

V. Zhuravel

Research supervisor: S.M. Nikolaenko

Candidate of Economic Sciences,

Senior Lecturer

Zhytomyr Ivan Franko State University

Language tutor: L.P. Serdiichuk

MARKETING ASPECTS OF PROFITABILITY MANAGEMENT OF THE BANKING BUSINESS

Functioning of the banking business is very important, comprehensive and systematic financial and economic phenomenon, since almost any financial transactions of entities, businesses, institutions, organizations, people in most countries of the world are somehow mediated by the activity of financial and credit intermediaries, among which banks take special place. From this perspective, financial sustainability, stability, reliability and security are the foundation of maintaining proper financial and economic climate in the country and in the world space. This means that any aspects of the commercial banks activity are extremely important issues both of theoretical scientific research and practical aspects of their work.

Various aspects of the profitability of the banking business are widely reflected in both the foreign and the domestic scientific literature. Among foreign studies the works of such scholars as A. Berger, A. Rappaport, J. Sinckie, D. Hempfree and others deserve special attention. As part of national publications the works of such economists as Azarenkov G.M., Leonov S.V., Salo I.V., Shulga N.P. and others are worth mentioning.

Modern conditions of tough competition require from commercial banks systematic market research to identify those areas of banking business, strengthening of which can provide additional benefits and increase the profitability of their business.

This market research today covers a range of economic, financial and psychological aspects with the help of which it is possible to convince customers in existence of certain advantages to using a specific type of bank services in a separate bank. As a result, banks sponsor various sports events, large and small businesses, products or services of which are popular among people or entities, invite to cooperate popular personalities etc.

Another example of marketing activities practice of Ukrainian banks is a continuous advertising their services in different types of media. And in some cases advertising posters, slogans, commercials, messages are created quite efficiently.

We believe that in conducting market research, banks need not only to analyze the practices of competitors, but also clearly establish the following: ensure the profitability of the banking business; have real conditions for implementation and use; do not have extreme financial losses.

This means that the use of certain instruments should be appropriate and consistent with the main objectives of the bank, rather than conflict with them [2]. An effective management of profitability of the banking business will be carried out in the same way.

Thus, the marketing aspects of the commercial banks activity within the control problem of profitability of the banking business and its ensuring are extremely essential and urgent scientific issues of today, and the formation of an effective and appropriate marketing policy is the basis for maintaining financial stability of commercial banks, even in times of financial and economic downturns.

References

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