

## STRATEGIES ON OPTIMIZING THE SALES SYSTEM OF THE ROMANIAN COMMERCIAL BANK

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### ABSTRACT

*The financial civilization of the last two decades has put us in front of an increasing avalanche of financial-banking services, services that have experienced international growth and permanent diversification, their market becoming increasingly difficult to know, anticipate and control. In these conditions, the analysis of the specific aspects that delimit the system of sales of financial-banking products and services and of the services in general, represents a very important area for the Romanian Commercial Bank, as an answer to the need to adapt the economic theory to the practical reality. In the current stage, when the globalization of international finance is realized not only geographically, on a planetary scale, but also structurally, the large international financial groups of which the Romanian Commercial Bank is a part, have become true conglomerates that include, besides banks, insurance companies- reinsurance, investment or pension funds, and activities in the capital and leasing market, capable of providing so-called integrated financial services.*

**KEYWORDS:** *strategies, sales, BCR, development*

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### 1. INTRODUCTION

The reason we chose this paper is to present the importance that the sales system within an institution of such size as the Romanian Commercial Bank has on the bank's performance and profitability in general. As banks are known, they are practically the engine of the economy and the evolution of the activity they carry out influences the national economy in general and at the same time we are all affected (Profiroi et al., 2019).

The financial civilization of the last two decades has put us in front of an increasing avalanche of financial-banking services, services that have experienced international growth and permanent diversification, their market becoming increasingly difficult to know, anticipate and control (Jianu et al., 2019). In these conditions, the analysis of the specific aspects that delimit the system of sales of financial-banking products and services and of the services in general, represents a very important area for the Romanian Commercial Bank, as an answer to the need to adapt the economic theory to the practical reality.

In the current stage, when the globalization of international finance is realized not only geographically, on a planetary scale (Burlacu, et al. 2018, 2019), but also structurally, the large international financial groups of which the Romanian Commercial Bank, owned by 69% of Erste Bank Austria, is a true conglomerate. which include, besides banks, insurance-reinsurance companies, investment or pension funds, and activities on the capital and leasing market, capable of offering so-called integrated financial services (Ioniță et al., 2009a, b).

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In this context, it becomes an objective necessity to concern for the improvement of the sales system of the Romanian Commercial Bank, which must meet the demands related to the free movement of capital and to take into account the interests of the owners of large financial capitals to be able to transfer funds quickly and without restriction. from one area to another, from one country to another, to shelter them from crises, devaluations, confiscations, decisions of national authorities and other dangers (Rădulescu et al., 2018a, b).

The specificity of the banking activity makes the achievement of the strategic objectives of profit optimization closely related to the main factor underlying the management solutions at all levels of the bank - the bank-client relationship.

## 2. CUSTOMERS AND SUPPLIERS

For a bank, the number of customers shows its prestige and, according to it, the bank is a respected and important one in the market. The first place is the Romanian Commercial Bank with 5.6 million customers, followed by CEC Bank with almost 3.9 million customers and BRD with 3.1 million customers.

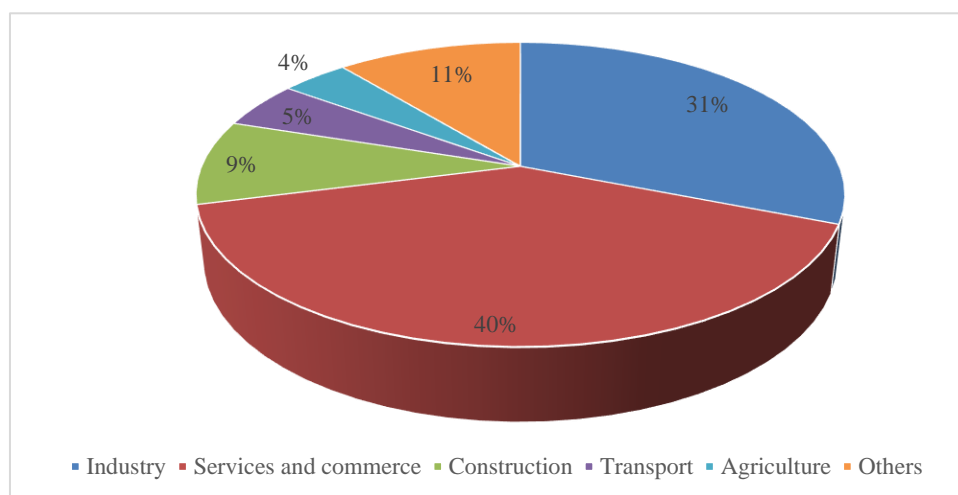
Starting from the fact that the bank's revenues are obtained from customers, the Romanian Commercial Bank places a special emphasis on the study of the clients as a whole, but especially on the segments.

The clients of the Romanian Commercial Bank must be viewed from at least three perspectives:

- Clients who have money savings and resort to banking products and services such as current accounts and deposits that can be generically referred to as liquidity providers for the bank;
- Clients who need additional financial resources to meet short, medium or long term needs and resort to credit products and banking services
- Clients who resort to other types of banking or non-banking services: insurance, consultancy, etc.

As the competition intensifies in the financial markets, the Romanian Commercial Bank has increasingly adopted the segmentation strategy, shifting its focus from the strategies of attracting users to those aimed at increasing the use of products by the consumer and to strengthen the exclusivity of customer relations.

A segmentation of the market that best highlights the policy adopted by the Romanian Commercial Bank is presented in the following graph:



**Figure 1. Market segmentation at BCR as of December 31, 2018**

*Source:* Internal documents of the Romanian Commercial Bank

As can be seen from Figure 2, most of the clients of the Romanian Commercial Bank are from the services and trade sector, followed by industry 31%, construction 9% and the other sectors.

### 3. MARKET POSITIONING

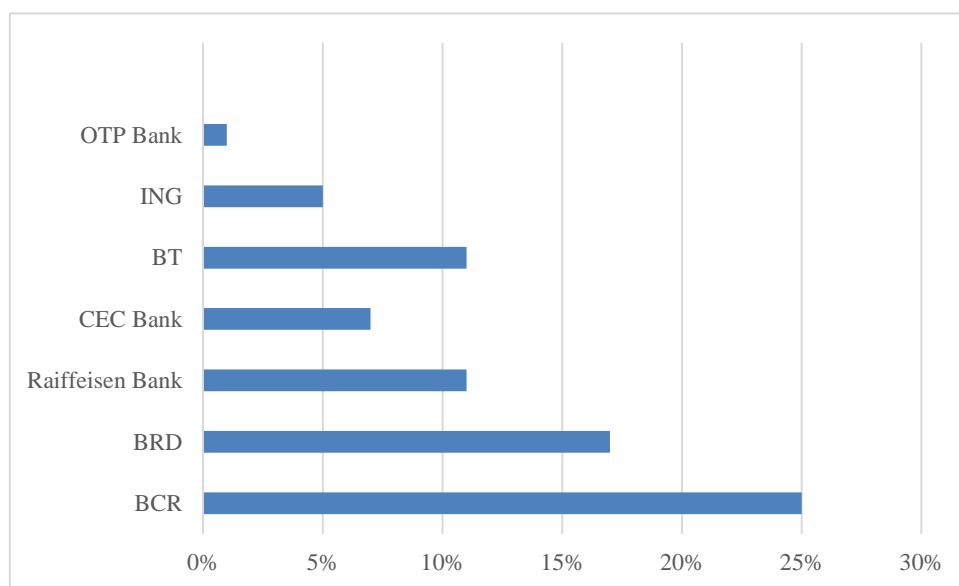
The mission of the Romanian Commercial Bank to maintain its leading position in the market, through the permanent development and qualitative improvement of the bank's activity was a basic concern of the bank's management.

The basic criteria according to which a bank's market positioning is evaluated are: number of clients, size of network of units, value of assets managed, value of deposits attracted, value of loans granted.

Regarding the number of clients and banking units, it is specified that, at the time of taking over by Erste Bank, the Romanian Commercial Bank had 367 units in Romania, out of which 41 county branches and 325 branches and agencies, located throughout the country.

A portfolio of approximately 2.5 million clients, individuals and 300,000 clients, legal entities. Currently, the total number of clients is 5.6 million, and the total number of banking units is 756. Regarding the value of the assets, the ranking of the 10 largest banks on the market according to the market share by assets is shown in the figure below:

As shown in the graph presented, after two years of crisis, changes in the ranking of banks are beginning to reflect more and more clearly the differences in robustness and viability of business models, long-term strategies for the local market, but also the efficiency of management. risk. The Romanian Commercial Bank and BRD compete at the top, while the other banks in the top 10 hardly gain significant market share.



**Figure 2. Top of Romanian banks on the criterion of trust**

*Source: IRES*

As shown in the chart above, 25% of the respondents of the IRES study on the banking market confirmed that the bank with the most confidence is the Romanian Commercial Bank, 17% indicates BRD, and 12% Raiffeisen Bank.

In conclusion, the Romanian Commercial Bank, a member of Erste Group, is the most important financial group in Romania, including the profile companies in the leasing, asset management, private pensions and housing banks market.

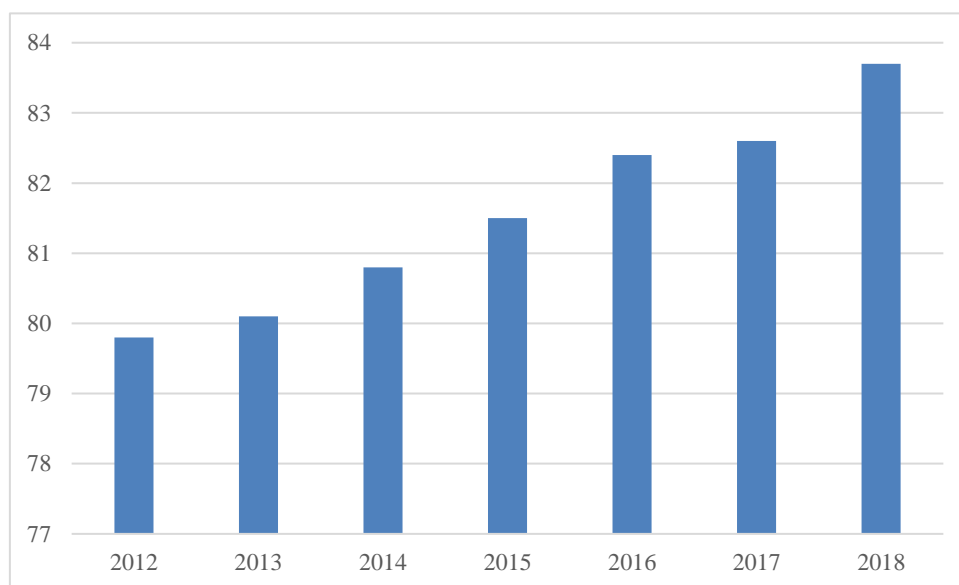
### 4. PROPOSALS TO IMPROVE THE SALES ACTIVITY OF THE ROMANIAN COMMERCIAL BANK

The recommendations regarding the improvement of the sales system of the Romanian Commercial Bank concern several directions of action that refer to the main components of this system, namely: the

bank's products and services, the market, distribution channels, the bank-client relationship, risk management. An efficient sales system involves the combination of all the components mentioned above in order to achieve the strategic objectives of the bank:

- Satisfying customers' wishes. This is a central aspect without which the financial objectives of the bank could not be achieved.
- Profitability. Customer satisfaction cannot be achieved at any cost, there must be a balance between the degree of fulfillment of the clients' wishes and the profit achieved from the effort made.
- Interested employees. All employees must understand the importance of continuous improvement of the sales system and work in the spirit of this concept.

Also, the recommendations regarding the improvement of the sales system of the Romanian Commercial Bank must take into account the current economic and social context in which the bank operates, which has some particularities.



**Figure 3. Total bank assets**

*Source:* Internal documents of the Romanian Commercial Bank

In the context shown, the main recommendations regarding the improvement of the sales system of the Romanian Commercial Bank refer to:

- Development of banking products and services - the basic component of the sales system. There is a constant concern on the part of those who deal with the management of the sales system in the Romanian Commercial Bank to offer a wide range of products and services to their customers, justified by the fact that the very existence and success of the bank depend on the way in which it operates. It is perceived by customers as an institution that meets their financial needs.
- Accentuated development of information and communication technology causes profound changes in the financial-banking services sector. The success of these services in the new conditions is strongly influenced by their redesign and diversification.

The innovation, redesign and diversification of banking products and services must be carried out in such a way as to lead not only to the satisfaction of the customers, but also to their enthusiasm, thus determining them to remain loyal customers of the bank.

The recommendations for the success of this product consist in: the use of prices (interest, commissions) that will ensure the competitiveness of the competing banks and which could be:

- negotiation, for the profitable clients who meet the conditions for granting facilities (strategic, large clients, with turnover over 1 million euros, SMEs and local public administration authorities - AAPL);
- differentiation, for the clients who have receipts in foreign currency of more than 50% of the turnover and which carry out over 80% of the activity through the Romanian Commercial Bank;

- standard, for customers who do not fall into the above categories;
- the offer will be presented differentially, depending on the target segment and its specific needs (eg for construction companies - mortgage or developer credit, for leasing companies - credit for leasing activity, for local public administration authorities - investment credit ).

Another sector in which development and innovation is required relates to electronic banking services, given the advantages they offer (online operations and information, high degree of security of operations, time savings, etc.).

Within these services it is recommended to extend the system of electronic settlement of customs duties and the automatic transmission of payment confirmations is a new service on the Romanian banking market, being currently operational in 79 customs offices. It is necessary to establish the monthly subscription for each accessed customs office following a marketing research that identifies the price level at which the new service can be offered under competitive conditions.

In the Romanian Commercial Bank, the improvement of the sales system must place a special emphasis on identifying the ways of increasing sales through cross-selling. At the Commercial Bank level, it must manifest itself in two directions:

- Offering complementary and alternative products and services. These new products are additionally offered in addition to those initially proposed to the customer, being from different categories, but which are in line with the way the customer's needs are linked and complement each other. This technique is also called cross-selling or chaining.
- An extension, an increase of the initial product by emphasizing additional facilities. The solutions for improving the BCR Sales System must take into account the information provided by the feed-back.

Financial and banking services imply, by their very nature, the existence of a two-way information flow. In order to create a lasting relationship between the bank and its clients, there must be a continuous communication between the bank and the customer. In this sense, it is recommended to identify solutions aimed at:

- Barrier-free transmission of market information and signals directly from those who come into direct contact with customers;
- The stimulation of the adaptive capacities can be carried out by implementing an adequate motivational system;
- Not only the executive management of a bank must constantly feel the pulse of the market, but also the managers from all hierarchical levels.

## 5. CONCLUSION

The need to constantly provide high quality services has led to the proposal of internal marketing as the best solution

The reality shows us the interdependence between management and marketing, hence the need for a top manager to be a knowledgeable finisher of marketing, and a marketing manager is also required to master the general management very well.

Most of the companies have as main concern the external marketing, namely, the relationship with their customers, the sale and promotion of their own products or services, the creation of the brand, etc., and the management of the organizational communication is left to the human resources. But this concept is wrong, because marketers need to be aware of the importance of a well-developed internal marketing, and this can only be achieved through an excellent collaboration of the human resources department with the marketing one. The employees of the service company influence the way customers perceive the five dimensions of service quality: trust, promptness, security, personalization, tangibilization.

The overall picture of the financial results of the Romanian Commercial Bank in recent years shows the level of performance achieved by the bank, these are performance results built through an excellent collaboration of BCR management with its employees, which is demonstrated by the existence of a healthy internal marketing policy adopted by to the BCR through the development of an internal

communication as the main means of fostering a positive interaction of the different management and operational structures, in harmony with their major motivations.

In the BCR Group's vision, communication represents the activity by which the institution interacts with the environment in which it operates. BCR is a dynamic, successful and responsible society. Based on these attributes, the communication strategy is built, which takes into account the constant and real-time information of all those with whom it interacts: customers, business partners, employees, community.

BCR is fully committed to conducting its business with professionalism and integrity in order to increase customer satisfaction, anticipating, in response to future changes, the need to motivate staff, promote diversity and strengthen their reputation.

The fundamental trends that shape the Romanian economic and financial services industry also determine the BRD strategy, so that it is perfectly placed to take advantage of the long-term growth opportunities.

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