techniques.

Research Method

This research is practical in terms of purpose and correlation in terms of descriptive method, in this research deposit attraction is criterion variable and marketing mix is predictive variable and it is trying to study the relationship between marketing mix and deposit attraction from foreigners in Saderat bank. According to the territory of time and location, research population includes all senior managers of Saderat Bank branches in Mashhad who were working in the years 2014-15 and 108 of them were selected. Data was gathered using a questionnaire which includes two circulars, general questions and specialized questions. In the circular in addition to the research title, the aim of data gathering has also been explained. general questions which contains three questions about managers' features: age, job experience and education degree. also specialized questions include the essential questions about studying the relationship between marketing mix components and deposit attraction. Validity and reliability of the questionnaire was also studied. Validity of questionnaire was approved using face validity. The reliability of questionnaire was also approved with 0.94 coefficient using cronbach's Alpha coefficient. In order to analyze of questions descriptive statistics, Pearson's correlation method and regression was used. For information analysis SPSS software was used.

Descriptive statistics of research variables

Table 1: respondents descriptive profile

| Variable | Group | Frequency | Percentage |
|-----------------|---------------------|-----------|------------|
| Gender | Men | 75 | 68.8 |
| | Women | 34 | 31.2 |
| Age | 25-35 | 21 | 19.3 |
| | 35-45 | 42 | 38.5 |
| | 45-55 | 39 | 35.8 |
| | 55 and more | 7 | 6.4 |
| Work experience | 1-5 years | 72 | 21.17 |
| | 6-10 years | 102 | 34.00 |
| | 11-15 years | 91 | 26.76 |
| | More than 15 years | 75 | 20.93 |
| Education | High school diploma | 14 | 12.8 |
| | Associate degree | 11 | 10.1 |
| | Bachelor degree | 56 | 51.4 |
| | Master degree | 28 | 25.7 |

According to the table above, the majority of male respondents, are between the age of 35 to 45 and the have work experiences between 10 to 15 years, and have bachelor's degree.

Findings

Table 2: the results of pearson's correlation test in examining the relationship between the absorption deposit and factors marketing mix

| Predictive variable | Criterion variable: attracting deposit from foreigners | |
|---------------------|--|-------|
| Price | Correlation coefficient | 0.67 |
| | Significance level | 0.001 |

| | | |
|-------------------|-------------------------|-------|
| Product | Correlation coefficient | 0.52 |
| | Significance level | 0.01 |
| Place | Correlation coefficient | 0.74 |
| | Significance level | 0.01 |
| Promotion | Correlation coefficient | 0.62 |
| | Significance level | 0.002 |
| Staff | Correlation coefficient | 0.57 |
| | Significance level | 0.002 |
| Process | Correlation coefficient | 0.51 |
| | Significance level | 0.04 |
| Physical evidence | Correlation coefficient | 0.73 |
| | Significance level | 0.003 |

Results showed that all marketing mix factors have a positive and significant relationship with deposit attraction from foreigners in Saderat Bank branches.

In order to measure the effect of marketing mix components in deposit attraction from foreigners, stepwise regression was used.

Table 3: the effect of marketing mix components on deposit attraction using the regression test

| Steps | Variables | R | R ² | Beta | T | p |
|--------------|-------------------|------|----------------|------|------|-------|
| First step | Staff | 0.65 | 0.26 | 0.54 | 6.41 | 0.001 |
| Second step | Process | 0.47 | 0.30 | 0.50 | 3.9 | 0.003 |
| Third step | Price | 0.51 | 0.34 | 0.43 | 3.5 | 0.001 |
| Fourth step | Promotion | 0.38 | 0.39 | 0.24 | 3.2 | 0.001 |
| Fifth step | Place | 0.74 | 0.54 | 0.27 | 3.2 | 0.04 |
| Sixth step | Product | 0.52 | 0.27 | 0.41 | 2.2 | 0.01 |
| Seventh step | Physical evidence | 0.73 | 0.53 | 0.54 | 1.2 | 0.004 |

according to the listed results in table 3 the regression has gone forward to seven steps. According to data in table in the first step staff components has been put regression equation. At this stage the calculated determination coefficient for this variable is ($R^2 = 0.26$) meaning that this variable predicts 26% of the deposit attraction from foreigners' variable variance. In the second step process variable has entered equation. The predicted determination coefficient for this step is ($R^2 = 0.30$) meaning that these variables together predict 30% of the deposit attraction from foreigners' variable variance. In the third stage price variable enters equation, the predicted determination coefficient for this variables in the third step is 0.34, meaning that these variables together predict 34% of the deposit attraction from foreigner's variable variance. And in the fourth step promotion variable enters the equation, in this step the predicted determination coefficient is 0.39 meaning that these variables together predict 39% of the dependent variable's variance. In step four promotion component enters the regression equation is. At this stage the calculated determination coefficient for this variable is ($R^2 = 0.39$) meaning that this variable predicts 39% of the deposit attraction from foreigners' variable variance. In the fifth step location component enters regression equation. At this stage the calculated determination coefficient for this variable is ($R^2 = 0.54$) meaning that this variable predicts 54% of the deposit attraction from foreigners' variable variance. In the sixth step product components enters the regression equation. At this stage the calculated determination coefficient for this variable is ($R^2 = 0.52$) meaning that this variable predicts 52% of the deposit attraction from foreigners' variable variance. In the seventh step, physical evidence component enters the regression equation. At this stage the calculated determination coefficient for this variable is ($R^2 = 0.53$) meaning that this variable predicts 53% of the deposit

attraction from foreigners' variable variace. In other words, we can say that the marketing mix factors predict up to 52% of deposit attraction from foreigners.

Conclusion

In the present study, the relationship with marketing mix factors and attracting deposits from foreigners has been studied. The results showed that all marketing mix factors are effective in attracting deposits from foreigners.

Saderat bank's deposits that are an indicator of the amount of deposits of commercial banks, as a part of individuals' income which hasn't been consumed is one of the most important factors in the formation of capital and savings to achieve economic growth and development (Ismail poor and Sayadi, 2016). The importance and sensitivity of banking system in the total economic system of each society, has guided governments to adjust the circulation and amount of money in the society using monetary policies, and to reach this purpose use banks as a powerful lever to achieve their economic goals (Amini, Mohammadi, Fakhr hoseini, 2009). According to the strategic situation of Mashhad city, Bank managers should consider attracting deposits from foreigners as one of their important goals because these people's deposits are valuable for banks for two reasons: 1. It can prepare currency country during the post-sanctions era. in fact, it is one of the solutions in resistive economy as well. 2: the money these people give to banks increases bank's ability of giving loans so banks use these resources to pay more loans for manufacturing affairs and investment and this way Banks provide can bank facility rate, payed interest and commission and other currency and rial services for these people by attracting their deposits.

The results of correlation test showed that the location factor among other marketing mix factors has more correlation coefficient which shows that this factor is more important. According to geographical and spiritual situation of Mashhad that is proud to hold eighth Imam of Shia's holy shrine, therefore, in all seasons embraces the pilgrims including foreign customers and in particular Shias from other countries, especially countries surrounding the Persian Gulf; so because most of these clients due to their respect for Razavi shrine mostly choose nearby places for residenc, so there should be more branches in this area for convenience these customers that Saderat bank has somewhat been successful in this field.

Also it is noteworthy that regression results showed that marketing mix factors all together predict 53% of the changes in deposit attraction. therefore, according to the obtained determination coefficient we can say that the marketing mixed factors which include 7 components, and by covering all factors such as the price, location, promotion, physical evidence, product and provided service, staff and process, is actually a complete collection for effecting on deposit attraction from foreigners which people in charge can benefit from it.

Based on the results in order to improve the performance of banks in attracting deposit from foreigners these are suggested:

- facilitating getting loans from banks for foreigners
- setting up special 24-hour bank counters to provide services around the shrine and crowded places.
- using ads in the city entrances, terminals, airport, train stations and places religious and Recreation and tourism in the top of the shrine Razavi is.
- using employees fluent in English and Arabic
- having bank forms and contracts common international language

Suggestions for future research:

- studying factors affecting deposit attraction from foreigners using other models
- checking legal obstacles in deposit attraction from foreigners

This study also like other researches in the Humanities, has problems and limitations, which include:

1. absence of internal and external research history about foreigners

2. lack of appropriate cooperation from authorities related to the Bank in providing the required detailed statistics which was solved with frequent follow-ups.

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