



# **Interest in banking financial products among individuals : A Comprehensive Analysis**

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Abstract:

The banking sector plays a crucial role in the global economy, offering a wide range of financial products to individuals seeking diverse investment opportunities and financial services. Understanding the factors influencing individuals' interest in banking financial products is of paramount importance for both financial institutions and policymakers. This research paper aims to provide a comprehensive analysis of the factors that influence individuals' interest in banking financial products.

The study employs a mixed-methods approach, combining quantitative data from surveys and qualitative insights from interviews to gather a holistic understanding of the subject matter. The research sample includes a diverse range of individuals from different demographic backgrounds, representing various socioeconomic strata.

The findings of this study highlight several key factors that influence individuals' interest in banking financial products. These factors encompass both internal and external aspects, such as financial literacy, risk perception, income level, educational background, market conditions, and trust in financial institutions. The analysis reveals that individuals with higher financial literacy and risk tolerance demonstrate greater interest in banking financial products.

Moreover, the study uncovers the significance of personalized financial advice, innovative product offerings, and convenient digital platforms in attracting individuals towards banking financial products. Furthermore, it explores the role of regulatory frameworks and consumer protection measures in enhancing individuals' confidence and trust in the banking sector.

The research concludes with practical implications for financial institutions, policymakers, and consumer advocacy groups. The findings can guide banks in designing effective marketing strategies, product development, and customer engagement initiatives. Policymakers can leverage these insights to shape regulations and policies that foster financial inclusion and consumer protection. Consumer advocacy groups can utilize these findings to educate individuals about the benefits and risks associated with banking financial products.

Overall, this research contributes to the existing body of knowledge by providing a comprehensive analysis of the factors influencing individuals' interest in banking financial products. By understanding these factors, stakeholders can work collaboratively to enhance financial literacy, develop tailored financial products, and foster a more inclusive and trustworthy banking environment.

### The Product offered by banks

The promotion of the banking industry is a very notable endeavour. Due to shifting industry trends, escalating rivalry, an efficient regulatory framework, and the financial system, it is currently exceedingly difficult. Another crucial problem is how complicated financial services are. Banks are currently routinely introducing new, cutting-edge services to the market. The information in promotional tools should assist the consumer in making the best choice possible. It can be argued with confidence that strong marketing techniques are crucial for promoting banking services. Customer satisfaction has been given top priority in marketing any item or service. Lack of management support, a lack of cross-departmental cooperation, rules from the government, and issues with media and advertising are the most unpleasant aspects of marketing banks.

(1980, Berry & Lindgren). According to Sarin & Anil's (2007) advice, employees in service firms should prioritise gratifying customers. Promotional materials are crucial for the financial services sector (Ananda & Murugaiah, 2003). Therefore, banks should have a far broader focus on market and customer demands, as well as the ensuing marketing tactics. To successfully address the problems posed by the changing environment and to understand consumer demands and provide unique services through product innovation (Nair Raman, 2006). According to research by Krishna, Suryanarayana, and Srikant (2005), promotional techniques should be created in accordance with the characteristics of the services that will be advertised.

Instead of using a rational, arguing technique to describe the service experience, the advertising should use a storytelling approach. The storytelling technique used in a narrative entail employing a timeline of events (Sehgal Roli, 2004). Studies have generally shown that advertising for services is more difficult than advertising for physical objects (Ray and Bose, 2006). The case needs to be

treated carefully when promoting financial services (Farrokhtakin, Stavash, 2000). A bank should pay particular attention to

- (i) customer sovereignty,
- (ii) attitude,
- (iii) responsiveness, and
- (iv) personal skills of bank personnel, (v) reviving the marketing department, and (vi) attitude.
- (v) top management support to the marketing department,
- (vi) participation of marketing personnel in key bank decisions (Kumar Ashok, 1991).

The following elements may be used to explain why marketing is important in banking and why banks are interested in marketing:

- Modifications to demographic considerations
- Service sector rivalry is fierce, and banks are more profit conscious as a result.
- Interest rate deregulation
- The entry of several international and private banks
- Urbanization, increased knowledge, and the expansion of non-banking financial institutions among indigenous people Disintermediation, the arrival of technology, and expanding access to cutting-edge financial goods

### 1. Commercial Banks:

Also known as a retail agent, this person. Given that it manages money for both individuals and private businesses, this type of bank could be crucial. These banks are also authorised to grant short-term advances to private people and independent businesses in addition to withdrawals and deposits. Customers have access to a variety of fundamental financial games at the financial institution. Condition Bank of India, ICICI Bank, HDFC Bank, and Axis Bank are the leading retail and business banks in India.

### 2. Investment Banks:

These banks act as middlemen in the financial industry and provide a variety of services to big enterprises. JP Morgan, Citigroup, Bank of America, Deutsche Financial Institution, and Barclays make up the majority of the most extreme venture banking institutions.

### 3. Postal Savings Banks:

This collaboration between financial organisations and the public post office aims to give locals access to basic banking education.

### 4. Regional Rural Banks:

Additionally, RRB is a financial institution created to provide rural and agricultural communities with important banking services.

### 5. Co-operative Banks:

Under the Cooperatives Act of 1912, helpful banking institutions are registered in India. These banks emphasise the area and conventional levels. They are made to benefit entrepreneurs, small partnerships, businesses, and independent contractors, among other groups.

### 6. Central Bank:

The majority of the top banks in the financial sector are typically national banks. These banks provide professional clients financial services. Thus, monetary balance within the United States of America, customary control, the choice of monetary inclusion, and responsibility for the transfer of cash within the U. S. are all affected. The Reserve Bank of India is an example of a typical important bank.

Other types of banks in India include development banks, land advancement banks, and foreign banks in addition to these. Additionally, new posting incorporations and virtual or web-based banking have emerged as a result of technological advancement. There are new types of banks that may be accessed over the internet, even if the majority of banks have their own virtual designs. These banks offer the convenience of doing business without having physical branches.

### Banking Product offered by Banks

Away from the essential conditioning of permitting stores and lending, there are a many other fiscal capacities in the current day banking age, some of the administrations introduced through the financial foundation.

#### 1. Payment and Remittance Services

This is some other significant element of a bank that grants us to move spending plan starting with one record also onto the coming, from one city to each other. Also, the current fiscal frame allows in us to make direct on- line cash moves, pay operation instalments, gather tests, and the sky is the limit following that. Along with the advancement associated with invention, bills could be paid and collected from any bit of the field.

- 2. Overdraft** - The overdraft transporter allows within members to pull a lot further than they are allowed to. nevertheless, the particular interest value is problem to the quantum removed. This will be among the ways banking institutions supply plutocrat to their guests.
- 3. Currency Exchange**-Fantasize that no fiscal establishment could get new cash for stir or purchasing plus dealing capacities. Banking institutions offer abroad plutocrat trade with community forex inside an easy manner.
- 4. Consultancy**- Present day banking institutions have an nearly each-encompassing methodology plus ideal to give all types associated with benefactions to their own guests including their own fiscal situation. Current day banks rent cash related and genuine professionals to give exhortation and plans on buyer large volume, adventure, and alter.
- 5. Online Banking**- Within the advanced worldwide, each financial association is endeavouring to produce a spot in the encyclopaedically of on collection banking. With the backing from the internet, banks permit their own guests to do fiscal exercises through their own authority spots. This allows in guests to get to their cash owed day in and day out without visiting a substantial division.
- 6. Mobile Banking**-Likewise, the bank likewise gives cell banking administrations with the thing that guests can perform banking sports through cell phone operations.
- 7. Home Banking** -Home banking is some other creating style is that fiscal exchanges can be made from homegrown incontinently. The backing requires a web association or get passage to web grounded banking.
- 8. Credit and disbenefit Cards** - Utmost banks give credit and check cards to their guests that they can use to buy particulars and benefits, or indeed get or pull- out cash. This is maybe the most introductory strides for a credit only frugality.
- 9. Lockers**- The bank also offers loosened up stores for guests to keep their coffers securely, at least worth.
- 10. Plutocrat Transfer**- There are a many strategies proposed by exercising fiscal institutions to move finances from side to be suitable to the coming with all the backing of necessitate drafts, cash requests, checks, on range banking, and added.

- 11. Investment Banking-** Presently multitudinous fiscal institutions offer plutocrat connected types of assists with their guests. The lady permits him help to make a pay by means of conferring an expansion regarding adventure particulars.
- 12. Wealth Management-** Great volume control is presumably the guess administrations introduced by simply exercising banks. These specific licenses client to be suitable to concoct monetarily fully that it could acquire substantial expression cornucopia.

## Banking client segmentation

What does banking client segmentation mean?

Client segmentation is a strategy used to break up a sizable and diversified client base into lower groups of connected individualities who partake some characteristics and are important for the marketing of a bank's goods and services. Geographical position, income, and spending patterns are some abecedarian segmentation factors. Banks may give their guests more specialised products and services by using client segmentation to get to know them on a more particular position.

Income Grounded What are the advantages of customer segmentation in banking for businesses?

For good reason, client segmentation is constantly a top marketing focus for banks. Banks can give further specialised goods and services because segmentation results enable them to categorise guests grounded on geste also, marketers may optimise cross- and over- dealing possibilities and allure guests to probe analogous services by better knowing customer preferences. Because they're grounded on fluently accessible information and produce groups that are simple and accessible, demographics give an easy foundation for segmentation. Added benefits of segmentation for banks include elect the applicable promotional accoutrements to shoot to each client. Choose the applicable marketing platforms for the intended target. Find new, economic requests, and introduce slice- edge goods and services.

## Measurable veritably helpful in terms of marketing Using demographics as a segmentation foundation

**Age.** People of a analogous age may bear also when shopping and may want similar fiscal services Schoolchildren tend to save plutocrat because they've fund plutocrat, get cash presents, and have fund plutocrat. thus, they could need special savings accounts, maybe along with a present. thus, they could need special savings accounts, maybe along with a present. fiscal companies that work with scholars are seen as furnishing them a precious assignment about the value of saving. New workers and grown-ups They may need smaller overdrafts when their purchasing power rises and their fiscal demands change, and they may be suitable to gain further credit.

Long- term home loans may come more popular. growing population Their fiscal requirements change because of changes in their income and life Income generally declines after withdrawal(they may be less suitable to gain high credit) optional time rises( they may be more open to travel loans) .They generally enjoy their homes( demand for domestic loans may drop). Health becomes a top precedence(demand for life insurance may increase) .Commercial guests are less in number but lesser in scale, with more sophisticated demands for fiscal services. They also differ from guests in terms of structure and features. They're far more apprehensive of their demands for fiscal services, challenging fiscal institutions to deal with commercial guests that are well- informed.

### OUTCOMES

Primary data was collected and from questioners on google forms, it was sent to over 100 people and responses are still coming. Two different set of questions regarding product offering by banks.

#### Banking Outcome

Blue= Very positive

Red=Somewhat positive

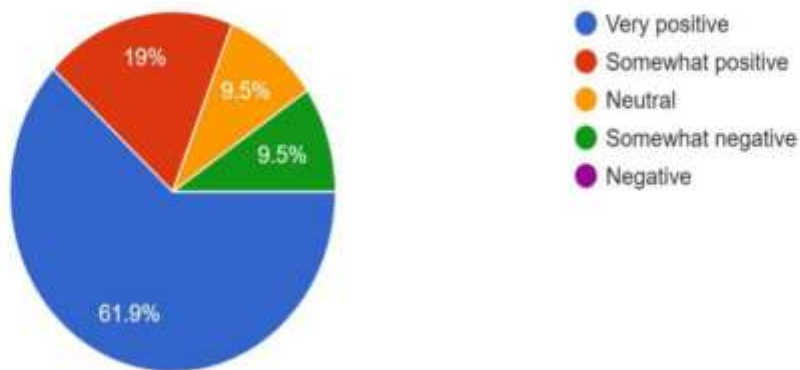
Orange= Neutral

Green=Somewhat negative

Violet= Negative

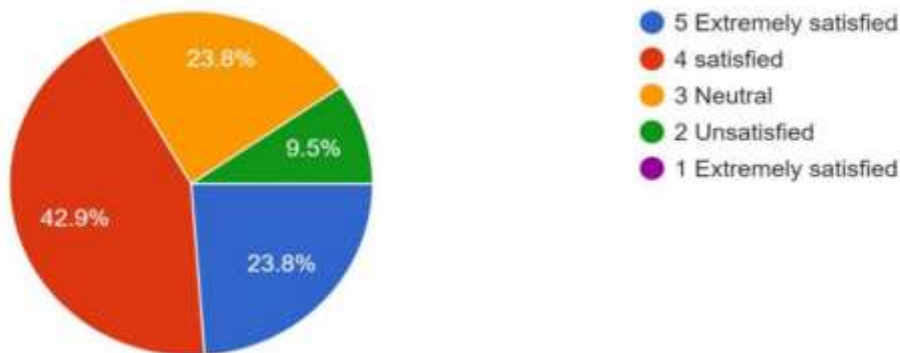
### What is your first reaction to banking services within the investment industry?

21 responses



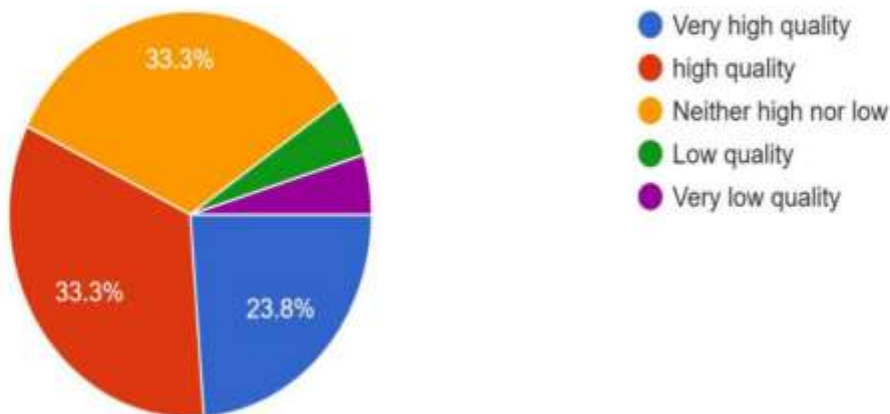
### Interest among public on current offering by our Banking system.

21 responses



### How would you rate the quality of banking services you currently use?

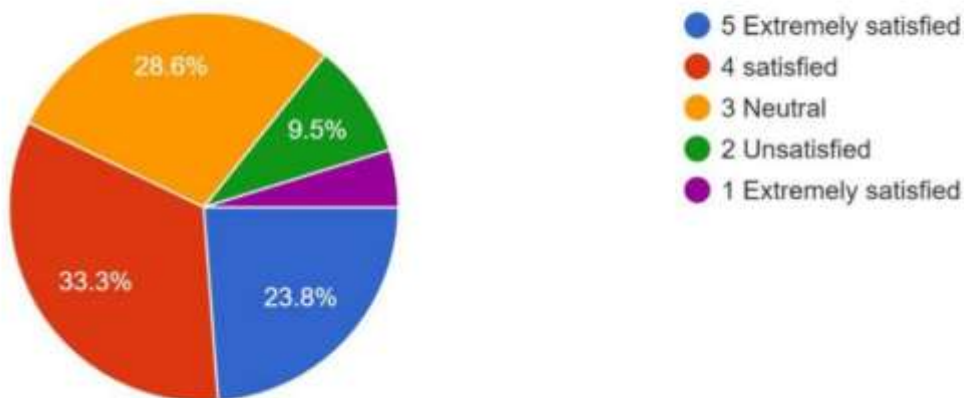
21 responses





### Awareness among public on current offering by our Banking system.

21 responses



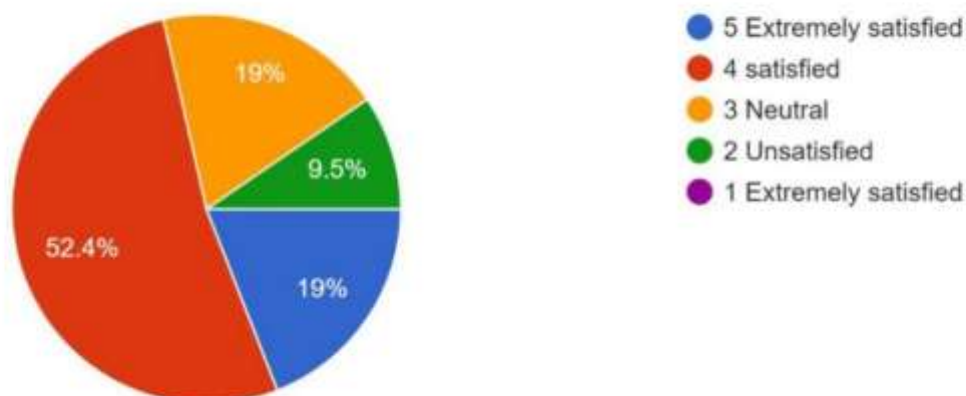
### Which performance would you like to invest from current offering on retirement plan of our Banking system?

21 responses



## Satisfaction among public on current offering by our Banking system?

21 responses



### Why consider cash value life insurance?

Permanent life insurance policyholders have the option of borrowing money against the policy's accumulated value, which is derived from recurring premium payments as well as interest and dividends credited to the contract.

### Why cash balance strategy is a wise decision?

A cash balance plan may be a useful tool for getting your retirement savings off to a strong start or for catching up if you fall behind. However, the costs and requirements of the proposal might not be enough to outweigh the advantages of possible wealth creation and tax reduction.

### How effective is the thrift saving strategy?

The same tax advantages of a 401(k) are included, and many employers match contributions. Given that the government is the largest employer in the nation, it stands to reason that the TSP, which has assets worth over \$800 billion, is the largest retirement plan in the whole world.

### Are guaranteed annuities a wise financial decision?

For those looking for a steady income stream throughout retirement, annuities are a sensible investment. If you have extra funds to lay aside, you might want to think about getting an annuity. They provide tax-free growth, which is advantageous for people in high tax brackets.

A conventional pension is what?

A defined benefit plan, the Traditional Pension Plan offers fixed, recurring lifetime retirement pay-outs.

Why a Solo 401k is a wise decision?

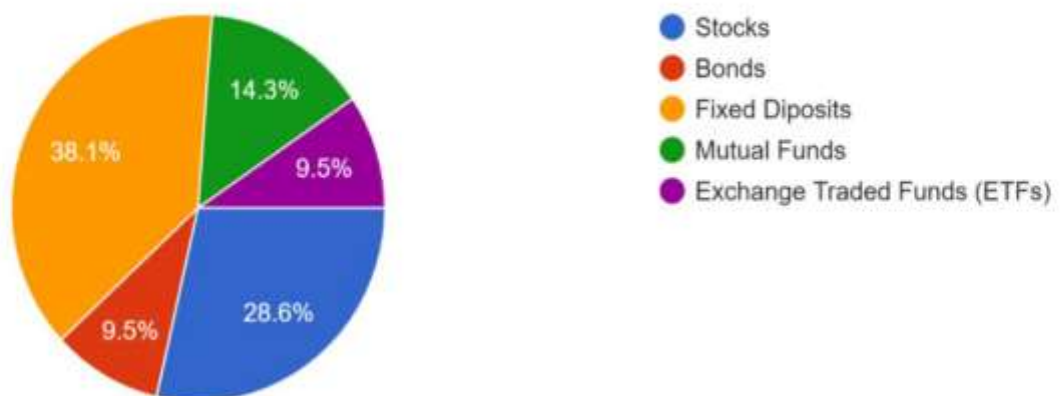
The plan is a desirable solution for small company owners or single proprietors who desire to make proactive retirement savings due to the freedom around solo 401(k) contributions, investment possibilities, and relatively modest administrative requirements.

Why traditional IRAs is a wise decision?

The main benefit of traditional IRAs is tax-deferred growth, which means that until you are compelled to begin taking distributions at age 72, you won't be taxed on your untaxed earnings or contributions. When investing in conventional IRAs, you put more money down front than you would in a standard brokerage account.

Which performance would you like to invest from current offering for tech savvy people.

21 responses



## Why defined-benefit plans is a wise decision?

Employers finance defined-benefit plans, whereas workers fund definedcontribution plans to save for retirement.

### Stocks

Over the long term, stocks have the most potential for growth (capital appreciation) for investors . Investors who opted to hold onto stocks for a long period have frequently been rewarded with strong, lucrative returns.

### Bonds

They offer a steady source of revenue. Bonds typically pay interest twice each year. Bonds are a technique to protect capital while investing since bondholders get their whole principle if the bonds are held to maturity.

### Fixed Deposits

It offers set returns and is risk-free. Compared to alternative risk-free investment options like Treasury Bills or Government Bonds, fixed deposit interest rates are greater.

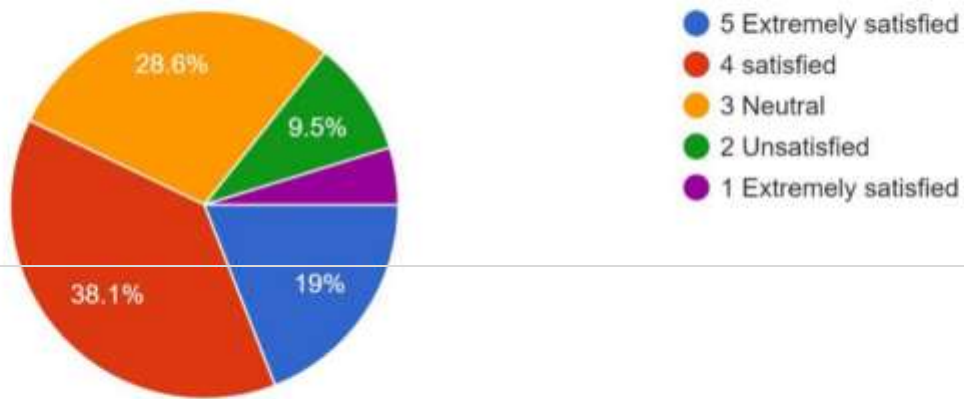
### Exchange Traded Funds (ETFs)

ETFs provide several benefits over conventional open-end funds. Trading freedom, portfolio diversification and risk management, lower expenses, and tax savings are the four most noticeable benefits.



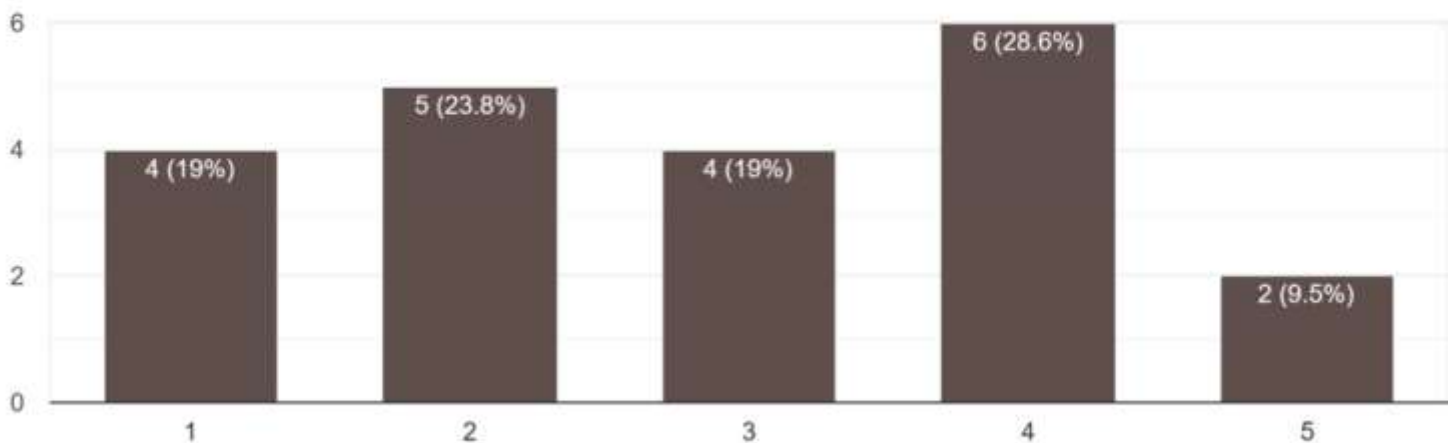
### Would you like to invest major with high risk with high return?

21 responses



### How likely is it that you would recommend banking services to a friend or colleague?

21 responses



People who rated 1 faced no cooperation from bank staff

Rated 2 faced some rude behaviour from bank staff also not happy with their offering

Rated 3 person faced cooperation and happy with their offering

Rated 4 are happy with their product but still wanting they can do better

Rated 5 are very happy

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