A STUDY ON PERSONAL FINANCE SERVICE MARKETING MIX (7PS): A CASE STUDY OF BOZHOU BRANCH OF BANK OF COMMUNICATIONS

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Abstract: At present, the personal financial products business of Bozhou Branch of Bank of Communications lacks innovative and advanced marketing theories. This study aimed to investigate the factors that affect the marketing mix strategy of personal financial products business of Bozhou Branch of Bank of Communications to improve customer satisfaction and optimize the marketing strategy of personal financial services of commercial banks. These objectives were: 1) To analyze the current status of the marketing strategy of personal financial services of Bozhou Branch of Bank of Communications. 2) To determine the 7Ps marketing mix strategy to improve the bank customer satisfaction (CS) of personal financial services of Bozhou Branch of Bank of Communications.

This paper took the 7Ps theory as the theoretical framework and combines the customer satisfaction theory to develop an effective service marketing strategy for Bozhou Branch of Bank of Communications. It adopts quantitative analysis methods, qualitative analysis methods, literature collection and reading, and questionnaire data analysis to optimize the marketing system of its personal financial business and proposes theoretical basis and lays a foundation for the relevant measures of Bozhou Branch of Bank of Communications to improve personal financial products and improve marketing plans. The results found that: the 7Ps marketing strategy factors of product, price, place, process, promotion, people and physical evidence have a significant positive impact on customer satisfaction. Recommendation: 1) Optimize the 7Ps marketing strategy for the current marketing status of the personal financial management business of Bozhou Branch of Bank of Communications.

Keywords: Personal Finance Business, Commercial Bank Service Marketing, 7Ps Service Marketing Strategy, Customer Satisfaction

Introduction

For most of the commercial banks, wealth management products, although not the whole content of the business, but also occupy a place, for the whole bank's profitability benefits have a huge role, but also revenue giant, can get a lot of money through the marketing of wealth management

products, and can be effectively invested in obtaining the cycle, to obtain a larger return, so wealth management products are also commercial banks pay great attention to the retail business (Falahuddin et al., 2022). And banks, as financial institutions, have become an important business in providing financial services to individuals. The scope of personal financial services includes savings, investment, insurance, and loans, which are designed to help individuals achieve their financial goals and manage risks (Mudondo, 2021). However, as competition in the financial market intensifies, banks are facing increasing challenges.

As one of the five largest state-controlled commercial banks in China, Bank of Communications Bozhou Branch, the subject of this study, has been committed to preserving and increasing the value of its customers' wealth with the corporate vision of "building China's best wealth management bank", and up to now (Kartika et al., 2020). Bank of Communications Bozhou Branch, as the first joint-stock commercial bank in Bozhou City, has won the recognition and praise of the majority of customers for its high-quality financial services, and has established a good reputation and brand image in Bozhou City's financial market. However, affected by the unstable and uncertain factors of the world economy and the poor macroeconomic situation in China, which impacted the dominant position of the traditional banking industry and caused some influence on the traditional banking industry, Bank of Communications Bozhou Branch also faced some challenges (Bhaskaran et al., 2023).

Therefore, in the new situation, how to improve the ability to provide customers with a full range of personalized financial services, how to continue to carry out financial service innovation, financial product innovation, and to maintain the advantages of personal finance business is a new issue facing Bank of Communications Bozhou Branch. This study focuses on the marketing strategy of personal financial services of Bank of Communications Bozhou Branch, aiming at exploring how to develop effective marketing strategies to attract and retain customers in the fierce competition. The study of marketing strategies for personal finance services can help banks to improve their competitiveness, increase non-interest income and enhance customer satisfaction.

Research Objectives

Specifically, the research objectives were:

The main issue raised in this paper is how to optimize the marketing strategy of personal financial services of commercial banks to improve customer satisfaction. This paper takes the marketing strategy of personal financial services of Bozhou branch of Bank of Communications as an example to discuss its current marketing strategy. Its main purposes are as follows:

1. To analyze the current situation of marketing strategy of personal financial services of Bozhou branch of Bank of Communications.

2. To determine the 7Ps marketing mix strategy, 1) products; 2) price; 2) place; 4) promotion; 5) people; 6) process; 7) physical evidence to improve bank customer satisfaction (CS) of personal financial services of Bozhou branch of Bank of Communications.

Literature Review

Related to Personal Finance Services

Personal finance business refers to a comprehensive financial service provided by commercial banks to individual customers, including financial planning, financial products, financial consulting, etc., aiming to help customers realize the preservation, appreciation and inheritance of wealth (Khatab etal., 2019). Giovanis et al. (2019) pointed out that the development and gradual improvement of personal financial management business is the main means by which the banking industry in China can achieve good development, grab enough market share and obtain a win-win situation. The study of Mudondo (2021), on the other hand, pointed out that high-quality personal financial management products are capable of attracting a better customer base, and at the same time, also can create more revenue for banks and effectively improve their profitability. Diener and Špaček's (2021) research results show that Commercial banks can be segmented according to the income level of customers, which in turn promotes the innovation of service products. Zouari and Abdelhedi (2021) study pointed out that banks should be from the culture, service, business model and other perspectives, customer-centered, and constantly improve the value of personal finance. This study for the discussion of bank personal finance business provides an important theoretical value, has practical significance.

Service Marketing of Commercial Banks

Marketing strategy is the foundation of commercial banks to be developed. It is analyzed in detail from three aspects: market competition, opportunity identification and market positioning. According to Shi (2012), an effective way for commercial banks to perfect their marketing strategy is to focus on occupying all kinds of resources of commercial banks by improving their products and services. Rosário and Raimundo (2021), on the other hand, argued that: marketing capability is a key determinant of a bank's business performance, which is manifested from the marketing personnel. Based on the above literature review, in-depth analysis of the service marketing strategy of personal finance business of Bozhou branch of Bank of Communications, and combined with the knowledge of marketing, this analysis will develop a set of effective service marketing strategy to optimize the service marketing system of personal finance business of Bozhou branch of Bank of Communications.

Customers Satisfaction

The emergence of customer satisfaction as a concept in the field of marketing took place in the developed European and American economies, where buyer's markets are gradually taking shape (Wu, 2013). Sodikin (2020) argues that customer satisfaction can be measured as a measure of the

give-and-take psychology of the customer with respect to the purchase of a good, from which the diagnosis of the good and the service is made, linking the two concepts of service quality and customer satisfaction. There is also a category of research that looks at customer satisfaction dialectically. For example, Huang et al. (2020) analyzed it in combination with competition and proposed that customer satisfaction is a meaning-rich indicator, and whether customers are satisfied is affected by the competitive environment of the market.

7Ps Service Marketing Theory

The 7Ps marketing mix strategy is based on the original four marketing elements of the 4Ps theory and adds three additional three elements about serving customers, which are people, process and tangible presentation (Black, 2011). The marketing mix (7Ps) is one of the core concepts of marketing theory. Although there have been various proposed modifications to the 4Ps framework (Anderson, 2004; Birhanu et al., 2021), the most focused reviews have come from the field of service marketing. The extension of the 4Ps framework to include the factors of process, entity, evidence, and participant by Ahmed et al. (2020) has been widely accepted in the service marketing literature. At the macro level of the 4Ps, the 7Ps marketing mix strategy takes into account the impact of the micro level, which makes its theory more detailed (Farrell et al., 2016). The 7Ps marketing strategy theory is a commonly used marketing model designed to help companies achieve competitive advantage in the marketplace (Diener & Špaček, 2021). Therefore, the 7Ps service marketing mix theory focusing on customer satisfaction was chosen.

Methodology

This study employs a comprehensive research methodology that combines quantitative and qualitative research tools. The core objective of the study is to explore in depth the marketing strategies implemented by Bozhou Branch of Bank of Communications in its personal finance services, which is implemented as follows: (Explain why the mixed research method is used and the relevance of the theoretical basis and the research process.) Overall research, feedback research, and overall quantitative through the method of questionnaire survey. The research content of this paper mainly focuses on marketing strategy optimization, taking 7Ps marketing mix strategy as the main theoretical basis, followed by combining with customer satisfaction theory as the research means, and combining with the actual situation of Bank of Communications Bozhou Branch's personal finance business. This paper distributed 240 questionnaires as the final sample size. Through the reliability and validity analysis of the collected questionnaire data, the reliability coefficient value was 0.693, greater than 0.6, indicating that the reliability quality of the study data was acceptable, and the KMO value is 0.862, which indicates that the design of this questionnaire is relatively reasonable, with reliability and validity.

Table 1: Reliability analysis of the questionnaire scales

Sample	Item	Cronbach α Coefficient
100	15	0.693

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin metric	.862
Approximate chi square	5024. 103
The sphericity test of the Bartlett sphericity test df	517
Sig.	.000

And to assess the specific impact of these strategies on customer satisfaction. In order to address these inherent limitations in the extant literature, five hypotheses were devised for the proposed research model provided in Picture 1.
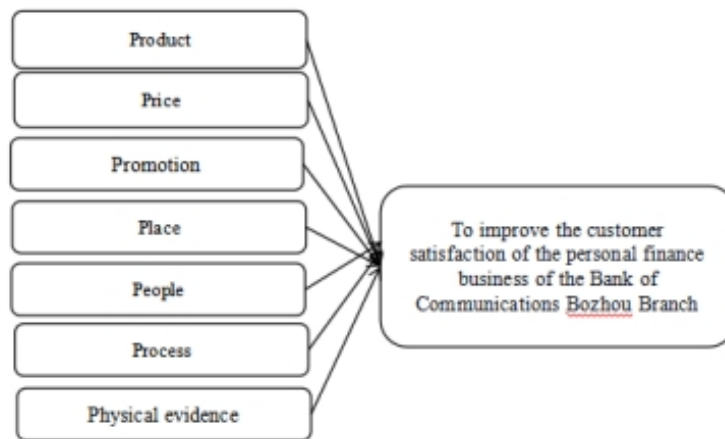
Picture 1: Research Framework

H1: The current status of personal financial management of Bozhou Branch of Bank of Communications affects customer satisfaction.

H2: According to the 7Ps marketing strategy, the satisfaction of personal financial management customers of Bozhou Branch of Bank of Communications is improved from seven aspects: product, price, place, promotion, people, process and physical evidence.

**Results**

1) Descriptive Statistical Analysis

Demographic data were collected from participants in several categories, including gender, age, education, status, occupation, and income. Table 3 summarizes the frequency distribution of these items. The survey results showed that the age distribution of the participants was as follows: 8-25 years old accounted for 0.42%, 26-35 years old accounted for 47.50%, 36-45 years old accounted

for 35.00%, 46-55 years old accounted for 7.08%, and 56 years and above accounted for 10.00%. The occupation distribution of the participants was as follows: students accounted for 2.50%, office workers accounted for 31.67%, freelancers accounted for 25.42%, entrepreneurs accounted for 30.42%, and retirees accounted for 10.00%. In terms of the range of monthly disposable income, the distribution of participants is as follows: 10.00% below 3,000 yuan, 45.42% between 3,000 and 5,000 yuan, 30.83% between 5,000 and 10,000 yuan, 13.33% between 10,000 and 20,000 yuan, and 0.42% above 20,000 yuan.

Table 3: Demographics

Item	Frequency	Percentage
8-25	1	0.42%
26-35	114	47.50%
36-45	84	35.00%
46-55	17	7.08%
Over 56	24	10.00%
Student	6	2.50%
Office worker	76	31.67%
Professional	61	25.42%
Enterprise	73	30.42%
Retire	24	10.00%
3000 below	24	10.00%
3000-5000	109	45.42%
5000-10000	74	30.83%
10000-20000	32	13.33%
Over 20000	1	0.42%

Picture 2 shows the satisfaction with personal financial services provided by Bozhou Branch of Bank of Communications. The survey results show that for a certain service or product, the satisfaction of the respondents presents multiple levels. Specifically, 9.17% of the respondents said they were very satisfied, 41.25% of the respondents were satisfied, 35.00% of the respondents had a general attitude, 13.33% of the respondents were dissatisfied, and only 1.25% of the respondents were very dissatisfied.
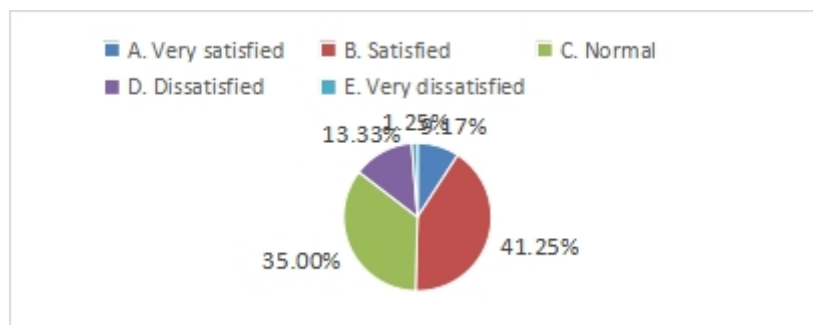
Picture 2: Percentage of satisfaction with personal financial services provided by Bozhou Branch of Bank of Communications

2) Regression Analysis

The second hypothesis test was the customer satisfaction factor. This test examined seven predictor variables (product, price, place, promotion, physical evidence, people, and process). Table 3summarizes the regression results from the multiple regression analysis. The results (adjusted R-squared = 0.598) indicate that 59.8% of the variance in customer satisfaction can be predicted from the variance in the seven predictor variables. The ANOVA test (F = 85.888, p = 0.000) did indicate that the regression was significant. To determine the significance of these factors, t-test significance was evaluated at the p < 0.05 level (confidence level = 95%). This indicated that the variables promotion (t = 2.271, p = 0.024), physical evidence (t = 4.940, p = 0.000) and personnel (t = 10.122, p = 0.000) were significant. However, four variables, product (t = 3.287, p = 0.199), price (t = 3.697, p = 0.496), place (t = 3.447, p = 0.149), and process (t = 2.126, p = 0.899) were significant, but not obvious. The regression equation for this regression is:

y (Customer Satisfaction)= 0.162 + 0.070x1 (product) + 0.026x2 (price) + 0.065x3 (place)+ 0.057x4 (promotion) + 0.203x5 (physical evidence) + 0.518x6 (people) + 0.007x7 (process)

These findings suggest that three hypotheses can be supported. These hypotheses include promotion, personnel, and physical evidence. Of these variables, personnel had the strongest impact, followed by physical evidence and promotion. However, four hypotheses could not be supported. These hypotheses include product, price, place and process. Therefore, the service marketing mix can be used to some extent as a theoretical framework for predicting customer satisfaction in Bozhou branch of Bank of Communications.

Table 4: Regression analysis results for H1-H7

Factors	R2	P-Value
(Constant)	0.162	.354
Product	0.070	.199
Price	0.026	.486
Place	0.065	.149
Promotion	0.057	.024*
Physical Evidence	0.203	.000**
People	0.518	.000**
Process	0.007	.899
Customer Satisfaction	0.605	.000**

Notes: *P < 0.05, **P < 0.01

3) Correlation Analysis

In this paper, Pearson coefficient is used to study the correlation between variables, taking the value range is [-1,1], generally expressed by r letters.

Table 5: Results of the correlation analysis

	Customers satisfaction	Product	Price	Place	Promotion	People	Process	Physical Evidence
Customers satisfaction	1							
Product	0.528**	1						
Price	0.541**	0.589**	1					
Place	0.163**	0.343**	0.303**	1				
Promotion	0.061**	0.349**	0.052**	0.279**	1			
People	0.273**	0.126**	0.412**	0.294**	0.252**	1		
Process	0.268**	0.236**	0.252**	0.294**	0.462**	0.467**	1	
Physical Evidence	0.322**	0.506**	0.0514**	0.061**	0.481**	0.436**	0.359**	1

As can be seen in Table 6, good relationships between variables can have a positive impact on determining 7Ps marketing strategies to attract more consumers. The results of the correlation analysis between customer satisfaction, product, price, place, promotion, people, process, and physical evidence variables.

4) Hypothesis Test Results

The second stage of the analysis is the hypothesis testing. The results of the hypothesis are summarized in Table 7, which are discussed below.

Table 7: Summary of hypothesis outcomes

Hypothesis	Results
H1: The current situation of personal financial management of Bozhou Branch of Bank of Communications affects customer satisfaction.	Accepted
H2: According to the 7Ps marketing strategy, the satisfaction of personal financial management customers of Bozhou Branch of Bank of Communications is improved from seven aspects: product, price, place, promotion, personnel, process and physical evidence.	Accepted
H2a: Diversified financial products improve the satisfaction of personal financial management customers of Bozhou Branch of Bank of Communications	Accepted
H2b: Reasonable price improves the satisfaction of personal financial management customers of Bozhou Branch of Bank of Communications	Accepted
H2c: Multi-place service improves the satisfaction of personal financial management customers of Bozhou Branch of Bank of Communications	Accepted
H2d: Promotion activities improve the satisfaction of personal financial management customers of Bozhou Branch of Bank of Communications	Accepted
H2e: High-quality personnel improve the satisfaction of personal financial management customers of Bozhou Branch of Bank of Communications	Accepted
H2f: Optimized service process improves the satisfaction of personal financial management customers of Bozhou Branch of Bank of Communications	Accepted
H2g: Physical evidence improves the satisfaction of personal financial management customers of Bozhou Branch of Bank of Communications	Accepted

Discussion

Hypotheses indicate that the seven components of the service marketing mix (promotion,

physical evidence, people, product, place, price, and process) are all important. The important factors include two of the three extended factors proposed by Gimpel et al. (2018) and one of the original factors (promotion). Giovanis et al. (2019) suggest that the human aspect of a service is virtually inextricably linked to the product aspect as people provide the service, and that people regard the personal aspect of the service delivery as one of the most important aspects.

Prior studies have confirmed the importance of promotions in the marketing of banks' personal finance services (Gimpel et al., 2018; Kim & Bae, 2010; Kitsios et al., 2021; Kim et al., 2018; Giovanis et al., 2019). Therefore, it is not surprising that promotions have an impact on customer satisfaction. However, in the banking environment, there is not much evidence of the impact of people on service delivery (Kitsios et al., 2021; Kim et al., 2018). Despite the apparent importance of people on customer service delivery, previous studies have not clarified whether this is an important factor (Mogaji et al., 2021). One of the reasons why only a few factors are of stylistic importance is that the 7P marketing mix is actually designed as a practical framework for developing marketing strategies, and consumers may not be aware of or react to all of its elements (Gimpel et al.,2018).

Overall, the service marketing model was not very successful in capturing customer satisfaction, although the three important factors it identified predicted about 60% of the variance. This suggests that there are other factors that play a role as well, but they have not yet been identified. Future research could focus on identifying customer satisfaction factors in the service environment of Bozhou branch of Bank of Communications.

Conclusions

This paper investigates the marketing strategy of the personal financial management business at the Bozhou Branch of the Bank of Communications, located in Bozhou City, Anhui Province, China. Utilizing extensive research from domestic and international sources, it provides an in-depth analysis of the current marketing situation. Through a questionnaire survey, the study identifies several shortcomings in the current marketing strategy, such as the lack of initiative among financial management staff, a passive approach to customer engagement, and outdated marketing quality and concepts. Given the evolving marketing environment, the traditional marketing strategies are no longer effective. To address these issues, the paper employs the 7Ps service marketing framework—product, price, place, promotion, people, process, and physical evidence—to propose optimized strategies for the personal financial management business at the Bozhou Branch.

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