1. INTRODUCTION

Marketing of services is a specialty and not same as marketing of goods. Goods and services differ in characteristics. Services have unique features create unique implications in marketing of services.

In other words, service marketing is totally different from product marketing. The difference between them is because of its unique features and they are as follows:

a. A service is a Performance.

b. In services, there is no transfer of Ownership.

c. Services are Intangible.

d. Services are Inseparable.

e. Services are Heterogeneous and variable.

f. Services are Perishable.

Thus, Service marketing is more challenging and complex than product marketing but it is essential if a firm wants to expand its services create larger market share, earn higher revenue and profit. Marketing in general is a difficult task and a good marketing personal has to take this challenge for his survival and growth.

The task involved in services marketing are understanding the nature of services, understanding customer and his expectation of services, developing service product, organizing service delivery/system/channel, pricing the services, promotion of services, planning of 7 P’s, achieving differentiation of services, measuring services quality, monitoring customer satisfaction to name a few of them. The factors that are responsible for growth of services sector in Indian economy are demographic, psychographic, socio – cultural, political, etc. to name a few of them for functioning of the services in effective manner.
The financial system of an economy includes all financial institutions and financial markets. All the services that are provided by these financial institutions and financial markets can be brought under one head named as ‘Financial Services’. In a broader sense it implies mobilizing and allocating savings. It includes all those activities that will involve in transformation of savings into investment.

Efficiency of an emerging financial system highly depends upon the quality and variety of financial services provided by financial intermediaries. The term financial services may be described as ‘any activity, advantage, satisfaction, linked with the sale of money that offers to users and customers financial based value.’

The financial services industry is an important pillar of the Indian financial system. The financial sector bridges the gap between the users who wants the funds and the saver’s who possesses the funds thereby making sure that difference can be narrowed out.

The financial services can be conventionally classified into two broad categories: -

(i) Capital market intermediaries consisting of term lending institutions and investing institutions providing long term funds.

(ii) Money market intermediaries comprising of commercial banks, co-operative banks and other agencies which supply funds for short term requirements.

Thus, financial services include all kinds of organizations, which intermediate and facilitate financial transaction of both individual and corporate customers.

The entities that provides financial services comprises of categories such as: Non Banking Financial Companies (NBFC’s), Commercial Banks and Investment Banks.

The term financial services includes all functions, activities and instruments which helps in transforming of savings into profitable investment. The financial services includes wide variety of services such as Fund Based/Non-Fund based Services like Merchant Banking, Hire Purchase, Leasing, Discounting, Forfaiting, Factoring, Securitization of Debts, Credit Cards, Mutual Funds, Credit Ratings, Derivatives, Venture Capital, Crowd Funding, Underwriting, etc. to name a few of them.
Banks are providers of financial services, financial intermediaries, and key participants in nation’s payment system. Banks play a very important role in the economy and financial well being of the nation. Banks as institution deals with money and credit. Banks are not merely custodian of money but also manufacturers of money.

In India, banking structure is classified into Scheduled and Non-Scheduled commercial banks. Where scheduled banks refers to banks included in second scheduled of RBI, whereas, Non-Scheduled banks are those that are not included in second scheduled of RBI. The different types of banks are central bank, commercial bank, industrial banks / development banks, exchange banks, co-operative banks, etc, which offers a wide variety of services as per the needs of their customers in the market.

Indian Banks were traditionally in the 'Business of Banking', namely borrowing from one market and lending to another. However, since the commencement of banking sector reforms in the early 1990s, their orientation has become the 'business of financial services', with a much wider focus in relation to consumer market needs and consequent marketing strategies.

Due to de-regulation in India, since 1992, technology backed with an aggressive competition by banks made banking business a cut throat competition in the market. To enable banks to remain in competition and being able to compete in an efficient and effective manner banks require an excellent marketing orientation.

Marketing as a narrow management function, appears to be in decline. Marketing as a management philosophy and orientation, has been practiced throughout the corporate and is however seen increasingly as critical to the success of any organization. Bank Marketing is thus being defined as ‘that part of management activity which seems to direct the flow of banking services to the most profitable customers. Finally, Marketing of Financial services implies the delivery and creation of want satisfying services at the right time, at the right place and to a right customer.