



**RESEARCH ON MARKETING STRATEGY OPTIMIZATION OF  
CHAO YANG COMMERCIAL BANK'S CREDIT BUSINESS**

**SONG LINFEI  
6317195880**

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**RESEARCH ON MARKETING STRATEGY OPTIMIZATION OF  
CHAO YANG COMMERCIAL BANK'S CREDIT BUSINESS**

**Thematic Certificate**

To

**SONG LINFEI**

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of International Master of Business Administration in International Business  
Management

Advisor: .....  
(Dr. Zhang Li)

Date: 11 / 2 / 2023

.....  
(Associate Professor Dr. Jomphong Mongkhonvanit)  
Acting Dean, Graduate School of Business Administration

Date: 14 / 3 / 2023  
Siam University, Bangkok, Thailand


**Title:** Research on Marketing Strategy Optimization of CY Commercial Bank's  
Credit Business

**By:** Song Linfei

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**Advisor:**

  
.....  
(Dr. Zhang Li)

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.....

### ABSTRACT

With the social economy and individual economic development, China's financial industry environment is undergoing changes mainly reflected in the reform of the financial industry and the development of the new financial industry. The traditional business model of commercial banks has had difficulty to applying the requirements of the new financial environment. Since the improvement of computer technology and its related derivative technology, new financial enterprises have been forming to seize the credit market of commercial banks. Therefore, commercial banks should adapt to the change in the financial environment, absorb the advantages of the new financial industry with their conditions, and create a high-quality credit business marketing strategy.

Based on a large number of excellent research results and using Chao Yang Bank as the research object, this paper analyzed the current situation and environment of their credit business marketing of Chao Yang Bank. The questionnaire effectively reflected the existing problems in the marketing strategy of Chao Yang Bank and divide the existing problems through the 7PS service marketing combination strategy, product, pricing, channel, promotion, public relations, personnel, and process. Through STP analysis, the causes of the problems were analyzed, and targeted optimization schemes were put forward, respectively. The research in this paper optimized the credit marketing strategy of Chao Yang Bank and also provides a value reference for the development of personal credit businesses and the development of marketing strategies of other commercial banks.

**Keywords:** commercial bank, credit business, 7PS, STP strategy



## Declaration

*I, Song Linfei, hereby certify that the work embodied in this independent study entitled “RESEARCH ON MARKETING STRATEGY OPTIMIZATION OF CHAO YANG COMMERCIAL BANK’S CREDIT BUSINESS” is result of original research and has not been submitted for a higher degree to any other university or institution.*

*Song Linfei*  
(Song Linfei)



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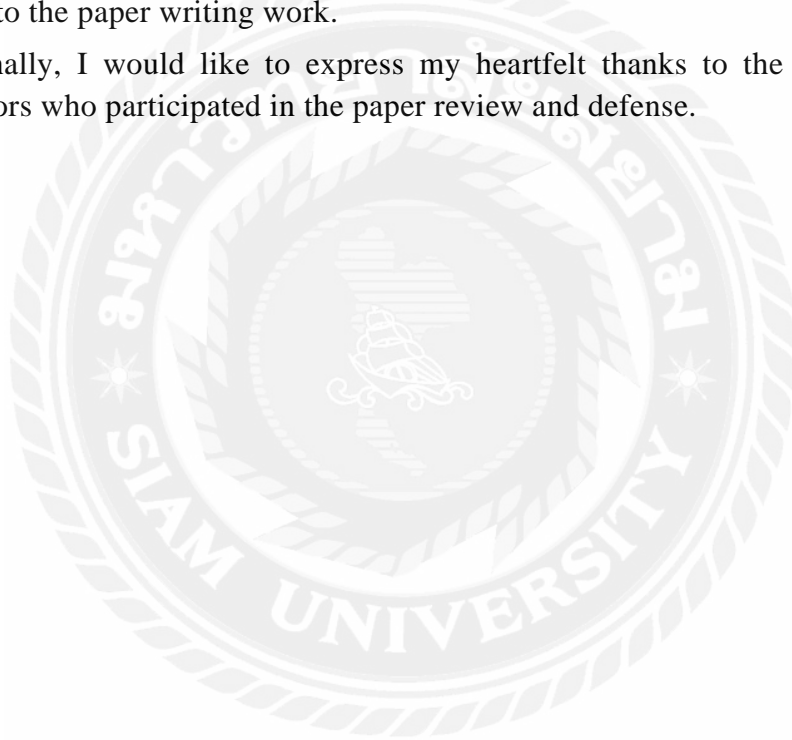
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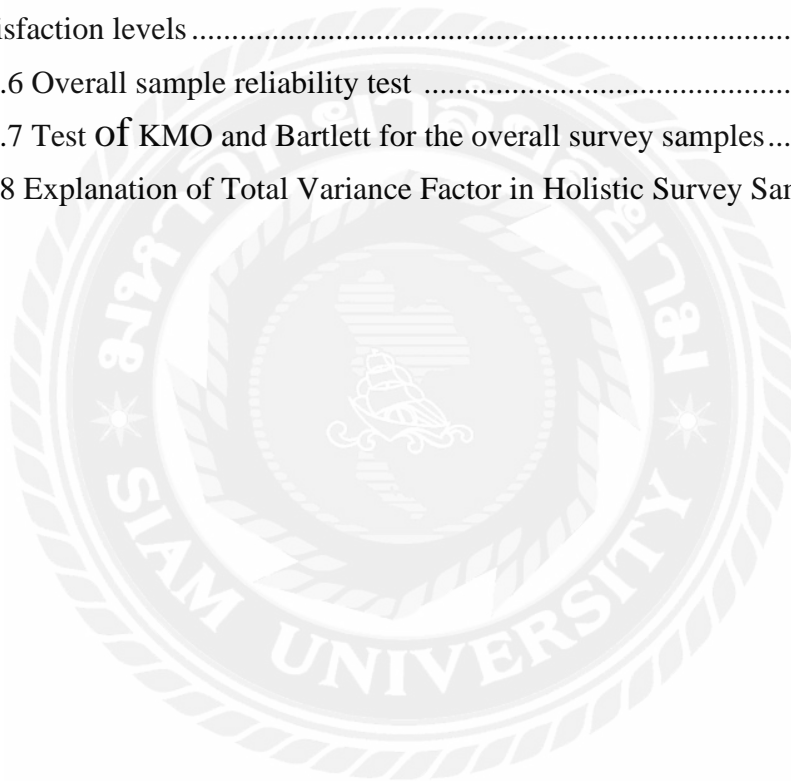
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# Chapter1 Introduction

## 1.1 Introduction and Problems of the study

With the continuous improvement of China's economic level, and the development of financial globalization. China's financial environment is undergoing great changes along with China's reform and opening up policy, which makes the commercial banks under China's traditional marketing model face difficult challenges. The competition between domestic commercial banks is gradually increasing, especially the competition of credit business between banks. And the credit business is mainly divided into public business and personal business. In the public business, the four major state-owned banks also occupy a dominant position, which makes the local commercial banks' public business development is restricted, and can only mainly focus on the promotion of personal credit business. However, the competition crisis of local commercial banks not only comes from domestic commercial banks, but also faces many challenges.

On the one hand, since China's reform and opening up, the economic construction has made remarkable achievements, and the gross national economy has been greatly improved. The main reason for this great achievement is that China's economic development policy is outward oriented. Through 29 years of reform and opening up, China has proved the great success of this policy, thus creating the rapid economic development of today. In this process, China has introduced a huge scale of foreign investment, mainly in the main form of wholly foreign-owned enterprises and cross-border mergers and acquisitions. The opening-up of this foreign policy has accelerated the process of China's financial internationalization. Since 2001, the central government has opened up its renminbi business to foreign banks in many cities. According to statistics, by the end of 2020, China had 41 wholly foreign-owned banks, with a total of 946 branches (Shen, Yi, 2021). The large influx of foreign banks, as well as their advanced business philosophy, high marketization and new credit products, have all caused a huge impact on China's traditional commercial banks, especially for the local commercial banks.

Therefore, the financial service platform of the above enterprises is mainly aimed at the development of small personal credit business. At the same time, due to the operation of its previous consumer commodity platform, it has a certain scale of consumer groups. The financial service platform for adding personal credit products to the original platform is more convenient, and it also has a certain customer group in business publicity and expansion. And because its personal credit qualification review is fast and simple process, so it has a very good market prospects. Seeing the huge development potential of emerging financial platforms, traditional commercial banks have also successively developed their own

interconnected financial service platforms, such as the mobile banking app of various commercial banks. I want to gain part of the benefits in the competition in the field of Internet finance, and then promote their own personal credit service business and products. However, due to its lagging behind the above enterprises compared with the above enterprises in mobile communication, there is no certain basis for the development of personal credit business in marketing strategy. Then, it is necessary to conduct an in-depth analysis of the marketing strategy of their own products, find out the existing problems, and make up for the existing shortcomings, and reflect their own advantages in the competition.

Finally, although Internet financial enterprises have the advantages of convenient and quick credit qualification examination in personal credit business. However, there are still some P2P online lending platforms, which only blindly follow the development of Internet finance. In order to pursue high returns, they do not pay attention to customer service in the later stage (HU,CHao,Ju,2017) . In addition, the extensive operation of these platforms does not have a perfect business model system, which leads to their inability to effectively control the risk of the platform. Only in a short period of operation, they will face the risk of closure. There are some surface hanging on the financial service platform hanging, some illegal, usury form of online loan platform. The emergence of these platforms has greatly disturbed the market of credit products. Therefore, the state has issued new regulatory rules and regulations, and the policy proposal is not only a constraint on the P2P online lending platform, but also a higher quality requirement of credit products of commercial banks and financial institutions(Liu,Jian,Min,2021). The traditional credit marketing strategy of commercial banks faces challenges, especially the traditional personal credit marketing strategy is not only to meet the needs of customers, but also needs to have high quality. Therefore, under the background of the constantly changing financial environment and the continuous policy reform, it is difficult for the traditional personal credit marketing strategy of commercial banks to solve the needs of the current financial market(Wang,Yan,2006). Therefore, it is very important for the commercial banks to find out the shortcomings of the current personal credit marketing model strategy, and to optimize and improve it.

## **1.2 Research Questions**

This study on the credit business marketing strategy of Chao Yang Commercial Bank is mainly conducted from the following three aspects:

1. From the perspective of 7Ps marketing portfolio strategy, are there these problems in the market macro environment of the credit business of Chao Yang Commercial Bank?

2. From the perspective of financial market, we will discuss the credit business of Chao Yang Commercial Bank, and analyze whether the current marketing strategy is

in line with the current target market, and whether we can accurately carry out the market positioning?

3. According to the problems existing in the current credit business marketing strategy of Chao Yang commercial bank, how to make the corresponding solutions and optimization suggestions?

### **1.3 Objectives of the Study**

The main problem of this paper is the credit marketing strategy optimization of commercial banks. Its optimization mainly aims at the changes in the current financial market environment and the proposal of the new financial regulatory policies. Can enable commercial banks, in the current financial environment, can respond to the changing form and policy needs, and through continuous innovation and exploration of profit credit channels. It can gain its advantages and survive longer under the market competition threat of state-owned banks, foreign banks and emerging financial institutions.

This paper takes Chao Yang bank's personal credit marketing strategy as an example to investigate its current marketing strategy. Its main purpose is as follows:

1. First of all, it mainly analyzes the current situation of personal credit business of Chao Yang Bank from two aspects of macro environment and industry analysis. Secondly, through the questionnaire survey, the existing problems are summarized from seven aspects: product, pricing, channel, promotion, public relations, personnel and process.

2. Then, the STP strategy is used to conduct a more detailed analysis of Chao Yang Bank's personal credit business, mainly from three directions: market segmentation, target market and market positioning.

3. Finally, the 7PS marketing combination strategy was comprehensively optimized and improved for Chao Yang Bank's personal credit marketing strategy.

### **1.4 Significant of the Study**

As the credit business of commercial banks in China only began to appear in the 1990s, there was relatively little research on credit business in the early stage of development. Most of the research mainly focuses on the large state-owned banks and joint-stock commercial banks that already have a certain scale of development. Its research focuses on marketing theory, without not combining the credit business of commercial banks with the changing financial environment, and lack of attention to the development trend of credit business marketing. There is a greater lack of research on local urban commercial banks. In the initial stage of their establishment, urban commercial banks will mainly serve the local economy, small and medium-sized enterprises and urban residents. However, most urban commercial banks focus their credit business on the services of small and medium-sized enterprises, while others follow large state-owned banks to compete in the market with big

customers and big projects. All ignore the services of the personal credit business of the city residents. For urban commercial banks, the credit business competition of small and medium-sized enterprises has been in a saturated state, and the personal credit business, with the emergence of emerging financial industries, is facing new competitive challenges(Zhang,Jian,Guo,2021). With the reform of financial interest rate liberalization in China, the income of urban commercial banks relying on the difference between deposit and loan interest rate for profit is less and less, which has been unable to maintain their survival in the huge competitive market. Moreover, because the marketing management of its own personal credit business is not perfect, the marketing means are too single, and the products are lack of innovation, various factors make the city commercial banks in the dilemma of survival and development. Under the background of the rapid development of economy, information and Internet technology, it is not only full of challenges for urban commercial banks, but also brings important opportunities for innovation and transformation. Local commercial banks should seize the opportunity to conduct a detailed analysis of the internal and external market environment, innovate marketing means and optimize strategies, solve their own existing problems, and enhance their core competitiveness. This paper takes Chao Yang bank's personal credit marketing strategy as the research object, mainly to optimize the shortcomings of its marketing strategy. In the optimization of marketing strategy, the paper mainly pays attention to the development of financial market form and the combination with the actual situation. The study of this paper is of great theoretical significance for the marketing strategy optimization of personal credit business of local urban commercial banks in China(Xiong,Pan,2022).

### **1.5 Contribution of the Study**

The development of credit business of Chinese commercial banks is relatively late compared with foreign banks, and the marketing concept and marketing management mode are relatively backward. In the early stage, the main credit business is sales as the core, can not maximize the profit income. With the change of the financial environment and the gradual standardization of the market, its core has changed from the original sales to customers. The marketing strategy focuses on customer needs, focusing on customer service and customer feedback(Gu,Yuan,Li,2017).

The optimization of the marketing strategy of Chao Yang bank personal credit business studied in this paper is mainly aimed at the customer-centered optimization and improvement. By analyzing the macro environment of Chao Yang bank's personal credit business, three detailed political, economic and environmental aspects are included. I have a comprehensive understanding of the current and existing problems of Chao Yang Bank's marketing of personal credit business. This paper

takes 7ps marketing theory and STP analysis as the core theory. A comprehensive analysis of the current personal credit product marketing strategy of Chao Yang Bank is made by using the questionnaire method and combined with the 7ps marketing theory. Using the analysis method, the internal advantages and disadvantages of the marketing environment of Chao Yang Bank are analyzed respectively. In terms of the promotion of marketing strategy optimization, STP was adopted to clarify the marketing strategy of Chao Yang Bank's personal credit business from three directions: market segmentation, target market and market positioning, and put forward optimization suggestions according to the problems existing in seven aspects of 7ps combined marketing strategy. The research results of Chao Yang bank's personal credit business in this paper can give some reference value to the promotion of the marketing strategies of other commercial banks. In addition, the research results of this paper can improve the Chao Yang Bank's marketing strategy in the personal credit business, and thus improve the profit and income of Chao Yang Bank. Therefore, the research results of this paper have both theoretical and practical significance to some extent.

## **1.6 Limitation of the Study**

Through the optimization of the marketing strategy of Chao Yang Bank, the STP strategy is used to conduct market segmentation, target market, and conduct market positioning. Through SWOT, it also analyzed the current environment of the internal and external advantages and disadvantages, opportunities and threats of Chao Yang Bank's current personal credit business. Through the questionnaire method, the problems existing in its credit business marketing strategy were summarized, and its marketing strategy was optimized by using the 7ps theory. Although this article completes the optimization design of marketing strategy and can solve its marketing problems, it still has the following defects:

1. The online financial business of Internet finance still brings great transformation opportunities for commercial banks. People's requirements for credit services pay more attention to the speed and convenience. Although the design of this paper involves the development of online Internet finance, but it is still not perfect.

2. The competition among commercial banks is gradually increasing, especially the local commercial banks are facing a unified merger, and the physical branches between banks need to be transformed. In the face of the upcoming network merger policy, corresponding development countermeasures should be proposed to improve the way to deal with the transformation of their own business.

With the continuous accumulation of work experience and the gradual and in-depth study of the research, the above deficiencies will be improved to make the research results more complete.

## Chapter 2 Literature Reviews

### 2.1 Theoretical basis

#### 2.1.1 7Ps Service Marketing Combination Strategy

The 4Ps(The Four Ps of Marketing) theory is the product of the United States in the 1960s. It is mainly to show that the market demand will be affected by the marketing factors(Pei,Yu,Bo,2022). These elements are product, price, channel and promotion. With the change of the external environment of the financial market, the factors affecting the market demand are becoming more and more diversified. In order to meet the market demand in the changing external environment, the 7Ps combination marketing strategy is proposed by research scholars. The 7Ps marketing combination strategy is based on the original four marketing elements of the 4Ps theory, adding three three elements about serving customers, respectively, for personnel, process and tangible display. The difference is that 4Ps focuses on the tangible physical marketing approach of the product. And 7Ps not only focuses on the early product marketing, but also increases the marketing method of customer service, paying more attention to the importance of personnel in the process of customer to product consumption. From the perspective of the whole marketing process, the previous traditional 4Ps theory is more reflected in the macro level, mainly reflected in the process of the selection of sales channels and promotion means, and finally reach the hands of customers(GU,Xiao,Min,2005). The whole process is only a formal rough formulation, without considering the details of the formulation process. At the 4Ps macro level, the 7Ps marketing combination strategy considers the influence of the micro level, which makes its theory more detailed. It is mainly reflected in the relevant customer service, with the customer as the core, considering the time consumption of customers when purchasing products, customers' own understanding of the product, and the quality of sales personnel. So the 7Ps is also known as the service marketing portfolio strategy.

From different marketing perspectives, the 4Ps theory is mainly standing on the standpoint of the enterprise. In the product positioning, price formulation, sales channels and promotion, it all considers the impact on the enterprise, and does not consider the real demand of customers for products.7Ps focuses on the customer needs, to serve the market, customer service to develop marketing strategies. This paper mainly aims at the marketing strategy of Chao Yang Bank's personal credit business, which is the strategy optimization centered on customer needs. Therefore, we chose the 7Ps service marketing combination theory that focuses on customer needs.

### **2.1.2 STP Strategy**

The STP strategy mainly consists of three aspects of the analysis. S represents the market segmentation, T represents the target market, and P represents the market positioning(Chen,Xian,Ya,2021). The details are as follows:

(1) Market segmentation: it is a product market division centered on customer demand. According to different customer groups and different marketing product requirements, the whole marketing market is refined, so that the refined market has a certain targeted, to ensure that the marketing products can be carried out accurately sold. The main advantage of market segmentation is that it is easy to obtain customer feedback information, and can make enterprise strategic change to the changing customer needs at any time, and formulate marketing strategies in line with the changes of market demand.

(2) Target market: The evaluation and selection of the target market mainly rely on the refined market. According to the scale of the market segment, growth potential, enterprise resources and other elements to determine their own service objects.

(3) Market positioning: When the enterprise conducts market refinement and determines the target market, it can put the corresponding human and material resources into the target market. Because the resources of enterprises are limited, any enterprise wants to maximize the proportion of high-return resource investment. Market refinement solves this problem. Enterprises can concentrate on putting their own resources into the subdivided target market, and strive for market advantages. Then occupy their own target market, and finally, according to the customer information from the target market feedback, accurate market positioning.

### **2.1.3 Commercial Bank credit business marketing theory**

#### **(1) Credit business process**

Credit business makes loans in the form of credit, and the lender may repay part or all of the principal in advance. Loan funds mainly include: various deposits, mainly residents' deposits; bond financing, commercial banks to raise funds by issuing bonds; borrowing from the central bank, which is one of the macro adjustment of the financial market. Through the raising of funds, and then through different forms of loans to obtain profits, the current commercial bank credit business capital circulation(Kong,Yan,Jie,2006).

(2) Type of credit business It can be divided into two types of credit business according to the customer groups: personal credit and organizational credit. Compared with organizational credit, the demand for funds of personal credit business is conducive to the capital circulation of funds of commercial banks, and due to the capital dispersion, it is conducive to reducing credit risks. At present, the common personal credit business mainly includes personal housing loans, personal production and operation loans and personal consumption loans, among which the personal production and operation loans have the largest proportion(Lai,Huang,Pin,2012).



Organizational credit is generally provided to the for-profit industrial and commercial enterprises credit business, organizational credit It is the core of the credit business of commercial banks. Compared with the personal credit business, the amount of organizational credit is small, but the capital scale is large. In general, the scale of enterprises is directly proportional to the demand of capital, so large enterprises, especially state-owned enterprises, have always been the main customer group pursued by commercial banks. The credit business relationship established by enterprises and banks is not an individual behavior, but the relationship established by both parties after careful investigation and research, so it is highly stable. For commercial banks, it is very important to strive for quality customers and provide satisfactory services, because once customers make a choice, they will pay high costs(Li,Xiu,Kai,2018). The life cycle of an enterprise goes through entrepreneurship, the establishment of marketing channels, product update and product expansion, and each stage has different needs for funds. In order to establish a stable cooperative relationship with high-quality customers, commercial banks need to understand the development status of enterprises, the demand for funds and other information.

## **2.2 Research content and framework**

The research content of this paper focuses on marketing strategy optimization, with 7PS marketing portfolio strategy and STP strategy as the main research means, combined with the actual situation of Chao Yang Bank's personal credit business. Find out the problems existing in its current marketing strategy, and put forward a customer-centered targeted optimization suggestions.

The article is divided into six parts, which is: the first is the introduction, followed by the theoretical basis and literature review, and then the Chao Yang bank credit business marketing present situation and environmental analysis, to Chao Yang Banks and personal credit business marketing strategy problem analysis, followed by the Chao Yang bank personal credit business marketing strategy optimization, finally is the conclusion and prospect of the full text.The technical route of this paper is shown in Figure 2.1.

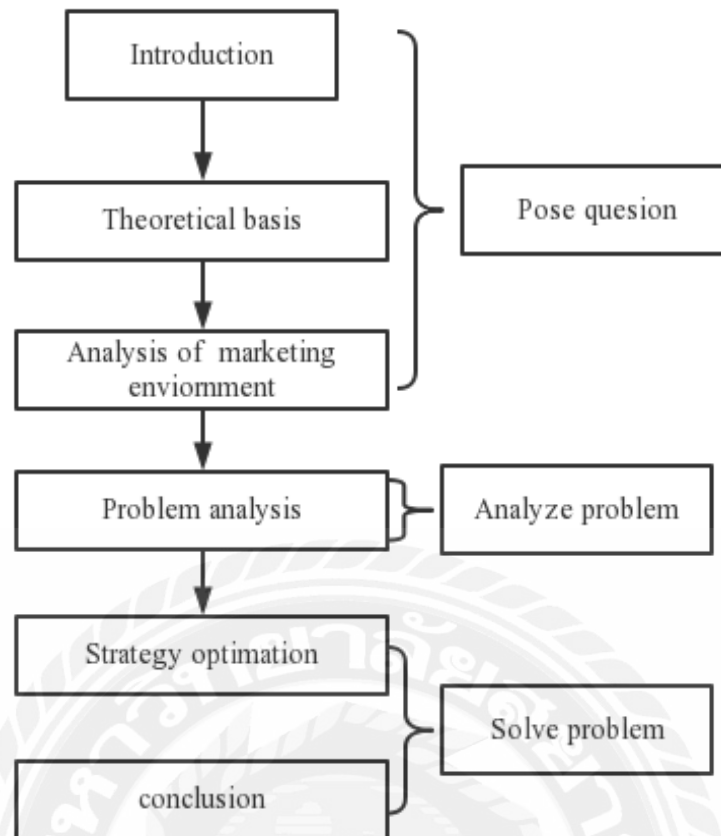


Figure2.1 Technical route of this article

## 2.3 Literature review

### 2.3.1 Marketing Research Overview of domestic and foreign commercial banks

The concept of marketing was first proposed in the United States in 1958. Its main research direction is focused on strategy, system, technology, customers, brand channels and public relations. Hu C (2012) believes that the marketing strategy is the foundation of commercial banks that want to develop. It analyzes the details from three aspects: market competition, opportunity identification and market positioning. Robin (2016) believes that the effective way to improve the marketing strategy of commercial banks is to occupy their various resources centrally by improving their products and services. Limakrisna N (2016), based on Bank Indonesia, analyzed the impact of human resources and information technology on commercial banks, modelthe sample number of commercial banks with data analysis, and concluded that competitive advantage has an important impact on the marketing of commercial banks. Xuehong et al. (2018) proposed that the precision marketing strategies for commercial banks should be formulated from customer demand analysis, market segmentation and positioning, and marketing portfolio control. EACD Mudondo (2021) proposed a new concept of social media marketing, which described the impact of designing media marketing on the behavior of commercial banks' customers through the social exchange theory. It is suggested that the sales staff of commercial banks pay more

attention to customer satisfaction, loyalty and repurchase issues. T Birhanu (2021) investigated the relevant influencing factors of loans and advance loans of Ethiopian commercial banks, and believed that the working capital ratio has a significant negative impact on commercial banks. Commercial banks need to pay more attention to credit risk, securities investment, average loan interest rate and other aspects. E Mogaji (2021) analyzed the Nigerian commercial banks to financial vulnerable customer loans, the results showed that the bank of Nigeria has developed different product development portfolio, adopt innovative traditional marketing plans, and apply inclusive technology to cover and extend services to society with no bank accounts and financial vulnerable customers.

The marketing research of domestic scholars on commercial banks is gradually carried out as China enters the market-oriented economy. From the current domestic research of domestic scholars, it pays more attention to the business subject. Chinese scholar Wang Jin believes that the financial products of banks 'business are different from other industries. China's commercial banks should pay more attention to the market orientation, and the promotion methods and means should tend to be more diversified. In terms of customer service and personnel ability, Ren Xuan (2005) believes that commercial banks can create their own service characteristics by caring about customers, so as to increase the good relationship between customers and banks. And Li Lin (2014) believes that: marketing ability is the key factor to determine the business performance of banks, and the embodiment of marketing ability is shown from the marketing personnel. The marketing ability and quality of marketers represent whether they can be qualified for the role of value and cultural transmission between banks and customers. Han Mengmeng (2017) believes that commercial banks need to pay attention to customer marketing to improve their own development. He believes that providing differentiated services and exploring high-quality customers are all effective means, so as to ensure the good operation of commercial banks.

Other scholars believe that brand image is an effective means to enhance the competitiveness of commercial banks. For example, Shi Jinxia (2012) believes that local commercial banks should pay attention to the establishment of brand reputation, establish a good image of customers in the competition of other commercial banks, and achieve rapid development of remote business. Liu Shuyan (2014) believes that: the marketing of China's commercial banks pays more attention to the direction of customer needs, to meet the personalized needs of the current market customer groups, to create its precision matching marketing. Zhang Meiyan (2014) proposed that China's commercial banks should achieve different brand marketing strategies. And to the customer as the center, to the market as the goal, to create their own distinct commercial bank brand.

### **2.3.2 Research and review on credit business marketing strategies of domestic and foreign commercial banks**

Foreign scholars in the marketing strategy of commercial bank credit business is mainly reflected in the risk and economic perspective of credit business research. MR Biswas (2021) believes that the credit risk of commercial banks for small loans comes from customer default. Through the data research of 20 banks, it found the statistical significant positive correlation of return on assets with capital adequacy ratio and cost loan asset ratio, which are the key factors causing customer default. JSA Zaidanin et al. (2021) believe that microfinance business is influenced by multiple independent factors such as non-performing loan ratio, cost-income ratio, liquidity-income ratio and loan-to-deposit ratio definition, and to what extent it affects the financial performance of 16 Arab commercial banks. The research results show that the non-performing loan ratio and cost-income ratio of private microfinance have a significant negative impact on the profitability of commercial banks. The main issue studied by DD Aslanishvili (2021) is the impact of the banking industry's credit portfolio and the operation of the credit market on the country's economic growth. It believes that from an economic point of view, the main function of banks is to increase the financing loan of funds, as the core point of increasing the investment in the economy. Therefore, the economic development of the country depends on the increased investment. L Ismaiel et al. (2021) believe that a set of macro and microeconomic variables should be found that can be used to classify and predict commercial banks operating in Syria based on credit risks. It uses the quarterly data of the 11 banks from 2008-2018, and the multiple discriminant analysis, characteristic values and the Lambda test of Wilks were used for the evaluation quality of the model. The results show that the most important variables are: credit risk, capital adequacy ratio, bad credit arrangement / credit arrangement, market share, loan / assets, operational risk and inflation rate. Ying et al. (2020) put forward the new concept of green credit ", which is mainly designed to use the leverage effect of the market economy to realize the innovative means of ecological and environmental protection. Research shows that green credit business, as an important source of funds supporting economic development, is an inevitable trend of commercial banks.

With the development of global economy, China's economy has also entered a period of rapid growth. Under the background of the rapid economic development, China's commercial banks have also achieved rapid development, and their credit business has also responded to the improvement. Chinese scholars have also made many excellent achievements in their research on the credit business of commercial banks. For example, Shen Yi (2021) believes that the personal credit business has the characteristics of risk management responsibility, mainly because of the large number of loans and the small amount of each loan, resulting in the dispersion of risks. Chen Jingya (2021) believes that commercial banks should introduce fintech and Internet platform technology to break the constraints and bottlenecks of existing development. Liu Jianmin (2021) proposed that the development of the online business of Internet finance has now caused the fierce competition among the various commercial banks.

However, this also increases the risk audit and management of various commercial banks, which needs to strengthen the management of the internal audit departments of banks, and formulate corresponding optimization strategies. Zhang Qi (2021) believes that although the improving financial environment provides a good space for the development of commercial banks, commercial banks of different nature and different sizes are facing many problems due to the increasing competition. Therefore, the commercial banks need to establish optimized marketing strategies to ensure their own stable development. Hou Dongmei (2012) combined with the situation of banks in China and the characteristics of micro loan business, believes that the bank credit business should adopt a divisional system mode. The operation mode can not only play a positive significance to the risk prevention of micro loan business, but also improve the handling efficiency of micro loan business and promote the balanced development of business and risk control. Zhang Jianguo (2021) believes that the main profit business of commercial banks is credit business, which is also an important link in the operation and management of commercial banks. The main factor to be considered to improve credit quality is to properly handle the relationship between credit operation and management. Pei Yubo (2022) believes that commercial banks should deepen their service to small and micro businesses, which are an important part of China's economy. Commercial banks should provide combined financial solutions for small and micro enterprises according to their own products. Xiong Pan (2022) With the rapid development of Internet finance, China's personal Internet consumption shows an increasing trend, and commercial banks should constantly develop personal network consumer loan products to meet the strong market demand for personal consumer loans. This requires through the establishment of a perfect system model.

### **2.3.3 Literature research and review**

Through a large review of the above domestic and foreign literature, it can be seen that foreign scholars and domestic scholars have different priorities on the marketing research direction of commercial banks. Domestic scholars focus on the research of large commercial banks, while foreign scholars focus on the research of channels, systems and brand building of commercial banks. It does not pay too much attention to the marketing research of small and medium-sized commercial banks.

For the research of commercial bank credit, domestic and foreign scholars have adopted the current popular 4ps marketing combination service strategy, active STP strategy analysis and SWOT analysis methods in the marketing strategy research. With the rapid development of The Times and the continuous change of the financial environment, the focus of domestic marketing strategy research has gradually shifted to the analysis of the marketing strategy of commercial banks. However, there is very little research on the marketing strategy of personal credit business, especially the marketing strategy of personal credit business of local commercial banks. Foreign researchers study the marketing strategy of local bank credit business only on micro and small enterprises, but not on personal credit business. Therefore, this paper

successfully draws on the marketing strategy of micro-credit business in the above domestic and foreign credit industry and for micro and small enterprises, and optimizes the marketing strategy of personal credit business of Chao Yang Bank. It has enriched the research in the field of personal credit business marketing strategy of local commercial banks in China, and provides a value reference for other local commercial banks.

## **2.4 Overview of Chao Yang Bank Credit Business**

### **2.4.1 Introduction to Chao Yang Bank**

Founded in June 2008, Chao Yang Commercial Bank is a joint-stock banking financial institution approved by the China Banking Regulatory Commission, and is headquartered in Chao Yang City, Liaoning Province. Chao Yang Commercial Bank has now set up 72 branches in many cities in L province, with more than 1,700 employees so far. As a local economic and commercial bank, Chao Yang Bank takes serving the local economy as its own responsibility. It mainly initiated and initiated the establishment of Chao Yang Liucheng Rural Bank, Lingyuan Tianyuan Rural Bank and other rural banks.

In terms of financial business, the total assets of Chao Yang commercial banks have reached 101.988 billion yuan, the balance of deposits reaches 76.585 billion yuan, and the balance of loans is 48.495 billion yuan, ranking among the top commercial banks in all aspects. The purpose of Chao Yang Commercial Bank is to serve the local economy, small and micro enterprises, urban and rural residents, and effectively serve the real economy supported by the state. It is committed to providing customers with high-quality, efficient and professional financial services, and strives to become the most trusted bank by the people

### **2.4.2 Current situation of Chao Yang Bank credit business**

At present, the credit business status of Chao Yang commercial banks is not optimistic, and the marketing development of credit business is faced with three aspects, namely, business marketing model, credit approval efficiency and resource allocation. The following aspects are detailed analysis from these three aspects.

(1) Integrated marketing. In terms of business marketing model, Chao Yang Bank now adopts the marketing method in its credit business is integrated marketing. In the marketing process, Chao Yang Bank's chosen marketing method is mainly integrated marketing. It is mainly engaged in the integration of two directions, respectively, marketing channels and internal resources. First of all, marketing channels are very important for the sales of credit products, and the competition among commercial banks also includes the possession of various sales channels. The traditional marketing channel is undoubtedly the entity outlets to promote credit products. However, this marketing channel is too single, which can no longer meet the

development of Chao Yang commercial banks in the current financial environment. On the other hand, from the perspective of the marketing organization structure of Chao Yang commercial banks, it adopts a five-level system from top to down, and the organizational structure of the head office, first-level branches, first-level sub-branches and secondary sub-branches. Due to the management of the organization from top to bottom, the marketing objectives and tasks are also developed in accordance with this structure. All levels of banks, sub-branch departments have the corresponding marketing functions.

(2) Internal resource integration. It is to integrate the existing customer groups, including individual, key, large customer group resources, according to their needs and characteristics, to accurately provide high-quality credit products and comprehensive marketing services. In this way, it can effectively attract customers and improve the popularity of Chao Yang Bank in customer groups. Through the integration of existing internal resources, it can not only improve the service level of customers, but also carry out secondary development of customers. The scope of resource integration of Chao Yang Bank should be wide, and it should lead by the general behavior to form a good demonstration effect, and finally implement it to each secondary branch branch.

(3) Credit approval efficiency and resource allocation. At present, Chao Yang Bank has performed well in credit approval efficiency and resource allocation, and can be comparable with large state-owned banks. Compared with the traditional credit approval process, Chao Yang Bank has improved the efficiency of the original approval process under the condition of ensuring rigorous approval. The internal approval process includes three main aspects: customer review, credit granting and business review. However, when handling customer credit business, the above audit process is only aimed at the head office and the branch can be handled as a whole, while the branch is more cumbersome and needs to be handled separately. In terms of resource allocation, the resources of Chao Yang Bank are uniformly deployed by the head office. Therefore, it is easy to cause the phenomenon of uneven distribution of resources, resulting in the phenomenon of less credit resource allocation in some areas.

## Chapter 3 Research Methodology

### 3.1 Research method

In this paper, three methods are mainly adopted: literature research method, comparative research method and questionnaire survey. Here is a brief introduction to the three methods. This paper in the application of three methods in the way of mixed research, the literature research method can provide the theoretical basis, qualitative analysis of the problems, and finally through the questionnaire method, for the whole research, the feedback research, the whole quantitative analysis process is on the basis of qualitative analysis, the specific implementation is as follows: (indicate why the use of hybrid research method, and the theoretical basis and the research process of the relevance.) Literature research method Through the research on the domestic and foreign commercial bank marketing and credit business marketing literature, the key contents and the schemes and methods of marketing strategies are summarized. Develop the key direction for optimizing the marketing strategy of the personal credit business of Chao Yang Bank. A large number of references provide a theoretical basis for the qualitative analysis of this study. Comparative study method The method is mainly used to analyze the internal advantages and disadvantages, external opportunities and threats of Chao Yang banks. Compare the analysis of the competition degree between the same industries, the development opportunities of the market and the competitive threats of other financial industries. Questionnaire method

#### (1) Literature research method

Through the research on the domestic and foreign commercial bank marketing and credit business marketing literature, the key contents and the schemes and methods of marketing strategies are summarized. Develop the key direction for optimizing the marketing strategy of the personal credit business of Chao Yang Bank. A large number of references provide a theoretical basis for the qualitative analysis of this study.

#### (2) Comparative study method

The method is mainly used to analyze the internal advantages and disadvantages, external opportunities and threats of Chao Yang banks. Compare the analysis of the competition degree between the same industries, the development opportunities of the market and the competitive threats of other financial industries.

#### (3) Questionnaire method

Give feedback to the personal credit business customers of Chao Yang Bank through the questionnaire. Analyze the feedback questionnaire information, and find out the problems existing in Chao Yang Bank's marketing strategies of personal credit business products, promotion and channels. Through the analysis of the feedback data



of the questionnaire, the current problems existing in the credit business of Chaoyang Bank are summarized, and the theoretical qualitative analysis content is scientifically transformed into quantitative analysis results.

## **3.2 Market environment analysis**

### **3.2.1 Macro environmental analysis**

This section analyzes the macro environmental of the credit business marketing of Chao Yang Bank, including four political, economic, social and technical aspects. The specific analysis is as follows:

#### **1. Political environment**

Since the 13th Five-Year Plan, China has intensified the intensity of financial reform by formulating a series of laws and financial policies to improve the level of financial governance, further standardize the order of the financial market, and promote the faster and more steady development of China's financial industry. At the same time, at the national strategic level, the introduction of major development strategies such as "Belt and Road" and Xiongan New Area has not only brought new impetus to economic development, but also provided a broader market space for the banking industry. The positive political environment brings favorable opportunities for the development of commercial banks including Chao Yang Bank.

As enterprises, commercial banks should participate in market competition. On the other hand, as an important component of financial institutions, they also undertake the important task of maintaining financial stability and ensuring the healthy development of the national economy. At the legal level, in recent years, China has intensified the construction of the financial industry legal system, such as the Banking Law and the Company Law, which not only regulate the development of commercial banks, but also provide a perfect legal environment for the development of the banking industry. At the same time, these laws also restrict the business development of commercial banks, especially non-performing assets, credit, risks, to improve the guarantee of the development of banks.

#### **2.Economic environment.**

In the process of operation, commercial banks will also be affected by the national economic environment, such as economic system, economic policies, economic development, etc. Therefore, when discussing the bank marketing business, we also need to analyze the economic environment.

At present, the development of the global economy has not completely emerged from the shadow of the financial crisis, the overall economic growth is weak, and China's economic growth is also facing great downward pressure. On the one hand, the economies of developed countries and regions such as America, Japan and Europe are still in a slow recovery and cannot stimulate economic growth through foreign

trade; On the other hand, emerging economies represented by Russia, India and Pakistan face global economic influence, trade barriers and political changes. The overall economic environment at home and abroad has increased the dilemma of China's economic growth. In this context, the country put forward the transformation and upgrading to create a new growth point for economic growth, and in the process, simply trust infrastructure construction to pull the mode of economic development, also not by the consumer market pull economic development effect is good, residents out of risk concerns, and will reduce consumption, more inclined to save. For Chao Yang Bank, it will also face problems such as regional economic incoordination, imperfect structure and business operation difficulties.

In order to better promote the economic development, the country has actively formulated the relevant stimulus policies from the financial, market and other aspects, avoiding the blind growth of CPI, stabilizing the stock market and the property market, and realizing the orderly economic growth. At present, the provincial and municipal governments where Chao Yang Bank is located are also actively introducing policies to support the transformation and upgrading of local industries and enterprises, such as formulating positive financial policies to solve the financial difficulties of enterprises, especially small and medium-sized enterprises, which will bring new opportunities for the development of banking business. In order to better promote the economic development, the country has actively formulated the relevant stimulus policies from the financial, market and other aspects, avoiding the blind growth of CPI, stabilizing the stock market and the property market, and realizing the orderly economic growth. At present, the provincial and municipal governments where Chao Yang Bank is located are also actively introducing policies to support the transformation and upgrading of local industries and enterprises, such as formulating positive financial policies to solve the financial difficulties of enterprises, especially small and medium-sized enterprises, which will bring new opportunities for the development of banking business.

### 3 Social environment

The impact of the social environment in the marketing activities of commercial banks is also relatively large, and there are many factors constituting the social environment, such as culture, customs, concepts, values, beliefs and so on. There are differences in the corresponding social environment of different regions, so commercial banks also need to formulate corresponding strategies around the characteristics of the regions when carrying out marketing activities:

For the region where Chao Yang Bank is located, on the one hand, the overall development level of the local economy and residents' income level are relatively high, and at the same time, residents also have a strong demand for investment, financial management, consumption and other aspects. This also means that banks in investment, wealth management, credit, funds and other aspects of the business will also have a good development prospects. At the same time, due to thinking and habits

and other reasons, most local residents are more inclined to choose state-owned enterprises. With the help of the early operation, Chao Yang Bank has a good local reputation, reputation and reputation, but the number of business outlets is missing, which will not be conducive to the improvement of the competitiveness of Chao Yang Bank.

#### 4 Technical environment

The development of science and technology is both an opportunity and a challenge for Chao Yang Commercial Bank. In recent years, with the booming development of high technology Exhibition, Chao Yang Commercial Bank also began to pay attention to the transformation of branches: on the one hand, accelerate the construction and purchase of self-service equipment Buy new equipment, constantly improve the service function, improve the service efficiency. On the other hand, to carry out online banking and other industries Promotion, break the restrictions of time and space, use public network resources, that is, expand the customer group, open Create a new profit channel, and reduce all kinds of expenses, greatly reduce the operating costs of Chao Yang Commercial Bank. However, due to the lack of professional scientific and technological talents and the lack of systematic training, Chao Yang Commercial Bank faces the increasingly developing scientific and technological knowledge And the heavy scientific and technological tasks, they can not undertake and competent. At the same time, Chao Yang Commercial Bank is a county level under the provincial Union Association, and not independent system, financial resources are not strong enough, the corresponding service facilities are naturally no other Large state-owned and joint-stock commercial banks are advanced.

### 3.2.2 Microenvironment analysis

This section analyzes the marketing micro environment of credit business from the following five aspects as follows:

#### 1 Potential competitors increase

With the CBRC's relaxation of access policies for local banking financial institutions, to promote urban and rural finance and The coordinated development of urban and rural economy, the construction of a harmonious socialist new countryside, more and more local rural banks should be Born. At the same time, with the development of the local county economy, there are many urban commercial banks, joint-stock system and State-owned banks have also joined the market competition, leading to a growing number of potential competitors. Among them the social letter Large banks with high reputation, strong economic strength, complete business functions and thoughtful service quality have strong competitiveness, Will attract a large number of local customers to handle business, and will also attract a lot of bank talents to apply for business, which is undoubtedly a big impact on Chao Yang business.

## 2 The competitive environment in the industry is fierce

Only from the local county level, there are the Bank of China, Industrial and Commercial Bank of China, China Construction Bank, Agricultural Bank of China, postal service Savings Bank, Rural commercial Bank, Huize Village Bank, Fumin Village Bank, Jinshang Bank, Industrial Bank Such as finance, institutions have opened a local outlets, and there are also 4 Some microfinance limited companies, and some companies between them Competition is getting fierce.

## 3 Customers' bargaining power has been improved

Previously, it was easier to get loans due to loose loan conditions, but in the current environment, Policy supervision requirements more and more strict, audit loans more and more strict, such as: repayment ability, credit record, etc., so It is no longer so easy to get people to borrow money, which reduces the bargaining power of credit customers. Only for that For some high-quality customers with high operating level, good credit record, strong profitability and easy to realize collateral, Is the first bank to compete for the loan object, they will have a certain bargaining power, which needs us to right Credit products, interest rates and other are adjusted to a certain extent to meet the needs of customers.

## 4 Customer deposit interest rates have been increased

On the one hand, the reduction of deposit interest rate, coupled with the enhancement of investment concept and the diversification of investment methods, traditional Now people are gradually inclined to use bank deposits for bank financial management, entities and so on Invest to get more money; resulting in significantly lower bank deposit growth and fewer deposits.the other side Face, high housing prices, advanced consumption concept and other rising costs of living overdraft most people's deposits, no Have extra money to deposit in the bank, which makes the banks need to vigorously expand marketing channels, to find the target customers and right Policy, do a good job of increasing and stabilizing the work.

## 5 The threat of alternatives is increasing

On the one hand, it is the threat from other banks, rural commercial banks have less business types, serious product homogenization, no Has its own unique advantages, coupled with the fierce competition in the industry, which makes the customer's business choice range plus Big, shop around, and finally choose the best suitable bank; and the other village bank, its market positioning Basically consistent with Chao Yang Commercial Bank, it has posed a certain threat to the operation and development of rural commercial banks. On the other hand, the network borrows money Loan and private small credit companies need less approval materials and simple procedures, which may also become the replacement of Chao Yang commercial bank credit Generation product, but its interest rate is high, the risk is greater, so the threat is relatively small. In general, Chao Yang Commercial Bank needs to enter All aspects of the internal reform to achieve the improvement of the core competitiveness, broaden the customer group.

### 3.2.3 Industry analysis

This section will analyze Chaoyang Commercial Bank in the same industry in terms of its competition degree and supplier purchasing power. The specific analysis results are as follows:

#### 1 Degree of competition in the same industry

Industrial Bank represent state-owned commercial banks and are in a favorable competitive position, while joint-stock commercial banks including China Everbright, China Merchants and Bank of Communications also have strong competitiveness. These banks have formed a great competitive impact on Chao Yang banks.

In order to better discuss the development of Chao Yang bank credit business, this paper compares Chao Yang Bank with Bank of China and China Construction Bank. Among them, the total credit scale of BOC has exceeded 86.1 billion, mainly corporate customers, BOC is facing the problem of customer loss; the total credit scale of CCB is 150.7 billion, the overall service level is high; in Chao Yang bank credit business, corporate customer credit accounts for 70%. Table 3.1 below lists the operating data in terms of loans and profits of the three banks from 2020 to 2021. Table 3.2 shows the number of bank branches in the prefecture-level cities where the three banks are located in 2021.

Table 3.1 Credit Business of Industry Competitors in 2020 and 2021 (Unit: 100 million Yuan)表 1

Project	The CY Bank in 2020	Bank Of China	China Construction Bank	The CY Bank in 2021	Bank Of China	China Construction Bank
Loan	490.23	789	1406	497.64	861	1507
Profit	9.31	14.99	26.71	9.45	16.35	28.63

Table 3.2 Number of bank outlets in prefecture-level city where Chao Yang is located (unit: units)表 2

Bank name	Number of outlets
The CY Bank	38
Bank Of China	46
China Construction Bank	31

Through the comparison with the Bank of China, the China Construction Bank and other banks, we can find that different banks have different development centers, which also makes them different in their selected customers. Therefore, forChao

Yang Bank, in order to win the inter-bank competition, it needs to strengthen innovation. On the one hand, it needs to provide customers with customized credit products and services based on the personalized needs of customers. On the other hand, it also needs to develop effective marketing strategies to improve its market competitiveness. In terms of customer selection, it is necessary not only to segment the customer market, but also to formulate corresponding marketing measures from the perspective of long-term development, so as to improve the market share of Chao Yang Bank.

## 2 Negotiating power between suppliers and purchasers

When commercial banks provide credit business services, there are also suppliers, such as residents, enterprises and governments, etc. These suppliers provide the source of funds for commercial banks, but at the same time, these suppliers are also the main objects of commercial banks to provide credit services, that is, they are both suppliers and buyers. With the development of the market, suppliers and buy the bargaining power has been greatly enhanced, on the one hand, the number of commercial Banks increased, they can choose between different Banks, on the other hand, rich investment channels, make they can choose traditional Banks, also can choose funds, insurance, securities and other channels. At the same time, the overall number of market customers is relatively stable, and if commercial banks want to gain more market share, they need to compete, such as increasing innovation in products and services, to provide more products and higher levels of services. In the customer market, the number of high-quality and high-value customers is too small, and the small and medium-sized customers who have a need for funds will not get the attention of commercial banks because of their own business problems.

### **3.2.4 Chao Yang Bank credit business Marketing STP analysis**

Research on marketing strategy is based on the analysis of STP marketing theory, using market segmentation, target market, market positioning, determine the marketing face crowd and market, from products, price, promotion, channels, personnel, process, design marketing strategy, and in the system, organization, human resources, information technology put forward safeguard measures.

#### 1 Market segmentation

Market segmentation type is the basic premise for enterprises to implement the development strategy, and market segmentation determines the scientific and effective nature of market positioning to a certain extent. Marketing on the basis of market segmentation is to fully take into account the different needs between customers, and then classify customers according to their needs. Each customer group is a small market. Finally, we should set market goals and carry out a series of activities such as business marketing. After the completion of market segmentation, enterprises can design products that can meet customer needs, and the promotion of products is more targeted, so that the marketing effect can meet the expectations, and then create more economic benefits.

Commercial Bank has accumulated a lot of customer resources in the field of credit business, among which individual customers are divided into individual and individual merchants. Moreover, and in the personal credit business of banks, individual merchant customers are the main creators of profits. Chao Yang Business always attaches great importance to the development of the individual merchant market, and improves the profitability through the development of individual merchant customers. When subdividing the market of individual merchant customers, we should fully consider the characteristics of the organization, the strength of the bank and so on. When providing credit services to individual merchant customers, it is necessary to understand their development scale and industry categories. These two factors are also important references for individual merchant customer segmentation. Therefore, when banks segment the market, they can complete the market division based on the size and the industry they are in.

## 2. Target Market

After the market segmentation, the target market for the choice, the process is the enterprise according to the market segmentation, in the characteristics of their own advantages and development goals have a clear understanding, can choose the most in line with the conditions of their own market segment, as the main target, strive to get good marketing effect. Chao Yang bank after completing the work of the market segment, according to the past experience, the scientific way, to the analysis of segmentation results, chose the target market, and in accordance with the requirements of the "big, strong, small", launched the classification of marketing, around the customer needs, the high quality, can bring more profits to the bank of quality customers, as a key customer to develop, to its capital needs, will try to meet. Then classify the precision marketing to other types of customer groups. The specific connotations of Chao Yang commercial banks on various credit market segments are as follows:

The development of commercial Banks depends on customers, and mainly high quality big customers, Chao Yang commercial Banks, of course, for the bank, its business development is difficult to smoothly, mainly because of insufficient funds, especially in credit business, bank funds, business naturally, and high quality big customers, can bring deposits to the bank. With the continuous development of the financial market, the competition between banks has become more and more fierce. Large banks should show stronger strength and be easier to be favored by customers. The most direct way for banks to expand the scale is to win over big customers, because this part of the customer deposit volume is very large. Commercial banks can also make reasonable adjustments in the channel resources, and use more funds for the investment banking business, so as to obtain more profits.

For Chao Yang commercial banks, medium-sized customers are the main customer group of their credit business. These customers have relatively stable

development, and the demand for capital is not so high, which brings a lot of profits to the bank. In the process of developing the credit business, Chao Yang commercial banks need to continuously increase their medium-sized customers, and design the credit products that meet their needs and characteristics for this part of the customers, and increase the loan quota. Banks need to conduct risk management while promoting business diversification, adopt diversified means to conduct marketing, deepen partnerships with medium-sized customers, provide them with development funds, and increase customer stickiness.

Although the strength of small customers is not as good as large and medium-sized customers, small customers account for the largest proportion of the total number of customers. Moreover, small customers do not have so much confidence in front of the bank. On the one hand, they need the products and services of the bank, and on the other hand, they will not bargain on the conditions and requirements of the bank. The same loan, if offered to small businesses, is several times higher than to large and medium-sized businesses. Chao Yang commercial banks should attach importance to small enterprises, and can actively develop small individual businesses, provide them with more credit products and services, simplify business processes, and try to handle business in batches, which can improve the efficiency of banks and reduce the cost of business approval. On the basis of the risk control, Banks to make small individual merchants capital needs can be met in time, to produce more trust and dependence on the bank, the two sides can long cooperation, achieve win-win results, because development, service to small customers, can not only to boost the development of small individual merchants, but also can get more customers for Banks, expand market share, increase bank profits.

### 3 Market positioning

Market positioning is the enterprise according to the position of the product in the market, combined with consumers care about some aspect of the product, and then targeted product characteristics of building, image shaping, function, positioning, etc., form the product selling point or advantage, etc., then take effective marketing means, promote the positioning, passed to consumers, let consumers have a deep impression on the product. Chao Yang commercial banks should consider the demand of the market based to the target market.

To understand the credit situation of individual merchants in the market, we can find that most individual merchants will encounter two problems when lending, one is that the loan business needs a long time of approval, and individual merchants cannot wait; the other is that the bank is relatively resistant to the loan application of individual merchants, and the audit is very strict, and many individual merchants cannot meet the conditions of the bank. In this regard, Chao Yang commercial banks should make targeted changes, mainly to be fast and proactive. Rapid is to speed up the speed of credit business, simplify the business process, and provide more fast and convenient credit services for individual merchants. But banks can not blindly pursue



speed, and ignore the necessary audit procedures. Most of the bank income comes from the credit business, so the healthy development of the credit business is very important for the banks. No matter how much the banks want to speed up their loans, they should also pay attention to the quality of their customers. Rapid is to improve the efficiency of business management through technical means, through process simplification, rather than relaxing the requirements for customer quality.

Active is the bank to develop customers, before the bank in the credit business, are more passive, waiting for individual merchants to the bank to apply for a loan, such business nature is very slow, so the Chao Yang Banks to take the initiative to understand the situation of individual merchants, the demand for money, and then choose the good quality of individual merchants, provide loan services for it. Banks in the past will not actively contact with the individual merchants, and in the loan business, also show more negative, individual merchants therefore dare not too much contact with Banks, subconsciously think himself from the bank here is unable to get loans, but if the bank can change their attitude and thinking, active to provide services for individual merchants, solve the problem of its funds, so nature is can get the favor of this part of the customer.

Chao Yang commercial Banks if you can use fast and active, to their own credit business market positioning, then will be very good to highlight their own characteristics and advantages, also let yourself and other bank differences, customers will in these two aspects, have a deep impression on Banks, to the bank follow-up business, provides the basis.

### **3.3 Hypothesis**

Prior to conducting the data questionnaire, the corresponding content assumptions were made according to the research questions raised. The details are shown below:

H1. According to the 7Ps marketing strategy, in the specific credit business marketing strategy formulation from the product, price, channel and promotion of four aspects of the credit business marketing strategy. In terms of improving the product marketing strategy, we should first classify the products and innovate the product types; optimize the existing credit business pricing model; develop new marketing channels; and implement various forms of promotion mode.

H2. Chao Yang commercial banks make full use of the good economic situation in Shandong Province and the external opportunities of the credit demand increase, conduct the market positioning of credit business under the high attention of the leaders, and carry out the marketing work of credit business by clarifying the main business scope.

H3. After formulating improved credit business marketing measures, commercial banks need to formulate and implement targeted safeguard measures, establish the organization structure, establish credit business management system innovation, improve the product type, research and development and credit approval procedures; strengthen customer relationship management in credit business; strengthen risk control in credit business marketing and ensure the smooth implementation of credit business marketing strategy.

### 3.4 Population and Sampling

This questionnaire adopts the principle of randomization, and takes samples from the customer group of Chao Yang Bank as the issuing institution. Using the simple random sampling survey method, it has the advantages of saving manpower, material resources, financial resources and time compared with the census method. Prepare the marketing status of Chao Yang Bank credit business as shown in the appendix. My local Chao Yang bank issued 500 questionnaires. The number of valid questionnaires recovered was 476, and the overall sample response rate was 95.2%, and the composition proportion is shown in Figure 3.1.

The design of this questionnaire is mainly based on my own work as a Chao Yang Bank credit business marketing personnel. Through years of working experience and collecting and reading a large number of literature, dozens of relevant literature was consulted and 15 summary questionnaires were collected. Combined with the actual situation of Chao Yang Bank, this questionnaire was formulated, consisting of 12 questions. These included 11 subjective questions and 1 open question. The 11 subjective topics include the investigation of the status quo of Chao Yang bank credit marketing products, pricing, channel, promotion, public relations, personnel and process. I declare that the content and data of the questionnaire are only supported as data for the research questions and will not be used for other purposes

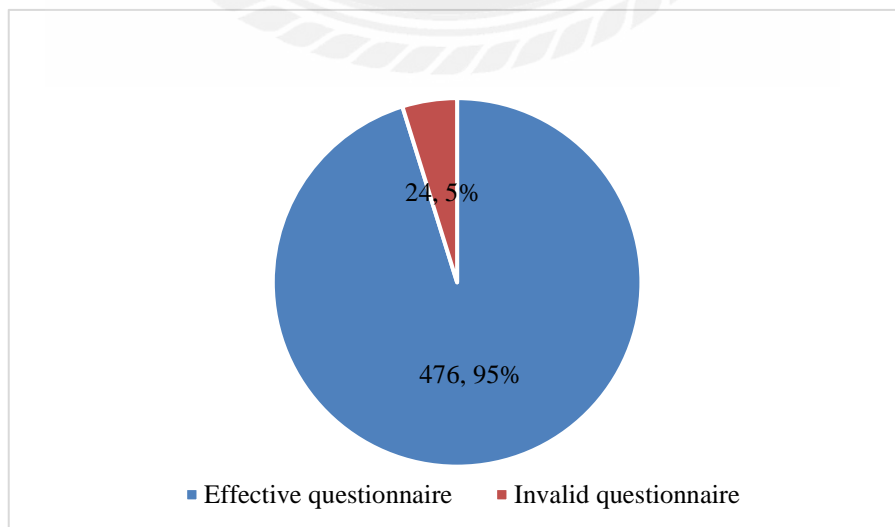


Figure 3.1 Scale graph of the questionnaire composition

### **3.5 Sampling**

In this study, the random sampling method is adopted in the credit business research of Chaoyang Commercial Bank. According to the principle of random sampling, it ensures that each object in the population has a known and non-zero probability to be selected as the research object to ensure the representativeness of the sample. The random sampling method can ensure that each part of the overall sample of the credit business questionnaire of Chao Yang Commercial Bank has the same possibility to be selected. It is a sampling survey completely in accordance with the principle of equal opportunity, which is called an "equal probability". There are four basic forms of random sampling, namely, simple random sampling, isometric sampling, type sampling, and cluster sampling. This paper uses a simple random sampling method.

### **3.6 Sample Size**

In this paper, the sample size of the credit business marketing strategy questionnaire of Chao Yang Commercial Bank is determined in proportion. Due to the large customer group of Chao Yang Commercial Bank, the complete distribution is time-consuming and laborious, which will increase the excessive workload to the subsequent data collection and analysis. Therefore, this study took 20% of the total number of customer groups in Chao Yang Commercial Bank as the study sample. Too large number of study samples are prone to statistical error and have low significance. We finally used 500 questionnaires as the final sample size.

### **3.7 Data Analysis**

In this paper, SPSS statistical software is adopted in the analysis of the data methods, which inputs the data obtained from the questionnaire, and then processing and analyzing the data. The SPSS statistical software was also used to test the reliability and validity of the questionnaire. The use of this aspect makes the quantitative analysis more scientific and accurate

### **3.8 Reliability and validity analysis of the scale**

#### **3.8.1 Test of the reliability of the questionnaire**

In order to make the results of this evaluation more scientific, this paper analyzes the reliability of the data processing of the questionnaire to increase the validity and comprehensiveness of the questionnaire results. In this paper, the CITC project overall correlation coefficient test and the Klonbuck coefficient are used for the reliability test, where the Klonbuck coefficient  $\alpha$  is the average of the broken half reliability coefficient obtained from all possible item division methods of the scale. Generally, if

the  $\alpha$  coefficient does not exceed 0.7, the internal consensus reliability is generally considered insufficient. Therefore, the item variables with reliability less than 0.7 were eliminated. The formula for the Klonbarker coefficient  $\alpha$  is shown in 3.1.

$$\alpha = \frac{nr}{(n-1)r+1} \quad (3.1)$$

Where n represents the number of items in the population, and r represents the mean of the correlation coefficient between the individual question items, and usually the value of the Cronbach  $\alpha$  coefficient is between 0 and 1. However, the acceptance value requirement of Cronbach  $\alpha$  coefficient is also different in different research fields. For example, the acceptance value of Cronbach  $\alpha$  in basic studies is 0.8, which is relatively high. Most general studies have a Cronbach  $\alpha$  acceptance value of 0.7. Therefore, the Cronbach  $\alpha$  value selected for the acceptance value of this paper is 0.7, and the results of the specific project analysis are shown in Table 3.3~3.5.

(1) Credit and reliability analysis of credit business knowledge degree, and the analysis results are shown in Table 13. The project correlation coefficient of CITC is greater than 0.5. By calculating the Cronbach's coefficient that is equal to 0.79.

Table 3.3 Results of CITC and Cronbach's  $\alpha$  coefficient analysis

Question serial number	CTTC	Cronbach's $\alpha$
1	0.696	0.79
2	0.625	

(2) Product reliability analysis, and the analysis results are shown in Table 3.4. The project correlation coefficient of CITC is greater than 0.6. By calculating the Cronbach's  $\alpha$  coefficient equal to 0.71.

Table 3.4 Results of product CITC and Cronbach's  $\alpha$  coefficient analysis

Question serial numbe	CTTC	Cronbach's $\alpha$
3	0.685	0.71
4	0.697	
5	0.688	
6	0.686	
7	0.604	
8		

(3) Satisfaction reliability analysis, and the analysis results are shown in Table 3.5. The project correlation coefficient of CITC is greater than 0.5. By calculating the Cronbach's  $\alpha$  coefficient equal to 0.73.

Table 3.5 Results of the CITC and Cronbach's  $\alpha$  coefficient analysis of satisfaction levels

Question serial number	CTTC	Cronbach's $\alpha$
9	0.698	0.73
10	0.657	

Through the reliability analysis of each questionnaire item, the overall sample reliability of this paper is shown in Table 3.6. Where the overall sample Cronbach's  $\alpha$  coefficient is equal to 0.743 and greater than 0.7. It indicates that the questionnaire designed in this paper has a high reliability.

Table 3.6 Overall sample reliability test

Cronbach's $\alpha$	Number of terms
0.743	11

### 3.8.2 Questionnaire validity test

Validity (Validity) is the degree to which a measuring tool can correctly measure the trait to be measured, generally including content validity and structure validity.

Table 3.7 Test of KMO and Bartlett for the overall survey samples

	Kaiser-Meyer-Olkin metric	.882
Bartlett's sphericity test	Approximate chi square	5257.109
	df	528
	Sig.	.000

Content validity, is a process of complete evaluation of the measured target. The measurable evaluation indicators designed in this paper come from a large number of existing mature research results, and are fully considered and modified according to the ability needs and characteristics of grassroots civil servants, and on the basis of expert opinions. Therefore, it can be considered that this paper is based on this basis. The evaluation of the meter questionnaire has good content validity.

Structural validity, is a verification process. Its main role is to measure the structure of the questionnaire designed in this paper, which is related to the structure of the ideal model, and needs to be consistency. In academia, factor analysis is commonly used to test for construct validity.

After calculating the analysis process, the SPSS20.0 software extracted 9 common factors, which were consistent with the index common factors set up in this paper. In addition, in this analysis, most of the information of each variable (more than 60%) can be explained by factors, as shown in Table 3.8.

Table3.8 Explanation of Total Variance Factor in Holistic Survey Samples

Order numbe	Initial eigenvalue			Extract square sum loading			Rotate the square-sum to load		
	Total	variance%	Accumulate %	Total	variance %	Accumul ate%	Total	variance %	Accumul %
1	16.227	52.344	52.344	16.227	52.344	52.344	6.653	18.461	18.461
2	2.059	6.641	58.985	2.059	6.641	58.985	4.682	12.105	30.566
3	1.304	4.206	63.191	1.304	4.206	63.191	4.425	10.273	40.839
4	1.223	3.944	67.135	1.223	3.944	67.135	3.406	9.988	50.827
5	1.061	3.423	70.558	1.061	3.423	70.558	2.706	5.731	56.558
6	.909	2.932	73.491	1.204	3.206	73.764	2.425	6.243	62.801
7	.868	2.800	76.291	1.105	3.016	76.78	2.706	6.133	68.934
8	.710	2.290	78.582	1.004	4.202	80.982	-	6.273	75.207
9	.605	1.950	80.532	1.061	3.423	84.405	-	8.731	83.938
10	.566	1.827	82.359	-	-	-	-	-	-
11	.548	1.768	84.127	-	-	-	-	-	-
12	.498	1.605	85.732	-	-	-	-	-	-

The 84.40% of the total variance of the original variables was jointly explained by 9 factors. Little information of the original variables was lost, and the overall effect of the factor analysis was ideal. After obtaining the factor load matrix by principal component analysis, the maximum variance method was adopted to rotate the factor load matrix and specify only the factor load greater than 0.5, due to the questionnaire questions designed in this paper Therefore, the first query item in the original table entered by SPSS20.0 is reduced to the indicator name. Results are shown in Tables 3-9.

Table 3.9 Overall survey sample perception scale rotation component matrix

	Order numbe								
	1	2	3	4	5	6	7	8	9

1	.825	-	-	-	-	-	-	-	-
2	.817	-	-	-	-	-	-	-	-
3	.807	-	-	-	-	-	-	-	-
4	.791	-	-	-	-	-	-	-	-
5	-	.862	-	-	-	-	-	-	-
6	-	.820	-	.742	-	-	-	-	-
7	-	-	-	-	.725	-	-	-	-
8	-	-	-	-	-	.719	-	-	-
9	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-	-
								.750-	
									.825

From the above analysis results, the factor analysis results basically agree with the constructed structure of this paper, which shows that the structure validity of this paper is relatively high.

Through the above questionnaire validity, comprehensive content validity, structure validity analysis, it shows that this paper questionnaire has a good validity.

## Chapter 4 Results of the Study

### 4.1 Description of statistical variables

A detailed and systematic analysis was conducted through the summary and division of the above-mentioned questionnaire information. Through the feedback information of questionnaire questions 1 and 2, we can see the current understanding of CY bank credit business. Only 12% of the respondents know very well, and 16% have the basic understanding. Thirty-eight percent of the group knew less, while 35% did not know less at all. From this situation, we can see that the public's understanding of CY bank credit business is not common enough.

Questions 3 and 4 are investigated from the aspects of customer demand for credit products. Question 3 is mainly to understand the main reasons for customers to apply for loans. According to the data fed back by the questionnaire, mortgage loan and car loan are the main reasons, with 87.8% and 67.2%, respectively. Large expenses and housing decoration were 51.3 percent and 42.3 percent, respectively. Medical care was 16.7 percent, while travel, study abroad and others only accounted for only 2.1 percent, 4.5 percent and 2.6 percent. It can be seen that the main reason for loans is that there must be a high consumption of goods. Problem 4 is the degree of attention that customers pay attention to different types of loans, which is consistent with the reasons for the loan. Customers pay more attention to the mortgage types of loans and car loans, accounting for 81.3% and 62.7% respectively. Mortgage loans were 15.3 percent and personal loans were 34.6 percent.

Question 5 is a survey of the tendency direction of credit product selection, mainly to understand the aspects of customers' focus on product selection. According to the data and information feedback from the questionnaire, it can be seen that the available loan amount is 24%, the approval speed is 56%, the loan interest rate is 48%, 17% is the mortgage conditions, and whether the approval conditions are 31% loose. It can be seen that customers focus more on the approval speed, loan interest rate and approval conditions.

Question 6 is a survey of customer satisfaction on the interest rate of CY Bank credit products. According to the feedback data, it can be seen that 87% of the customer groups think the interest rate is reasonable, and 13% of the customer groups think it is unreasonable. This shows that CY Bank still has some problems in the interest rate customization of credit products, which needs to be further improved by the actual situation of the further market.

Questions 7 and 8 are the current investigation of the access channels and promotion means of CY bank credit product information respectively. According to the feedback data from question 7, 45.9% of customers mainly understand the credit products through active consultation. It was followed by newspapers and magazines,



friends and relatives, with 27.2% and 27.5%, respectively. 15.3% via the Internet and 19.2% by marketing. The rest is 9.3%. The data analysis for question 8 is that 51% of the information about customer credit products is obtained through the Internet. Forty-three 3.2 percent were from relatives and friends, and 35.7 percent and 39.2 percent, respectively. Active consultation was 36.6%, while only 4.5%. From the feedback data of these two questions, we can see that the current understanding of credit products is more about customer active consultation, and then through the Internet.

Question 10 is a survey of customer satisfaction with credit customer managers. In terms of the professional quality of customer experience, 45% of customers think that 25% are generally satisfied and relatively satisfied, 20% are very satisfied, and 10% are very satisfied. From the feedback data, it can be seen that the professional credit business knowledge training of account managers should be increased to enhance their personal professional quality.

Question 11 is an investigation of the processing process of CY bank credit business. Through the feedback information of question 11, 55% of the customers think that the processing procedures are complicated, the loan term and repayment method are 15%, the loan interest rate fee is 20%, and the loan conditions are 10%. Through the data feedback, the main problem in the process of handling loan business is that the handling process is too complex, and the process of handling loan business should be simple.

Question 12 is an open question. Question 1 is: What suggestions do you have for CY Bank credit business. By summarizing the responses to the questionnaire, most of the recommendations were focused on several aspects of the product, price, channel, promotion, personnel, and process. This is also the main optimization direction of the marketing situation of CY bank credit business.

## **4.2 Results of the Study**

### **4.2.1 Product problem analysis**

#### 1 Product problem analysis

Chao Yang Bank's current personal credit products are mainly: individual industrial and commercial households loans, personal consumption loans. In the design of the product, the loan amount, loan term, loan interest rate, loan guarantee method, loan repayment method, loan realization method and other six design elements are not combined with cross-design. Products tend to be a single proportion of two points. There is no different division of credit products from other commercial banks, which cannot reflect the advantages of their own products. The few types of emerging credit products lead to less customer choices, which is not conducive to the firmness of customer groups.

## 2 Product innovation does not consider customer needs

As the financial environment changes, the competition between the banks is gradually intensifying. Innovative competition among various banks of credit products is in full swing. Customers in the choice of credit products first pay attention to their own needs. When the product innovates, we should first conduct the market customer demand survey, and design the product to adapt to the needs of different customer groups through the collected information of customer demand. The key to this approach is to diversify the design products to meet the real needs of the customers. However, the credit business products of Chao Yang commercial banks lack the insight into customers, so the life cycle of the designed products is not long in the market, which increases the design cost of the products.

## 3 CY bank credit products pay little attention to customer experience

Chao Yang commercial bank credit business products, do not establish a customer post-loan experience mechanism. No customer data feedback information on the product was obtained. Due to the lack of the above mechanism, customers' opinions on the product can not be adopted and improved in time, which is easy to cause the short life cycle of the product market, and seriously causes the dissatisfaction of users. Finally, it causes the loss of credit customers, and the customers successively choose the credit products of other banks. At present, the customers of the credit business products of Chao Yang commercial banks are constantly declining. Figure 4.1 shows the number of customers of Chao Yang Bank in the past three years.

## 4 Market positioning of credit products is unclear

Chao Yang commercial bank did not conduct the corresponding customer market research and did not conduct a clear market positioning. In addition, the single means of credit products, Chao Yang commercial banks failed to leave a certain impression in the customer base. Did not create the credit product of Chao Yang commercial bank brand effect. At the end of the customer's choice of the credit product market.

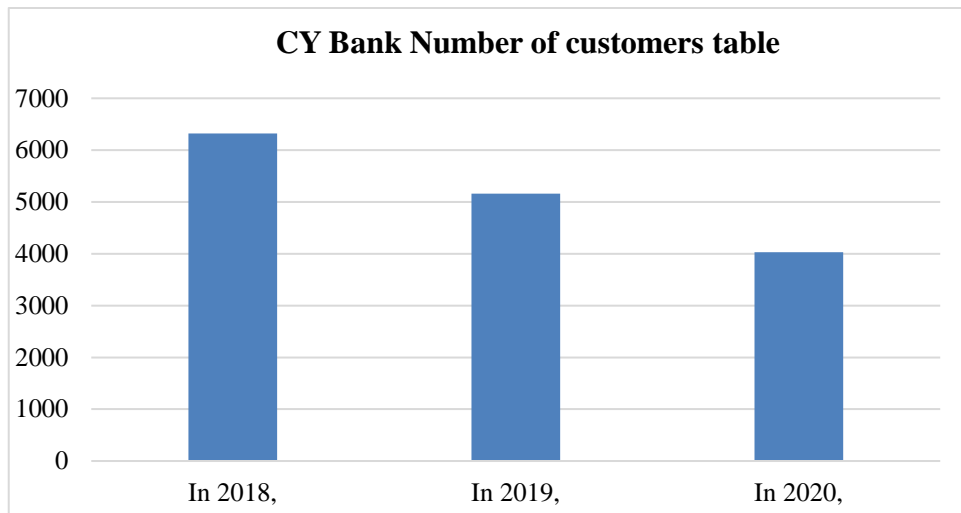


Figure 4.1 Number of customers of CY Bank

#### 4.2.2 Analysis of pricing problems

##### 1 The product interest rate pricing mechanism is not sound

In the pricing mechanism of credit products, Chao Yang commercial banks do not adopt the system matching pricing method of data collection model, but still adopt the artificial pricing method. The artificial pricing of the methods has a certain subjectivity, but also easy to cause bad operability. Credit salesmen are easy to make good use of their power, increasing the risk of credit products. On the other hand, for different customer groups, the corresponding product interest rates cannot be set according to their own specific ones, and all customers should adopt a one-size-fits-all approach for interest rate pricing. This will lose the strength of the strong quality customer resources.

##### 2 Product interest rate pricing lacks the same industry reference

Before Chao Yang commercial bank had the interest rate pricing of credit products, it did not conduct the corresponding market research, and did not collect and summarize the data on the credit product interest rate of other commercial banks. No reference, compare the interest rate quotation of products in the same industry. This will make Chao Yang commercial banks are at a disadvantage in the peer competition, and most customers will choose bank credit products with lower interest rates, which will easily cause the loss of customer groups.

##### 3 The pricing management system is imperfect

Chao Yang commercial banks have certain defects in the pricing management system. Their pricing control over credit products is too strict. The branch, the head office has unified pricing management for credit products, and the branch does not have the authority to price credit products. This will make the branch in the development of the constraints of the credit product marketing process, has a certain impact on the development of the business.

#### 4 Lack of incentive mechanism for customers

Now the competition between banks is undoubtedly not a struggle between customer groups. How to stabilize the customer groups while expanding new customer resources is the key. When making a choice of customers, more consideration is the bank's preferential policy. Chao Yang commercial banks should establish a customer incentive system, and give certain preferential interest rate adjustment policies to high-quality customers with high credit and high contributions, so as to stimulate customer loyalty, firmly grasp high-quality customer resources and reduce brain drain.

### **4.2.3 Channel problem analysis**

#### 1 Unreasonable design of the marketing system

The marketing system of Chao Yang commercial bank is mainly divided into one-dollar marketing and binary marketing. The hospital marketing system mainly includes the credit business sales department and other business sales departments. Among them, the credit business sales department of the one-yuan marketing system has established a dual marketing system of sub-branch, company department and individual business department. However, the original intention of the dual marketing established under the unified marketing system is to increase risk prevention and control. However, many problems have been exposed in the marketing operation. For example, the no dual marketing department does not clear their own marketing responsibilities, and the problems are more shirking. On the other hand, in the marketing of credit products, the dual credit marketing department needs to conduct a secondary investigation and verification with the single-dollar marketing, which increases the unnecessary credit approval process, thus extends the loan time and has a negative impact on the credit marketing. Figure 4.2 shows the marketing architecture diagram of Chao Yang Bank credit business.

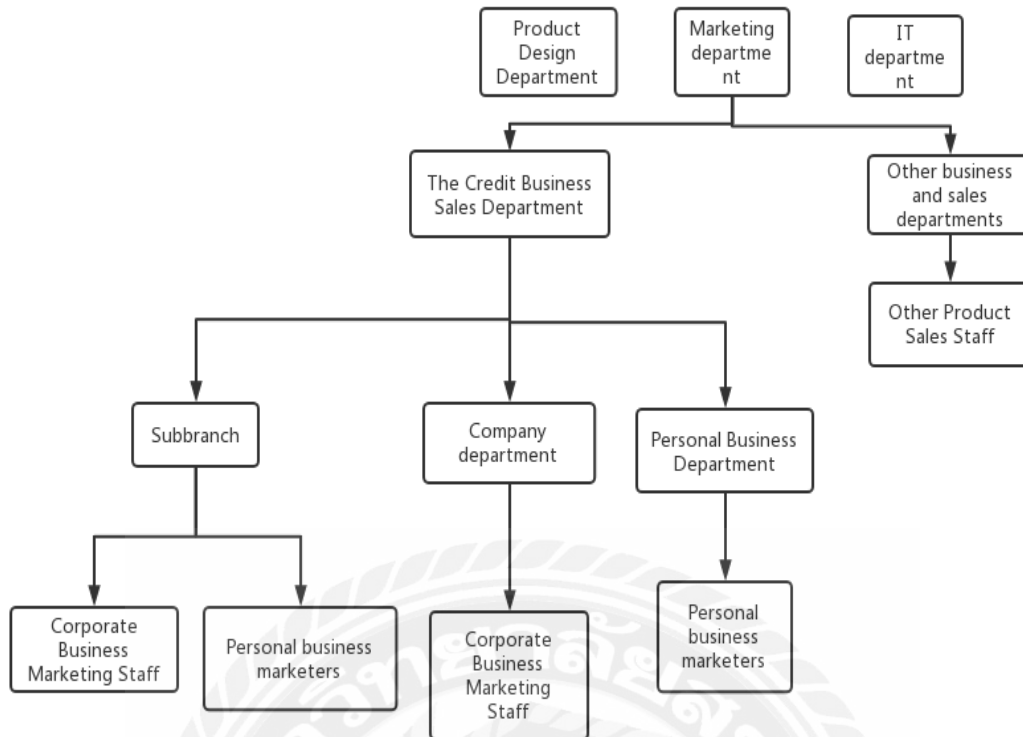


Figure 4.2 CY Bank Credit Business Marketing Architecture Map (original)

## 2 Single credit marketing channel

At present, the personal credit product marketing method of Chao Yang Commercial Bank is mainly adopted through the sales promotion method of sales personnel and physical outlets, while the target customer group of employees' marketing comes from two aspects. One is the customer group marketing of personal business through the counter, and the other is the marketing of acquaintances around employees. Both methods will be limited by the development of customer groups, especially the second method, where the acquaintances of employees are generally their relatives and friends. Sometimes, in order to complete the performance requirements, employees will lower the approval threshold, which is very easy to cause low-quality credit sales. These two sales methods are not helpful to explore the credit customer market and explore high-quality and excellent customer groups. Thus, Chao Yang commercial banks are at a disadvantage in the competition with them.

Due to the development of the Internet information platform, the physical offline marketing mode has been gradually transferred to the online network marketing mode, and the major banks have established their own public account platforms. And to build their own mobile phone APP and other diversified combination of marketing methods. Chao Yang commercial banks failed to pay attention to the potential opportunities brought by the era of information big data, and did not invest a lot of manpower and material resources to carry online credit marketing and mobile client credit marketing platform, which made the credit products of Chao Yang commercial banks create influence and appeal in the new generation of young customers in the future.

### 3 Lack of effective communication with customers

The traditional customer communication mechanism of Chao Yang commercial Bank is the traditional and simple contact of customer manager telemarketing and door-to-door contact. With the advancement of network and urbanization, customers in the market urgently need the network communication mechanism, as well as the form of chamber of commerce and discussion for communication. Due to its low experience degree, the distance between the customers is opened up, and the customer stickiness is reduced.

## **4.2.4 Promotion problem analysis**

### 1 Lack of credit marketers

With the change of the financial market environment, the competition between commercial banks gradually increases. The competition between banks is not only the competition of customer group resources, but also with the increasing competition, it has shifted to the competition between members. In order to ensure the market competition of credit marketing, various banks have begun to reserve the team of credit marketing personnel. However, according to statistics, by the end of December 2019, there were 42 credit account managers, accounting for only 13% of the entire staff. However, in terms of credit customers, Chao Yang commercial banks have had 4,261 loans, with 100 managed loans per capita. As a result, the phenomenon of credit account managers and the number of loan customers do not match, the credit account managers can not invest more time and energy in each of their own credit customers, and can not be very good for the timely maintenance of credit customers. This is easy to cause the loss of customer phenomenon. Due to the large number of customers that need to be managed, the credit account managers cannot conduct pre-loan investigation and post-loan inspection in detail, and fail to achieve risk prevention measures, which poses a serious threat to the safety of credit asset quality. Easy to cause to the bad credit assets, and then resulting in a large number of credit capital losses.

### 2 Lack of combination of promotion means

The promotion method of Chao Yang commercial bank credit business marketing generally adopts the advertising and publicity of physical business outlets, or the promotion of business personnel when handling other businesses. In obtaining the target customers, the credit customer manager only conducts telephone sales based on the customer information obtained by other businesses. This has led to the enthusiasm of credit officers to develop customers and just want to enjoy the benefits. However, the quality of such customers is not high, because these customer groups are not investigated in advance, and the understanding of the needs of customers is not deep enough, and then the promotion of credit products can not be reversed, and the marketing of credit products is limited.

### 3 Less public relations methods

Chao Yang commercial bank now public relations propaganda channel is too single, only rely on TV media. With the rapid development of the Internet industry today, the channels for people to obtain first-hand information are no longer through TV, newspapers and magazines, but through the major network platforms on mobile phones. Therefore, Chao Yang commercial banks should explore the publicity methods of Internet social media in the direction of credit products. Expand its influence in the broad group, and increase the image and reputation in the younger generation group. More held publicity activities, in the activities to promote the advantages of their own credit products. Create the Chao Yang commercial bank's public image of its own.

### 4 Credit business does not fully understand the national policies

Chao Yang commercial banks have inadequate interpretation of national policies. On the relevant credit policy issued by the country, it should be deeply analyzed. Follow the direction of the home credit policy, and always carry out corresponding reform planning for their own credit products. In the state proposal to vigorously support the credit supply industry, should respond positively, give positive support. The credit business marketing of CY commercial banks lacks the understanding and grasp of the national industrial policies. If part of the funds are still invested into the industries restricted by the state, not only the security of the funds can not be guaranteed, but also it faces great risks of regulatory policies.

### 5 Lack of communication with customers in after-loan management

The marketing of credit products is not a one-shot deal, and the after-sales loan management still needs to be strictly implemented. Post-loan management is a necessary measure to strengthen the risk management of credit business. Chao Yang Bank should actively communicate in the post-loan with customers, which can establish the responsibility image of Chao Yang Bank in the customer group and create a good reputation of Chao Yang commercial Bank. The post-loan management of Chao Yang commercial bank is too simple and merely formalistic. Generally, it simply asks customers to pre-sign the post-loan checklist, and does not carry out the subsequent post-loan management work. After the loan, we should verify the information voucher signed with the customer at that time, and the post-loan management of Chao Yang Commercial Bank still adopts the paper post-loan check form or the post-loan inspection report, which is easy to cause the post-loan inspection fraud, and fails to reach the role of risk management.

#### **4.2.5 Personnel problem analysis**

##### **1 Lack of a professional credit marketing team**

Chao Yang commercial banks lack a professional marketing team in credit marketing. At present, most of the marketing staff are recruited through the positions of bank staff. Many people are not skilled in the marketing of credit products, and due to the lack of personnel, they directly take over the development of credit business without systematic training. The professionalism of the credit account manager is very important, which is the key factor in achieving business with customers. On the other hand, Chao Yang Bank lacks regular training for credit account managers. In the case of the lack of professional marketing personnel, credit business marketing professionals should be hired to train the professional ability and marketing skills for the whole marketing team. The whole marketing team should not only have a warm service attitude, but also have rich knowledge of finance and credit, but also be able to provide thoughtful service for customers to improve customer satisfaction.

##### **2 Large loss of credit marketing personnel**

Chao Yang bank in the personnel problem, there is currently a serious loss of credit personnel. Especially client managers, this lack of talent. According to personnel data statistics, since 2018, 45 account managers have left since 2018, and the former account managers are all about 30 years old and have a bachelor's degree or above. It is the main talent required by Chao Yang commercial Bank, accounting for 47% of the total turnover. Most credit managers leave because of low pay and low benefits. The loss of these young and highly educated account managers has seriously affected the reserve situation of Chao Yang Bank credit personnel, had a certain impact on the marketing of credit products, and also caused the shortage of personnel in the system built by the credit marketing department. Low salary and welfare benefits have seriously affected the attraction of excellent talents, increasing the difficulties of social recruitment and school recruitment.

#### **4.2.6 Process problem analysis**

##### **1 The credit granting process of credit business is cumbersome**

The credit process of credit business generally requires three processes and six links: investigation, review and review. Each process and link takes a lot of time, which makes customers wait for too long, resulting in poor customer service experience. The main reason for this is that Chao Yang commercial banks have too strict authority in the control of loan approval. Regardless of the credit approval quota, the review committee needs to make a final decision before they can delegate the loan quota. It should relax the authority audit according to the size of different credit lines, which can greatly save the time of the credit process.



#### 2 Loan qualification examination is too detailed

From the current Chao Yang commercial bank credit business review process, reviewers need to the lender's identity, assets, loan use, and the credit situation of the lender, loan contract, loan IOU signature audit, although this can reduce the risk of bad debts, but the step is too cumbersome, not only caused some trouble to customers in urgent need of loans, also increased the business burden, is not conducive to the credit marketing business.

### **4.2.7 Analysis of tangible display problems**

#### 1 Lack of innovation in publicity methods

Chao Yang Bank has too single means in promoting products and services, and lacks certain innovation in presentation and introduction. In the display of products, the way used introduces the term and interest rate for the hall display board, or the product manual in the display bar. However, the commodity brochures in the display column are generally mature products, and the display of new products can often not be updated in real time, which makes customers unable to get a timely understanding of the bank's product information, which then affects Chao Yang Bank's marketing strategy.

#### 2 Insufficient means of publicity

With the vigorous development of information technology, Chao Yang Bank has carried out both online and offline publicity methods. Online publicity, using their own mobile banking APP and wechat public account platform for product publicity, although it has a certain effectiveness in the early publicity, but with the gradual participation of other banks, the competition is increasing. Online publicity channels need to be expanded to increase Chao Yang Bank's publicity efforts, with relatively little publicity on other social media platforms, such as Weibo, TikTok, etc

### **4.3 Summary**

Through the quantitative analysis of the data results of the questionnaire, the credit marketing problems of Chao Yang Commercial Bank were analyzed from seven aspects of product, pricing, channel, promotion, personnel, process and tangible display based on the 7ps theory.

## **Chapter 5 Conclusion and Recommendation**

### **5.1 Recommendation**

#### **5.1.1 Innovative personal credit products**

The shortcomings of Chao Yang Bank in personal credit products are mainly due to the single credit products, lack of innovation, lack of clear market positioning and user product experience. Although the credit products need to be improved, the development of credit products should not be blindly designed, and should follow several elements of its design. It mainly includes six aspects: loan amount, loan term, loan term, loan interest rate, loan guarantee method, loan repayment method, and loan realization method. Through the different proportion design of these six aspects, through the division of different groups in the personal credit market, different innovative credit products of individuals can be designed.

With the advent of the information age, the competition between banks has developed into a struggle between information technology. Whether it is the offline entity self-service terminal equipment, or the operation of online mobile and online banking web pages, banks are inseparable from information technology and talents. Chao Yang commercial Bank should increase resource input on the information China platform, introduce information technology talents, and strengthen the construction of its own information team. In particular, Internet finance is a hot field for the development of human credit business, and also a competitive place for commercial banks. In the case of their own weak information technology strength, Chao Yang commercial banks should cooperate with professional Internet institutions to make up for the current shortcomings and improve their own market competitiveness. From the current way of the traditional credit product reform, just have transferred the offline entity credit marketing business and services to the mobile Internet, mobile phone APP, the traditional credit product marketing network. Therefore, Chao Yang commercial banks should, like other banks, follow the development of the financial environment in the new era, grasp the current trend of Internet credit products, upgrade the original credit products, and create their own Internet credit products. However, while complying with the current environment, we should not blindly follow. We should always control the existing risks and strengthen the risk management of credit products. On the other hand, after realizing the establishment of a perfect network Internet credit product platform, it is necessary to focus on the platform publicity work, that is, the promotion means. It is far from enough to only handle the business promotion through offline entity outlets and introduce the business introduction of credit managers. From the current market competition, mastering a large number of customer resources groups is the advantage to win in the competition. Therefore, Chao Yang commercial banks can choose to cooperate with

other online media platforms to increase the publicity of credit products and increase their popularity among customer groups.

In terms of market positioning, before the development of new products, we should first carry out market research on relevant products to accurately grasp the market demand information of credit products, so that the credit products can be suitable for customers and obtain customer satisfaction. However, it should be noted that after the successful design of credit products, do not invest a lot of money in credit marketing. A small number of products can be put for trial operation, and actively ask customers for product feedback information. If customers have a large demand and high satisfaction, they are in the second phase of the operation of credit products. This can reduce the risk of new products.

The customer's credit experience degree. Whether customers are satisfied with the experience of credit products determines the time when customers hold Chao Yang Bank credit products. For their own credit product customer groups, they should regularly investigate their experience degree, and make the corresponding information summary and statistical analysis of their experience degree. More attention is paid to customer experience of credit products and continuous improvement, which can not only strengthen the existing customer groups to maintain long-term stability, but also contribute to the secondary development of "old with new customers".

For the current financial industry, only to continuously deepen the refined operation management, strengthen customers Only by experiencing attention and improving user experience can banks develop towards a stable and healthy road. Such as: online On, you can create a unique credit column, to provide customers with a variety of services, active interaction, one stop To solve the user's questions and opinions and suggestions, to provide customers with high-quality communication environment, do have questions Must answer; through the customer feedback, more directly understand the customer needs, And think of what customers think, timely product adjustment and innovation, to make a better, better to meet the needs of customers Product and service. Offline, credit lines can hold regular meet events with borrowers through face-to-face Communication, on the one hand, shorten the distance with customers, understand the different needs of customers, and constantly optimize their own letter Loan products; on the other hand, let the user know more Chaoyang Commercial Bank's credit culture, to understand the development of the financial industry Show status, improve user loyalty.

### **5.1.2 Improve the pricing mechanism of personal credit products**

Chao Yang commercial banks mainly have the following problems in the pricing of personal credit products: imperfect product interest rate pricing mechanism, lack of interest rate reference in the same industry, imperfect pricing management system and lack of customer incentive mechanism. The interest rate pricing mechanism of personal credit products should be improved, and the main defect is

that in the pricing process, the income of credit products is not closely related to the corresponding risks. The pricing mechanism of interest rate should adopt the risk interest rate model. The original credit product income into the risk-return mechanism, so as to realize the systematic and objective pricing, so as to eliminate the defects of artificial pricing. The model of personal credit product return by risk and return, risk is proportional to return, the greater the risk, the higher the return.

For the lack of reference for the interest rate in the same industry, Chao Yang commercial banks can let the credit officers go to other commercial banks to learn about their interest rate pricing model. Compare the pricing interest rate of other commercial banks with the credit product interest rate of Chao Yang bank, and find out a reasonable and balanced pricing interest rate of credit products.

Pricing management system, mainly is to strengthen the credit officers' new understanding of interest rate pricing. With the rapid development of the information age, various commercial banks and new Internet financial products are diversified. Customers began to have more product selectivity, has changed from the weak position of the original credit products to strong. Gradually began to be sensitive to interest rates on credit products. It is an inevitable trend of diversified product market selection. Chao Yang commercial banks should formulate the corresponding pricing management system to reduce the loss of customer groups.

Finally, for the problem of customer incentive mechanism in pricing. Chao Yang commercial bank credit products interest rate pricing, not necessarily every customer is the same. For credit customers, different grades should be divided, and different product interest rate plans should be formulated through their credit status and the number of products held. Using this scheme mechanism has a positive incentive effect on customers. For high-grade and high-quality customers and customers who actively repay the loans on time, certain preferential interest rate policies will be given in accordance with the regulations, which can not only encourage such customers, but also strengthen the loyalty of customer groups. It is conducive to win the initiative in the market competition of many commercial banks.

When measuring customers are remarketing their loan business, they can give risk water to customers based on the behavioral risk scoring model Ping evaluation, from which screening out some high-quality customer groups, for its loan interest rate reduction, credit Increase the quota or provide more competitive credit products.

### **5.1.3 Diversify the market channels for personal credit products**

Chao Yang commercial banks will conduct the optimization of the marketing channels for personal credit products mainly from three aspects: the unreasonable marketing system design, the simplification of the credit marketing channels, and the lack of effective communication with customers. For the design of the marketing system, Chao Yang commercial banks have always adopted the two-level marketing

system in the credit business, which should be transformed into a first-level marketing system, so as to give full play to the role of the credit business marketing department. Secondly, the IT department and the product design department should be directly divided into the marketing department. Figure 5.1 shows the new marketing architecture diagram of Chao Yang Bank.

Chao Yang commercial bank credit product marketing channels should be diversified. Due to the changes in the Internet financial environment and the promotion of digital currency by the central bank of China, digital marketing channels are the inevitable trend of the development of commercial bank products in the future. State-owned banks have already begun to shift towards digital marketing under the call of policy, and Chao Yang banks should also follow suit. The construction of digital marketing is mainly reflected in two ways of customer group data collection in one direction: on the one hand, Chao Yang commercial Bank's own database platform is used to conduct scientific data analysis on the collected customer group information, so as to understand and predict the current market demand of customers for products. Second, through the cooperation with other network platforms, such as the current more popular TikTok and other short video platforms, through the release of relevant video content, to observe the browsing data of users in the following days, to locate the current market supply of personal credit products. Compared with the traditional credit sales channels, the advantage of digital sales channels lies in precision.

In terms of effective communication between credit customers, the market segmentation of the customer sales group of Chao Yang commercial banks is mainly conducted through effective information feedback with personal credit customers. The market division of Chao Yang commercial banks should be divided into two market credit businesses: individual and individual industrial and commercial households. In the personal credit marketing market, we should increase the key marketing of personal consumption loans and personal business loans to increase the market share of credit products in this aspect. However, we should not blindly expand the market share and ignore the corresponding market risks, and the share and risk should be balanced. While meeting the marketing needs of customers' personal credit products, they should stabilize the market share of their own products.

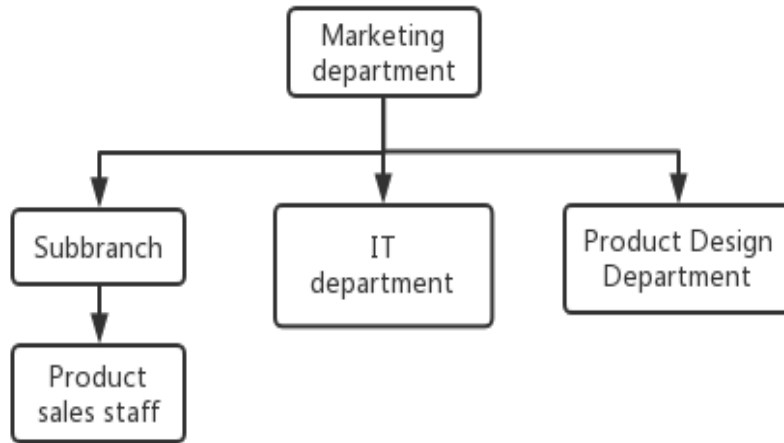


Figure 5.1 Marketing Organization Structure of Chao Yang Bank (new)

#### 5.1.4 Diversified personal credit product promotion methods

The main problems of personal credit products in Chao Yang commercial banks are the lack of credit marketing personnel, the low ability and quality of credit marketing personnel, and the lack of combination of promotion means. For the lack of credit marketing personnel, Chao Yang Bank should adopt multi-channels to reserve talents. First, adopt the incentive method to let the bank internal employees apply for voluntary positions, saying that the rest of the personnel filled with positions are adjusted to credit marketing positions. Second, to recruit credit marketing talents with certain working experience and credit knowledge reserve through external talent introduction.

For the existing credit marketing personnel personal quality and ability of low problems, we should take two ways to improve. On the one hand, the bank organizes the credit marketing training for credit marketing personnel internally. The training content is not only the credit knowledge reserve, marketing skills training, but also increases the corresponding legal knowledge and the corresponding national credit policy training. On the other hand, it is the incentive learning mode of the post promotion mechanism, and formulates the assessment and selection system of the account managers, so that the credit marketing personnel can learn independently and improve their professional quality. A qualified customer manager should select the best among the best, conduct a multi-level and all-round test, and test their credit business knowledge, marketing knowledge, legal knowledge, credit policy and other aspects. In addition to the study and assessment of their own ability, but also need to carry out the corresponding marketing etiquette, negotiation skills and other aspects of the cultivation.

The promotion means of personal credit products used by credit marketers should be diversified. Different groups of people have different credit needs, and Chao Yang Bank's personal credit products are also diversified. In the process of credit marketing, it should adapt to the characteristics of customer groups, change into

cross-marketing of customers, tap the deep needs of customers, and realize the super value satisfaction of customer needs.

Sales staff should constantly improve their professional quality and sales skills, and always take customers when introducing products Heart, demand-oriented, and by providing small gifts, vouchers, and promise accordingly VIP financial service And on, preliminary establish a trust relationship between each other, constantly guide, and then stimulate and dig customers Consumer demand, attract new customers, develop market resources.

#### **5.1.5 Enhance the ability of personal credit business personnel team**

A good personal credit salesperson, is to need a gradual growth process. When the credit personnel have just started working, they have no relevant working experience, and they do not know where to identify the customers, to avoid the risks of credit business handling, and they do not have skilled marketing skills. Therefore, Chao Yang Bank should arrange for the new credit officers to settle their personal loans. From clearing work, the new credit personnel can get two aspects of exercise: first, through no timely repayment loans to clear accounts, can help the new loan personnel thorough analysis of the causes of such phenomenon, such as personal credit business to conduct a comprehensive credit investigation to customers, for the loan after have corresponding follow-up data. Secondly, the new credit personnel can accumulate a certain risk identification ability through a long time of the settlement work, and can identify the credit degree through the customer data. Through the above two aspects of training, the new credit personnel can efficiently complete the credit business handling work for different types of customers when independently in contact with personal credit business handling, so as to reduce the non-performing loan ratio.

The credit personnel with certain working experience should strengthen their professional knowledge in the financial industry. Because, the financial industry is an industry keeping pace with The Times, its relevant policies and related professional knowledge, should conform to the changes of The Times. For Chao Yang commercial banks, it is necessary to carry out regular training of credit personnel. Only with the enhancement of the professional quality and knowledge and skills of each credit personnel can Chao Yang commercial banks take the first place in the fierce industry competition. The main training content can be conducted from the following three aspects.

The first is the training of the marketing ability of the credit personnel. It is recommended to hire experts in relevant fields to conduct regular systematic and comprehensive marketing ability training to credit personnel. Secondly, the training of relevant legal documents, the financial industry itself has certain risks, credit business is more frequent risks, credit personnel should have a strong legal awareness, from the ability to timely avoid the risks in various business development. Finally, the business skills aspects for credit personnel. The business ability of credit personnel is mainly

reflected in the communication and communication with customers, with careful observation, strong language communication ability and the ability of the industry to resist pressure.

#### **5.1.6 Simple personal credit business credit granting process**

Personal credit business credit granting is a process that is very tedious and time-consuming. Because the credit process of personal loan needs to go through the inquiry, review, approval and other processes, these links are the guarantee link to reduce the credit risk, which is indispensable. Then, how to reduce the time of credit business credit granting and improve the efficiency of the whole credit business credit granting is to improve the experience of customer handling, which is the key for Chao Yang commercial banks to consider. Since it is impossible to reduce the link of credit business and credit granting, we can simplify the procedures to be handled in each link, reduce the processing of redundant information, so as to shorten the time of credit and credit granting processing. Take the loan approval in the personal credit business credit granting process of Chao Yang commercial banks as an example to simplify the links.

Set up the decentralization mechanism of the loan amount, divide the loan amount according to the amount, and give different levels of authorization from each bank. The specific division is shown in Table 5.1. Through this way of decentralization, the examination and approval process can be greatly saved, thus saving the time of information transmission. The large amount of more than 3 million yuan requires the resolution of the committee meeting, and the efficiency of the examination and approval has been greatly improved.

What is lacking now is not talent, but the mechanism of talent. The responsibility of managers is to build a platform for Each employee creates a space, so as to effectively mobilize the enthusiasm of employees. On the one hand, establish the level of credit personnel management texture. For on-job credit personnel, they should be assessed according to their personal work ability and performance, and implement grade management Reason, make different levels enjoy different treatment. At the same time, the grade should be assessed annually.on the other hand, Establish an evaluation and assessment system. According to the daily performance of the credit personnel, the comprehensive quality, the quantity and quality of the work Situation, through the introduction of scientific performance appraisal system, reasonable determination of performance, stimulate the enthusiasm of employees, to ensure Work efficiently.



Table 5.1 Comparison table of loan amount decentralization

Loan amount (ten thousand yuan)	Authorized positions and departments
≤30	Branch chief
30~100	credit department
100~300	Credit leadership
More than 300	Review committee resolutions

### 5.1.7 Vivid and tangible display of personal credit business

The problems of Chao Yang commercial banks in tangible display are mainly the lack of innovation in products and service methods and the lack of online publicity methods. Chao Yang commercial Banks in online tangible display, should pay attention to mobile banking regular update and maintenance, credit business information should be synchronized with offline information, and reasonable arrangement of mobile banking propaganda window layout, new products or main products should be put to facilitate the customer to observe the position, or increase the rolling window, etc., to attract the attention of customers. When offline tangible display, the existing display rack, publicity board and customer information desk should be placed in a more obvious position. The TV screen can be added for the electronic publicity of the products, and through the vivid video animation explanation, the advantages of each product, the processing process and other related credit business product information are introduced in detail.

The tangible display of personal credit business products adopted by Chao Yang commercial Bank mainly reflects offline and online, offline business publicity; online through the bank's mobile banking software homepage. Its online physical display mode is too single. Nowadays, online media is developing rapidly. Various major social media platforms, such as Weibo, TikTok and Kuaishou, have already established a stable customer base. Chao Yang commercial banks can cooperate with such social platforms to conduct product display and publicity, show their personal credit business to customers more vividly by shooting short videos, and increase the development of new customers by showing high-quality service quality and huge advantages of products

### 5.1.8 Service process strategy

Preventive services, including the questionnaire survey of demand information, customer satisfaction survey, are being optimized Configure bank personnel, provide business decision basis, strengthen business promotion and improve the service quality of bank personnel Quantity and other aspects have a great role in playing and effect, so that the competitiveness of banks has been improved. In order to improve

the good of the bank Evaluation, we can conduct a questionnaire survey, if the survey results show that the business waiting time is too long, We can use this to find the reasons for the slow service efficiency, and to improve, so as to accelerate the service efficiency, but To regain the praise of the customer.

Process or charges of bank financial products; services The operation and use of equipment; amount errors or violations in the process of business handling His question. Each branch should set up monitoring posts, and the designated personnel should receive their branches weekly or monthly Report the complaints or problems reported to the monitor, and issue the monitoring analysis report, so as to urge the people of the network Members to rectify or make up for it, to improve the service level.

Compensatory services, including product redesign, post-loan services, etc., can strengthen customers' touching and right The trust of the bank. If for special customers to open a green channel, do special affairs, urgent affairs, but To allow special customers to enjoy the same banking services without leaving home. Always serve our customers as us The primary goal, down-to-earth for customers to solve every seemingly insignificant, real significant questions Question, to provide detailed service, so as to strive to build customer satisfaction brand. In the past, banks paid more attention to the service concept of compensatory services and monitoring services, but now we should turn it around Change the service concept, and create a service quality assurance body of compensatory services, monitoring services and preventive services tie.

## **5.2 Conclusion**

Chao Yang Commercial Bank is also a commercial bank in Chao Yang City. Its current personal credit business has some shortcomings in the marketing strategy, such as the poor initiative of credit business personnel, the marketing status of credit business is waiting for customers to be actively consulted, and the marketing quality and marketing concept of credit personnel are low and backward. Due to the changes in the global financial markets, the overall commercial banking environment is also in a changing period. With the constantly changing financial market environment, the traditional credit marketing has been unable to adapt to the changing market. The credit business marketing environment of Chao Yang commercial banks has also changed accordingly, so the traditional credit business marketing strategy is no longer adapted to the new marketing environment. Therefore, it is urgent to optimize the marketing strategy for commercial banks. Therefore, this paper takes the marketing strategy of Chao Yang Bank's personal credit business as the research object, and takes a large number of domestic and foreign related research results as the theoretical basis. In-depth analysis of the current environment and situation of the personal credit business marketing market of Chao Yang commercial banks. In the form of

questionnaire, the problems existing in the marketing strategy of Chao Yang commercial Bank's personal credit business marketing were deeply explored. Using the 7ps service marketing group strategy, it was used to optimize the marketing strategy of Chao Yang Bank's personal credit business from seven aspects, including product, pricing, channel and promotion. Some ideas are drawn in this optimization design and summarized as follows:

1. With the progress of the information age technology, the Internet financial has been called the core of the future of the financial industry marketing channels, the traditional financial industry should gradually to its transformation, such as commercial Banks should put the entity network development, transferred to online financial business, in solid entity offline credit business at the same time, open up a new online financial service platform.

2. The credit business market has gradually shifted its focus to personal credit business. Most of the online financial industry are also for personal financial services, which requires credit products to develop personalized services and create personal credit products adapted to different groups of people. You also need to measure the finished product while designing personalized products.

3. After optimizing Chao Yang bank's personal credit marketing strategy, it is also necessary to strengthen the marketing management. Good marketing strategy is an effective method for the market sales of credit products, and the perfect marketing management is the effective guarantee for the operation of commercial banks.

4. Credit business is inevitably accompanied by legal risks, especially the development of personal credit business, which requires the credit business managers to have a high legal knowledge reserve and can greatly strengthen risk management.

### **5.3 Further Study**

Through the optimization of the marketing strategy of Chao Yang Bank, the STP strategy is used to conduct market segmentation, target market, and conduct market positioning. It also analyzed the current environment of the internal and external advantages and disadvantages, opportunities and threats of Chao Yang Bank's current personal credit business. Through the questionnaire method, the problems existing in its credit business marketing strategy were summarized, and its marketing strategy was optimized by using the 7ps theory. Although this paper completes the optimization design of marketing strategy and can solve its marketing problems, it still has the following defects.

The online financial business of Internet finance still brings great opportunities for transformation to commercial banks. People's requirements for credit services pay more attention to the speed and convenience. Although the design of this paper involves the development of online Internet finance, but it is still not perfect. The competition among commercial banks is gradually increasing, especially the local commercial banks are facing a unified merger, and the physical branches between

banks need to be transformed. In the face of the upcoming network merger policy, corresponding development countermeasures should be proposed to deal with the transformation of their own business.



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