

## **The role of banking marketing in supporting the competitive advantage of Kazakhstan banks**

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### **Abstract**

The purpose of this study is to explore the role of marketing strategies in achieving competitive advantage for banks in Kazakhstan. To achieve this goal, definitions of “banking marketing” and “competitive advantage” were given based on the work of Kazakhstani and foreign researchers, and the marketing strategies of Kazakhstani banks were analyzed (JSC Halyk Bank, JSC Kaspi Bank, JSC Forte Bank) . The study of marketing strategies helped determine the selected banks' competitive advantages. The main key aspects of Banwo marketing were: the Contribution of Second-Tier Banks to the Economic Development of the Country; the Main Elements of Bank Marketing; customer Retention Strategies and the Impact of Marketing on Customer Loyalty. The paper considered the prospects for further development of banking marketing in Kazakhstan. The article describes the challenges associated with the intangible nature of banking products and compares marketing strategies. A segmentation of bank clients by age and financial goals was conducted, identifying the most suitable products for each group. The main banking products and services were identified that are most suitable for each of the identified groups of clients. The work is aimed at identifying the uniqueness of the marketing tactics of Kazakhstani banks, studying the construction of long-term relationships with customers, and the methods banks use to promote their products, even though the banking product is intangible. Future research may focus on marketing campaigns aimed at promoting sustainable financial products and services.

**Keywords:** bank, banking marketing, competitive advantage, customer, customer segmentation, loyalty programs, sustainable development, financial literacy

# Қазақстандық банктердің бәсекелестік артықшылығын қолдаудағы банктік маркетингтің рөлі

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## Түйін

Жұмыстың мақсаты – маркетингтік стратегияларды жүзеге асыру арқылы Қазақстандағы банктердің бәсекелестік артықшылықтарға қол жеткізуін зерттеу. Осы мақсатқа жету үшін қазақстандық және шетелдік зерттеушілердің еңбектері негізінде «банктік маркетинг» және «бәсекелестік артықшылық» анықтамалары беріліп, қазақстандық банктердің маркетингтік стратегиялары талданды («Халық Банк» АҚ, «Kaspi Bank» АҚ, «Forte Bank» АҚ). Маркетингтік стратегияларды зерттеу таңдалған банктердің бәсекелестік артықшылықтарын анықтауға көмектесті. Vanwo маркетингінің негізгі негізгі аспектілері: Екінші деңгейлі банктердің елдің экономикалық дамуына қосқан үлесі; банктік маркетингтің негізгі элементтері; тұтынушыларды ұстау стратегиялары және маркетингтің тұтынушылардың адалдығына әсері. Жұмыста Қазақстандағы банктік маркетингтің одан әрі даму перспективалары қарастырылды. Мақалада банк өнімдерінің материалдық емес сипатымен байланысты қиындықтар сипатталған және маркетинг стратегиялары салыстырылған. Банк клиенттері жасына және қаржылық мақсаттарына қарай бөлінді. Анықталған клиенттер тобының әрқайсысы үшін ең қолайлы негізгі банктік өнімдер мен қызметтер анықталды. Жұмыс қазақстандық банктердің маркетингтік тактикасының бірегейлігін анықтауға, клиенттермен ұзақ мерзімді қарым-қатынастардың құрылысын және банк өнімі материалдық емес болса да, банктердің өз өнімдерін жылжыту үшін қолданатын әдістерін зерттеуге бағытталған. Болашақ зерттеулер тұрақты қаржылық өнімдер мен қызметтерді ілгерілетуге бағытталған маркетингтік науқандарға назар аударуы мүмкін.

**Кілттік сөздері:** банк, банктік маркетинг, бәсекелестік артықшылық, клиент, клиенттерді сегментациялау, адалдық бағдарламалары, тұрақты даму, қаржылық сауаттылық

# Роль банковского маркетинга в поддержке конкурентоспособности казахстанских банков

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## Аннотация

Целью работы является исследование достижения конкурентного преимущества банками Казахстана путем реализации маркетинговых стратегий. Для достижения этой цели были даны определения понятий «банковский маркетинг» и «конкурентное преимущество» на основе работ казахстанских и зарубежных исследователей, а также проанализированы маркетинговые стратегии казахстанских банков (АО «Народный банк», АО «Kaspi Bank», АО «Forte Bank»). Исследование маркетинговых стратегий позволило определить конкурентные преимущества выбранных банков. Основными ключевыми аспектами банковского маркетинга стали: вклад банков второго уровня в экономическое развитие страны; основные элементы банковского маркетинга; стратегии удержания клиентов и влияние маркетинга на лояльность клиентов. В работе рассмотрены перспективы дальнейшего развития банковского маркетинга в Казахстане. В статье описаны вызовы, связанные с нематериальной природой банковской продукции, и проведено сравнение маркетинговых стратегий. Проведена сегментация клиентов банков по возрасту и финансовым целям, выявлены наиболее подходящие продукты для каждой группы. Были выявлены основные банковские продукты и услуги наиболее подходят для каждой из выделенных групп клиентов. Работа направлена на выявление уникальности маркетинговой тактики казахстанских банков, изучение построения долгосрочных отношений с клиентами, методов, которые банки используют для продвижения своих продуктов, несмотря на то, что банковский продукт является нематериальным. Будущие исследования могут фокусироваться на маркетинговых кампаниях, направленных на продвижение устойчивых финансовых продуктов и услуг.

**Ключевые слова:** банк, банковский маркетинг, конкурентное преимущество, клиент, сегментация клиентов, программы лояльности, устойчивое развитие, финансовая грамотность

## Introduction

The concept of marketing emerged in the XIX - XX centuries in the United States of America. Philip Kotler is considered to be the founder of marketing, because in his first book «Marketing Management Analysis, Planning, Implementation, and Control», published in 1967, the author explained the basic principles of marketing [1]. According to his definition, «Marketing is human activity directed at satisfying needs and wants through exchange processes. » [2] The key factor here is the satisfaction of needs, and the process of exchange means mutually beneficial interaction. In the context of banking marketing, the process of exchange means cooperation between the customer and the bank providing a product or service. For example, customers offer their loyalty in return for quality service.

If we talk about the opinion of Kazakhstani researchers, A. N. Tulembayeva, the Doctor of Economic Sciences, explains the meaning of the concept of marketing as follows, «Marketing is the strategy and philosophy of the enterprise, the leading area of management of its economic activity to achieve a predetermined goal both at this particular moment and for the future. » [3] Following this definition, we can conclude that banking marketing is not just advertising or promotion of financial products and services. The point is that banking marketing determines the overall strategy and philosophy of the bank, based on the needs and preferences of clients.

In addition, I would like to highlight that M. Cohen considered marketing models outdated, having proposed the concept of «5E». The concept of «5E» consists of the following processes: education, exploration, elevation, entertainment, evaluation. By promoting its products, a financial institution improves the lives of its customers. Stimulating the client's interest in life belongs to the process of «elevation». Slogans of banks' advertising campaigns can serve as an example. JSC Kaspi Bank's slogan: «What else can we do for you?» [4]. JSC Halyk Bank's slogan: «Reliability gives birth to trust» [5]. JSC Forte Bank's slogan: «Supporting your success» [6]. As we can observe, the slogans of the banks show a reverent attitude to customers and a desire to improve their lives with their products and services. They demonstrate the reliability of the chosen bank and the security of customers' accounts.

The ongoing development of the banking industry in our country entails an increase in the level of competition in the market and the tough struggle for customers. The relevance of work lies in a pioneering attempt to determine how banking marketing affects the maintenance of competitive advantage in the market and effective management of a financial institution. The purpose of research is to study the achievement of competitive advantage among banks by implementing marketing strategies.

## Literature review

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Effective marketing is the key to a long and successful existence of a business. Therefore, M. Cohen has identified 5 processes for building the effective marketing. The first process is called «education». It implies the formation of demand from customers by educating them. The next process is «exploration», which refers to the study of the needs and behavior of its target audience. «Elevation» refers to an organization's desire to increase its customer's interest in life. «Entertainment» is defined by M. Cohen as achieving customer satisfaction through customer interaction. The last process is called «Estimation». It means the process of controlling the effectiveness of marketing activities based on the previous four processes. On the basis of this process the effectiveness of marketing campaigns of the enterprise is evaluated [7].

T.N. Bondarenko and A.A. Skorobogatova identified 4 marketing strategies used by banks. According to their research, there is a growth strategy, competition strategy, leadership strategy, and priority strategy [8]. The definitions of growth strategy, competition strategy, leadership strategy, and priority strategy are given in Table 1.

Table 1 – Marketing strategies of commercial banks

Strategy	Characteristics
Growth strategy	<ul style="list-style-type: none"> <li>- Selling existing services in existing markets;</li> <li>- Introduction of new services in existing markets;</li> <li>- Selling existing services in new markets;</li> <li>- Introduction of new services in new markets</li> </ul>
Competition strategy	<ul style="list-style-type: none"> <li>- Service quality leadership;</li> <li>- Building a chain of engagement with the customer;</li> <li>- Providing specialized service for important customers;</li> <li>- Increasing the number of information distribution channels;</li> <li>- Cost optimization;</li> <li>- Analyzing competitors' mistakes</li> </ul>
Leadership strategy	<ul style="list-style-type: none"> <li>- Working to improve internal information sharing within the company;</li> </ul>

	<ul style="list-style-type: none"> <li>- Increasing the efficiency of customer interaction and improving the quality of service;</li> <li>Transforming the organization into a more customer-centric enterprise.</li> </ul>
Priority strategy	<ul style="list-style-type: none"> <li>- Prioritization by services and expansion of their range;</li> <li>- Priority by market niche;</li> <li>- Priority by existing customers;</li> <li>- Priority by external commercial environment.</li> </ul>

*Note:* compiled by the authors based on source [8]

As you can see, the authors from different countries provide several definitions that complement each other. This proves the fact that marketing is multifaceted. Depending on the author's point of view, the concept of marketing can be interpreted in different ways.

To define the concept of competitive advantage, I turned to Michael Porter's book entitled «Competitive Advantage: Creating and Sustaining Superior Performance». According to M. Porter, «The emergence of competitive advantage is due to the value that a company is able to create for its customers, which exceeds the cost of creating it. Value is what customers are willing to pay: high value is due either to a lower price level compared to competitors' prices for a similar product or to the provision of unique benefits that justify a higher price. There are two basic types of competitive advantage: cost leadership and differentiation» [6].

In addition, I would like to highlight that M. Cohen considered marketing models outdated, having proposed the concept of «5E». The concept of «5E» consists of the following processes: education, exploration, elevation, entertainment, evaluation. By promoting its products, a financial institution improves the lives of its customers. Stimulating the client's interest in life belongs to the process of «elevation». Slogans of banks' advertising campaigns can serve as an example. JSC Kaspi Bank's slogan: «What else can we do for you?» [7]. JSC Halyk Bank's slogan: «Reliability gives birth to trust» [8]. JSC Forte Bank's slogan: «Supporting your success» [9]. As we can observe, the slogans of the banks show a reverent attitude to customers and a desire to improve their lives with their products and services. They demonstrate the reliability of the chosen bank and the security of customers' accounts.

## **Methodology**

The methodology of this study is designed to explore how Kazakhstani banks achieve a competitive advantage through the implementation of effective marketing strategies. This research adopts a mixed-methods approach, combining qualitative and quantitative analyses to provide a comprehensive understanding of banking marketing practices in Kazakhstan.

a) Literature Review and Definition Development: The first step in the research involved a thorough literature review to establish clear definitions of "banking marketing" and "competitive advantage" in the context of Kazakhstan. The review covered academic papers, industry reports, and publications from both Kazakhstani and

international researchers. This step was crucial in understanding the theoretical framework and in identifying key elements and strategies relevant to the banking sector in Kazakhstan. Definitions were synthesized from the literature to reflect local nuances and the specific economic and regulatory context of Kazakhstan.

b) Case Study Analysis: To analyze the marketing strategies of Kazakhstani banks, three major banks—JSC Halyk Bank, JSC Kaspi Bank, and JSC Forte Bank—were selected for in-depth case studies. These banks were chosen due to their significant market presence and diverse marketing strategies, which provide a comprehensive view of the sector. Data for the case studies were collected through a combination of secondary data sources, including annual reports, financial statements, marketing materials, and press releases. This data was supplemented by interviews with bank executives and marketing managers, providing insights into the strategic decisions behind their marketing efforts.

c) Comparative Analysis of Marketing Strategies: A comparative analysis was performed to evaluate the effectiveness of different marketing strategies employed by the selected banks. This involved assessing key marketing elements such as customer retention strategies, loyalty programs, digital marketing initiatives, and personalized services.

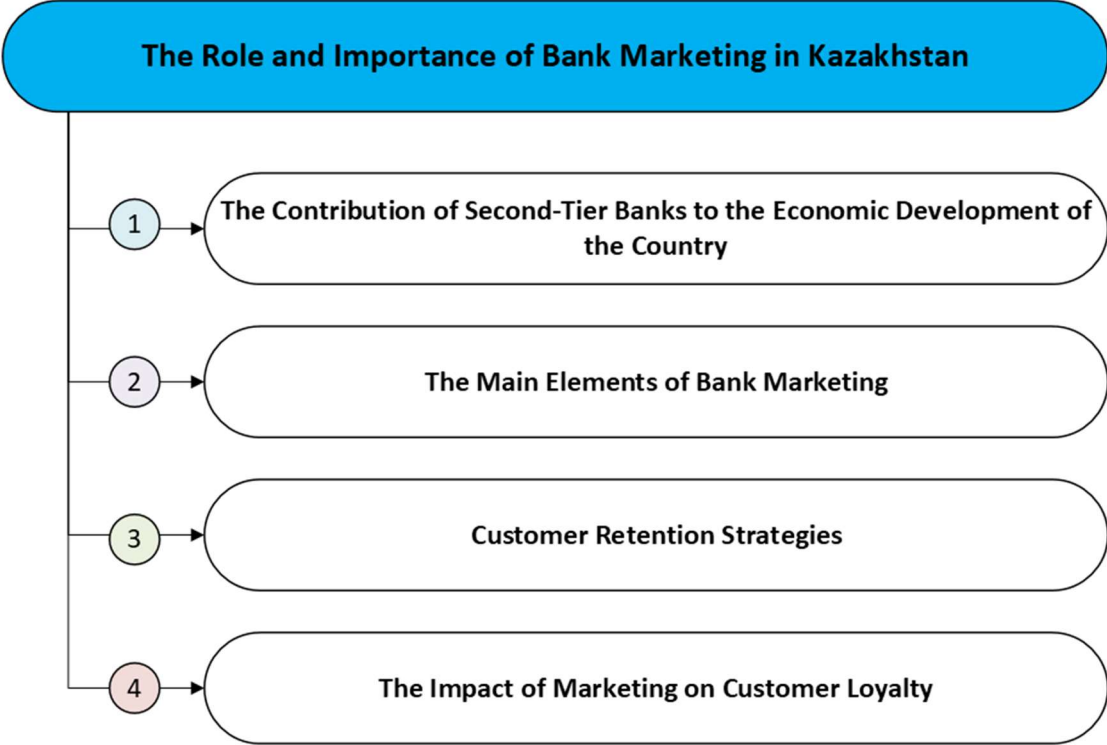
This methodological approach allows for a comprehensive analysis of how Kazakhstani banks leverage marketing strategies to gain a competitive edge, contributing to the broader understanding of banking marketing dynamics in emerging markets.

## **Results and discussion**

### **The role and significance of banking marketing in Kazakhstan**

The economic development of the independent state depends on the activities of second-tier banks. Banks carry out money turnover, providing unlimited opportunities of financial management for the population. The financial and economic crisis and depreciation of the Kazakhstani currency did not become an obstacle for the development of the banking sector of the country. This is explained by the measures taken by the state aimed at ensuring stability and strengthening the financial stability of the banking sector. The functioning of banks is regulated by such legal acts as the law «On banks and banking activity» dated 31.08.1995 № 2444; the law «On housing construction savings» dated 07.12.2000 № 110-II; the law «On payments and payment systems» dated 26.07. 2016 № 11-VI; law «On joint stock companies» dated 13.05.03 № 415-II; law «On mortgage of immovable property» dated 23.12.95 № 2723; law «On combating money laundering and terrorism financing» dated 28.08.2009 № 191- IV; law «On housing relations» dated 16.04.1997 № 94-I [10].

Banking marketing is a complex process based on analysing the financial market, planning each stage of creating a banking product, regulating pricing policy, managing communications, creating and conducting marketing campaigns, and providing high quality banking services. A multi-faceted approach to banking marketing in Kazakhstan is reflected below in Figure 1.



**Figure 1.** Key aspects of bank marketing in Kazakhstan.

*Note:* compiled by the authors

The main objectives of banking marketing in Kazakhstan are to increase sales turnover, attract clients, achieve maximum profit, and expand its market share. The importance of marketing lies in the formation of a stable and impeccable reputation of the bank, based on trust and loyalty of customers.

Loyalty and trust imply customer retention. By building relationships with its customers, the bank reduces customer churn. The reason is that competitors lose the opportunity to lure customers to them. Firstly, it depends on the degree of emotional attachment of the client to the bank. Emotional attachment is based on trust, as customers keep their money in the accounts of a certain bank and also give access to personal data. Trust is a consequence of long-term cooperation with a financial institution. Second, customers appreciate the potential complexities in moving their accounts from one bank to another bank.

Difficulty is the fact that the transition process is time-consuming and forces the client to pay various fees for transferring funds, closing accounts or reissuing loans. In addition, the transition process can take several days or even weeks, which creates additional inconvenience for the client. These complications may discourage customers even in the presence of attractive offers from competitors. Third, many financial institutions pursue a personalization strategy. A bank, the goal of which is to retain customers, focuses its offers on each customer. Through a personalization strategy,



consumers are given the opportunity to feel unique. Therefore, the financial institution tries to take into account the individual needs and peculiarities of everyone.

The personalization strategy always starts with dividing customers into groups, taking into account their age, gender, marital status, place of residence, and other individual characteristics. For example, the bank can recommend and build individual financial plans, investment portfolios or offer certain credit products, taking into account the specifics of each segment. The result of such division is considered to be an increase in the effectiveness of marketing strategies implemented by the bank. Accordingly, there is a higher return from clients, and they become more involved in the process of relationship with the financial institution, providing profit growth. This allows the bank to optimize marketing costs by focusing its attention on the most promising customer segments.

The need for banking marketing in our country is due to the increasing level of competition among financial institutions, based on the launch of a large number of banking products that guarantee benefits and make life easier for consumers. A bank's competitors can be considered to be a bank located in the same territory, non-financial enterprises, which include trading and industrial companies, as well as non-bank financial institutions, such as a microcredit organization or an insurance company [11].

The marketing strategy of any organization should take into account the fact that consumer behaviour is volatile, and the ability of the bank to adjust to the changing needs of the client and predict them, will set it apart from other competitors. In addition, the development of information technology, which implies an increased interest in social networks, has played an important role in the formation of a sustainable marketing position in financial institutions. The development of information technologies has led to the possibility to serve clients remotely. Each Kazakhstani bank has its own application, which allows tracking banking transactions, paying for purchases on the Internet and in conventional stores, opening deposits, applying for loans, and using government services.

In the mobile app created by JSC Kaspi Bank, a person has an opportunity to register his individual enterprise, pay fines, issue a birth certificate, as well as apply for any type of allowance, replace a driver's license, re-register a car, register a marriage, and much more [7]. JSC Kaspi Bank's marketing is aimed at advertising the versatility of the bank's app. The point is that against the backdrop of growing competition among banks and increasing number of banking products, consumers expect better service quality in banks. In order to achieve this goal and maintain a leading position in the market, banks strive to coordinate the customer base, regulate pricing policy, and achieve high quality standards of banking services. JSC Kaspi Bank is an absolute leader in terms of the quantity and quality of its banking products. One of the unique innovations of the company and an example of situational marketing is «Kaspi Kartomat». The essence of situational marketing is the company's reaction to some news in order to promote a banking product [12].

The invention of the «Kaspi Kartomat» was due to the need for a contactless process for obtaining a bank card. This was relevant during the pandemic in 2020, when the risk of contracting the COVID-19 was extremely high. According to Mikhail Lomtadze, the CEO of JSC Kaspi Bank, «Kaspi Kartomat is a unique instant payment card issuance device that our team has created in Kazakhstan. Our favourite customers

start issuing Kaspi Gold directly in the mobile app and then receive the card in just 60 seconds at any Kaspi Kartomat. The Kaspi Gold card is issued in Kaspi Kartomat in real time right in front of the customers' eyes» [13].

In addition, JSC Kaspi Bank was able to obtain a patent ensuring that the company owns not only the technology itself, but also the process of creating bank cards through the mobile app and ATM. The creation of such banking products creates a positive consumer attitude towards the financial institution. In this case, JSC Kaspi Bank not only did not get confused during the period of socio-economic stagnation and general panic, but also found a way out by introducing a new product that made the life of the population safer, more convenient and more technological.

Banking marketing is one of the key components of banking sector development in Kazakhstan. While ordinary Kazakhstani consumers associate banking marketing only with advertising, for specialists it is market analysis, the ultimate goal of which is to achieve customer loyalty. The importance and development of the concept of marketing is evidenced by the fact that banks are focused on satisfying the needs of their customers as much as on generating profits. This is a sign of our country's transition to a new level of customer service. Banking marketing was developed by studying the market and customer preferences, establishing a flexible pricing policy, developing new high-tech banking products, and investing in the development of new technologies.

The role of banking marketing is to achieve consumer loyalty and trust. Customer loyalty and trust are directly related to the level of banking marketing. The higher the customer loyalty, the higher the profitability of the financial institution. Therefore, the stability of the bank's income and the inflow of new consumers depend on loyal customers. In this case, the level of service plays an important role and must surpass the quality of services provided by competitors. Consequently, the bank's goal is to exceed the expectations of its customers by continuously developing, increasing competitiveness, and introducing new products to the market.

Banks are increasingly resorting to advertising their services. Competent advertising can induce consumers to trust a financial institution, invest their savings there, and take loans at low interest rates declared by the bank. In the mind of a potential client a brand image is created and certain associations are formed depending on what kind of advertising the bank uses. A.V. Gubina divided advertising into psychological and economic [14]. For example, the bank can create a need for its services by convincing the client to purchase real estate. In another case, the bank can convince in the benefits of its product. A customer may be attracted by high deposit rates or low loan rates. Economic advertising is determined by the level of additional profit and increase in sales. If we compare two largest Kazakhstani banks JSC Kaspi Bank and JSC Halyk Bank, the yield on deposit in the second bank is higher. For example, when opening a deposit called «Maximum», the effective rate reaches 17, 5%, guaranteeing a higher yield.

By using a certain colour in its advertisement, a company can influence the perception of the customer. The colours used in an advertisement or product logo have a huge impact on a person's desire to use the product. By combining certain colours, people form an opinion and impression of the product. This will lead to future purchase of the product offered by the bank [15]. JSC Kaspi Bank 's red colour, according to the chairman of the company, symbolizes success and strength. However I believe that red colour in

the understanding of Kazakhstani consumer is the colour of discounts and sales. Thus, there is an impact on human psychology: seeing the red colour, the client has an association with profit. Accordingly, clients will be more willing to use the bank's services. Following the law that the colour of a company's logo should be completely opposite to the colour of the competitor's logo, JSC Halyk Bank has chosen white, green and yellow colours to promote its services. This combination of colours evokes calmness and confidence in the company's products among Kazakhstani consumers. Green colour creates a sense of security. Security is important for customers, especially when it comes to their money. Competent banking marketing contributes to the expansion and prosperity of the company. Its application led to improvement of customer service quality, attraction of young specialists through advertising in social networks and active interaction with higher educational institutions.

The takeover by a large bank of a smaller bank is a natural phenomenon for our country's economy. Well-known examples are JSC Jusan Bank, which absorbed ATF Bank, and JSC CenterCredit Bank, which absorbed JSC Alfa-Bank. From the consumers' point of view, large banks guarantee financial stability. This helps to increase their credit rating and attract large clients. Increase in the number of large commercial banks will lead to more fierce competition and fight for customers. Accordingly, against the background of competition, the role of banking marketing will increase, and financial institutions will improve their products. In addition, the management of financial institutions in Kazakhstan realizes the importance of banking marketing in the face of increasing competition. The management also realizes that one of the main strategic directions of business is marketing. Consequently, we can observe an increase in the status of the marketer in the company, as well as the expansion of the range of tasks to be solved by him.

One of the key aspects of studying banking marketing in Kazakhstan is segmentation of customers based on their lifestyle and belonging to a certain social group. Wendell R. Smith explained the concept of segmentation as follows: «Segmentation is based upon developments on the demand side of the market and represents a rational and more precise adjustment of product and marketing effort to consumer or user requirements. In the language of the economist, segmentation is disaggregative in its effects and tends to bring about recognition of several demand schedules where only one was recognized before» [16].

The point is that rather than treating the market as a single entity, segmentation allows the market to be divided into distinct groups, each with its own unique characteristics and requirements. From a banking marketing perspective, this means that financial institutions retain customers by being responsive to their financial goals and needs. For example, one group of customers may be interested in products that guarantee high interest rates on deposits. Another group of customers may be interested in insurance, while a third may need a loan for consumer needs.

I would like to highlight that the main problem of promoting a banking product in Kazakhstan is that it is not tangible. The quality of a banking product depends on how convenient it is to use. In addition, the ability of bank employees to present the product and convince the consumer that the product is necessary and meets the stated needs plays an important role. Satisfying the needs of customers and establishing relationships with

them has a huge impact on the size of the bank's profits. The market for banking services is constantly evolving, so financial institutions must implement practices that will not only retain existing customers, but also attract new ones.

### **Group of customers in banking sector**

In order to maintain competitive advantage, banks follow segmentation strategy. Based on the study of the target audience of the banks, I have divided the bank's customers into groups and made conclusions about which products are most suitable for this or that group of customers. Division of the bank's customers by groups is presented in the table 2. Segmentation of banks' customers where each customer group has been matched with suitable banking products according to their objectives also presented in the table 2.

Table 2 – Segmentation of banks' customers

<b>Name of group and age</b>	<b>Goal</b>	<b>Suitable banking product or service</b>
Young people (16-23)	<ul style="list-style-type: none"> <li>– Obtaining an education;</li> <li>– Opening a savings account;</li> <li>– Investments</li> </ul>	<ul style="list-style-type: none"> <li>– Debit cards and remote banking;</li> <li>– Bank accounts with free service abroad;</li> <li>– Short-term credit;</li> <li>– Savings account;</li> <li>– Brokerage services for securities transactions</li> </ul>
Young families (24-35)	<ul style="list-style-type: none"> <li>– Buying the real estate;</li> <li>– Life, health and property insurance;</li> <li>– Investments;</li> <li>– Formation of a financial safety cushion</li> </ul>	<ul style="list-style-type: none"> <li>– Mortgage loan program with flexible terms;</li> <li>– Savings account with increased interest rate;</li> <li>– Opening of bank accounts for children;</li> <li>– Life and health insurance program</li> </ul>
Mature families (35-45)	<ul style="list-style-type: none"> <li>– Improvement of housing conditions;</li> <li>– Provision of education for children;</li> <li>– Financial stability;</li> <li>– Debt management</li> </ul>	<ul style="list-style-type: none"> <li>– Investment products including index funds, mutual funds, individual retirement accounts, stocks, and bonds;</li> <li>– Insurance in the event of job loss;</li> <li>– Car loans;</li> <li>– Installment loans;</li> <li>– Cash management services</li> </ul>
Mature people (45-59)	<ul style="list-style-type: none"> <li>– Inheritance planning;</li> <li>– Retirement planning;</li> </ul>	<ul style="list-style-type: none"> <li>– Savings accounts;</li> <li>– Credit cards;</li> <li>– Installment</li> </ul>

Retired people (59-75)	<ul style="list-style-type: none"> <li>– Retirement savings management;</li> <li>– Protection against fraud;</li> <li>– Stable income</li> </ul>	<ul style="list-style-type: none"> <li>– Life and health insurance programs;</li> <li>– Pension account</li> </ul>
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*Note:* compiled by the authors based on sources [4, 5, 6]

Based on these tables, the competitive advantage of JSC Kaspi Bank is the possibility of providing instalments without overpayments for the period from 3 to 24 months. People from 35 to 59 years old are the most active users of instalments. Thanks to the bank's universal mobile application and its friendly interface, young people actively use JSC Kaspi Bank's services. The possibility of opening a bank account for a child is actively used by young families. JSC Kaspi Bank differs from its competitors in that it provides free maintenance of a children's bank card and allows parents to monitor their children's expenses and analyze purchases. Account opening is available from the age of 6.

Thanks to its subsidiary Halyk Life, JSC Halyk Bank has a competitive advantage in the field of life insurance. Such programs as «Amulet-Life» and «Life- Korgau» attract young families and pensioners [19]. Insurance in case of job loss is guaranteed by another subsidiary of the bank, «Insurance Company Halyk». Provision of 10% bonuses at registration of insurance policy, insurance amount up to 250000 tenge, as well as affordable cost of insurance are especially important for customers aged 35 to 45 years old. JSC Halyk Bank provides multi-currency debit cards, attracting young people with special bonuses and the ability to withdraw up to 500 USD per month without commission abroad.

Mature families aged 35 to 45 are interested in car loans. JSC Halyk Bank offers a car loan without collateral for a period of 6 to 84 months, with amounts from 500000 to 10000000 tenge. The absence of commissions, as well as the possibility of partial and full early repayment explains the bank's competitive advantage in this area.

As we can see, young families are interested in buying housing. JSC Forte Bank has a competitive advantage in this case. The initial payment under the program «7-20-25» is 20%, interest rate of 7%, and the amount from 500000 to 20000000 tenge. In addition, you can purchase real estate under the program «Mortgage secured by real estate». The competitive advantage is the absence of penalties, down payment from 15%, and interest rate of 18, 5%.

The next strategy through which competitive advantage can be achieved in the market is the product leadership strategy. According to this strategy, the product should be of high quality, unique, and contribute to the opening of new market segments. The disadvantage of this strategy is the high level of expenses on promotion of the banking product. This strategy is supported by the development and introduction of unique banking products. The unique products and services of Kazakhstan banks are presented in the Table 3.

Table 3 – Unique products and services offered by Kazakhstan banks

<b>Banking product</b>	<b>Characteristics</b>	<b>Bank</b>
Digital loan	The loan process is done online. Consideration of the application is free of charge and takes 5 minutes	JSC Kaspi Bank JSC Halyk Bank JSC Forte Bank
Digital installments without interest and overpayments	The process of obtaining an instalment plan is done online. Consideration of the application is free of charge and takes 1 minute	JSC Kaspi Bank JSC Halyk Bank
Smart Pay	Making payments via mobile devices helps optimize business processes	JSC Kaspi Bank JSC Halyk Bank JSC Forte Bank
Child deposit	Type of savings account available to individuals who are at least 6 years old	JSC Kaspi Bank JSC Halyk Bank JSC Forte Bank
Kaspi Kartomat	An innovative invention that provides an opportunity for a customer to get a bank card in 60 seconds	JSC Kaspi Bank
Chatbots	Virtual consultants answering customers' questions	JSC Kaspi Bank JSC Halyk Bank
Marketplace	A digital trading platform that provides an opportunity to purchase goods from the bank's partners	JSC Kaspi Bank JSC Halyk Bank JSC Forte Bank
Investing	The bank's mobile application allows you to open a brokerage account and purchase shares of companies	JSC Halyk Bank
Insurance	Service providing the possibility of online insurance policy issuance	JSC Halyk Bank JSC Forte Bank
Cross-border money transfers	The first service providing international transfers with a commission of 3 USD	JSC Forte Bank

*Note:* compiled by the authors on the basis of sources [4, 5, 6]

This table segmented bank clients based on their age and financial goals. The main goal of the study was to determine which banking products and services are most suitable for each of the identified groups of clients so that banks could better serve their target audiences and maintain a competitive advantage. Introduction of unique products allows the bank to distinguish itself from its competitors.

### **Conclusions**

The development of banking marketing is necessary for the government for several reasons. First of all, it stimulates economic growth. The fact is that effective banking

marketing strategies attract not only domestic investments, but also investments from other countries. Attracting foreign investment is done through the bank's promotion of its services in the international market. The promotion of bank products and services is driven by participation in international financial conferences and forums and marketing campaigns targeting foreign markets.

Such actions lead to increased production and job creation. Banking services, such as loans and mortgages, provide the population of Kazakhstan with the opportunity to purchase real estate and automobiles. This helps to increase trade, thereby stimulating economic growth. In addition, banking marketing helps small and medium-sized businesses in Kazakhstan to access credit resources. The development of small and medium business leads to an increase in the number of jobs in our country. Thus, the development of banking marketing not only contributes to increasing the availability of financial services for the population and business, but also is a key factor determining the positive dynamics of economic growth of the country. The right strategy leads to an increase in financial literacy of the population. The fact is that banks often include educational programs and materials in their marketing strategy that help clients develop financial skills and knowledge.

Educational materials include online webinars, seminars, lectures, which explain the basic principles of money management, rules for investing these funds, and so on. This helps customers make informed decisions about making large purchases. Through a marketing strategy, financial institutions stimulate the development of financial culture in society by supporting financial education and awareness initiatives. The implementation of such a strategy is to participate in educational programs for schools and higher education institutions. Thus, the correct marketing strategy of the bank is a powerful tool for improving financial literacy of the population, providing customers with educational resources and advice necessary for effective management of their finances.

In addition, marketing strategies are actively used to attract investment in underdeveloped areas of the country. The bank's marketing strategies can encourage investors to provide financial support for business expansion, modernization of production in underdeveloped areas of the country, the introduction of new technologies and the development of new markets. Investments in infrastructure are key to economic growth and social development in underdeveloped areas. Banks can offer investment programs aimed at building roads, hospitals, airport schools, energy facilities, water pipes, sewers and other infrastructure that will contribute to the development of the region.

Effective marketing strategies are built on a complete analysis of customer needs. Thanks to the analysis, it is possible to determine what product the customer needs. One of the main prospects for the development of banking marketing is the integration of digital technologies into the process of banking operations. The process of technology integration includes already existing applications of banks, creation of virtual assistants capable of answering both phone calls and messages of clients, provision of banking services through popular messengers (WhatsApp, WeChat, Viber, and Facebook). Kazakhstani banks aim to introduce artificial intelligence to speed up the customer service process.

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