

ANALYSIS OF THE CURRENT SITUATION OF BANK FINANCIAL PRODUCTS IN CHINA

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ABSTRACT

With the rapid economic development in China, the substantial increase of people's daily income and the improvement of their living standards, the people who are getting affluent began to think about how to manage and use their increased wealth. It has become a hot topic that more and more civilians pay attention to. As people getting rich have more spare money in their hands, financial management has become not only a part of people's daily lives but also the new point of competition for the major banks. Yet the Agricultural Bank is no exception. The Agricultural Bank regards gradually the personal financial management business as the strategic focus of the development of the bank, the reason is that the personal financial management business has many advantages such as less risk, stable income and individuality and so on. It also increases the way of acquiring banking revenue, improves the structure of banking revenue, reduces the capital risk of bank-run, and then enhances the own competitiveness of banks. In order to occupy the market of financing products, Agricultural Bank has successively rolled out financial products suitable for different groups with diverse risk preference of investing. At the beginning of this paper, the concept and characteristics of bank's financial products and the necessity of studying them are introduced, and then the developmental direction of finance products in Jiangcheng Branch of Agricultural Bank is summarized by combining relevant literature and periodicals.

Based on the regional background of Jiangcheng Agricultural Bank, this paper elucidates the investigated content about the present situation of financial products by conducting an interview with the manager of Jiangcheng Branch. By the sufficient collection and systematic analysis of relevant literature and periodicals, the present situation of financial management products of the Jiangcheng Branch of the Agricultural Bank of China is obtained. Thus it lays the groundwork for the third part about problems and the fourth part about countermeasures. At the same time, some pertinence suggestions are given on the following four problems: serious homogenization of products, lack of professional financial personnel, inadequate propaganda of financial products and unsatisfactory environment of financial services. Consequently, the development of financial products of Jiangcheng Branch has been improved, and the structure of banking income has been increased. It reduces the capital risk of bank operation, and then improves the bank's own competitiveness.

Keywords: Agricultural Bank of China; Jiangcheng Sub-branch; Financial Product

INTRODUCTION

Since the reform and opening up, China's economy has entered a period of rapid development, the level of national income is also constantly improving, and the disposable cash of the people is also increasing with the increase of income. According to relevant data, in 2017, China's consumer price index rose by 1.6% over the previous year. Affected by inflation, ordinary people gradually find that financial management through traditional savings deposit interest rate cannot meet their expected effect of wealth preservation and appreciation. In order not to depreciate their wealth, more and more people have given up the traditional financial management methods of savings deposits in the past and have chosen bank financial products with high safety and good reputation.

With the continuous expansion of the financial products market, major commercial banks have also identified the huge potential of the financial products market and have begun to develop and launch various financial products in order to occupy a corner of the financial products market. Agricultural Bank of China is no exception. In order to develop new profit growth points, Agricultural Bank also began to focus on the research and development and promotion of financial products, in order to seize high-quality customers and enhance the competitiveness of the bank in the financial products market. However, there have been some problems along the way.

Bank financial products are capital investment and management plans developed, designed and sold by commercial banks for specific target customer groups on the basis of research and analysis of potential customer groups. In the investment method of wealth management products, banks only accept the management funds authorized by the customer to the bank, and the risks and investment returns generated in the process are borne by the customer or the customer and the bank in accordance with the agreement [1].

OBJECTIVE

This paper analyzes the problems and shortcomings of Jiangcheng Branch of Agricultural Bank of China in the process of developing financial products and gives reasonable improvement strategies and innovative suggestions for related problems. The continuous improvement and innovation of financial products enables the Jiangcheng Branch of Agricultural Bank of China to occupy a corner of the financial products market, and also provides guidance for other branches of Agricultural Bank of China to develop financial products.

METHODOLOGY

This paper takes Jiangcheng Branch of Agricultural Bank of China as the main research object, uses descriptive research method, literature analysis method, investigation and interview method, and makes a specific analysis on the development status of financial products of Jiangcheng Branch of Agricultural Bank of China under the condition of mastering relevant information of financial products.

Sub-Section 1

Product homogenization is serious. The financial products of Jiangcheng branch of Agricultural Bank of China are too popular, which leads to the homogenization of financial products. The wealth management product market has now developed into a very profitable market, which has further led to increased competition among domestic banks. But so far, no bank has dared to claim that it can meet all the demand in the WMP market [2]. Facts have proved that only financial products with precise market positioning and accurate customer segmentation can attract more customers to buy financial products and increase the bank's income [3]. Up to now, Jiangcheng Branch of Agricultural Bank of China still

first analyzes the asset scale of customers, and then provides simple financial advice and recommends financial products to them but fails to take into account the systematic analysis of customers' age, investment direction, risk preference and other factors. As a result, the differences of financial products are not strong, and the homogenization of financial products is very obvious.

Sub-Section 2

Lack of professional money managers. In recent years, the Jiangcheng branch of the Agricultural Bank of China began to pay attention to the training of bank employees, especially the business training of handling financial products. However, some employees are still inexperienced and lack professional financial knowledge. When selling financial products, they can only provide customers with simple consultation and answers, rather than professional financial products and services. The financial managers of Jiangcheng Branch are older, with average education level and lack of professional financial knowledge. In other words, they cannot accurately position and analyze customers with purchase needs according to professional financial knowledge, which increases the investment risks of customers and prevents them from further obtaining income. At present, the lobby manager is still doing the work of diverting customers, guiding customers to fill in bank documents, and using autonomous equipment, without a clear job orientation. If high-quality customers come to the Jiangcheng Branch to learn about financial products, they find that they cannot find a financial manager when they enter the lobby of the Jiangcheng Branch, because the financial managers are busy diverting customers, which will make high-quality customers think that the financial managers of the Jiangcheng Branch are not professional enough, and they will think that the Jiangcheng Branch does not pay attention to the financial services of high-quality customers. Then came the idea that the financial manager of Jiangcheng branch could not recommend a financial product suitable for him. High-quality customers will shift their investment direction to other commercial banks and purchase financial products in line with their own risk positioning by consulting professional financial managers. This led to the loss of high-quality customers of the Jiangcheng branch, which led to a decline in the sales of financial products of the Jiangcheng branch.

Sub-Section 3

Financial products are not well advertised. Jiangcheng Branch of Agricultural Bank of China is located in a remote border county in Puer City, Yunnan Province, so the people here are relatively simple, most of them do not understand bank finance, lack of knowledge of bank financial products, and some people also think that buying bank financial products is equivalent to saving cash in the bank, and their risk awareness is weak. Did not realize that financial products also exist such large and small risks. However, when bank staff recommend financial products to customers who lack risk awareness, they often emphasize how high the return rate of the financial products is, thus forgetting to remind such customers that the financial products also have risks and the size of the risks of the products. In addition, under the current employee appraisal policy of Jiangcheng Branch of Agricultural Bank of China, the bank will use the number of financial products sold by employees as the basis for salary commissions, which encourages bank employees to sell for commissions in order to achieve corresponding sales. When investors do not understand that the financial products, they buy have certain risks, investment losses occur, which will lead investors to directly point the cause of capital losses to financial products, and make investors mistakenly believe that financial products are risky and cannot obtain investment returns, and conflict with the purchase of financial products. The customer may also tell his relatives and friends that a certain financial product of Jiangcheng Branch is risky and cannot obtain investment returns, resulting in the loss of a number of customers who are willing to buy financial products, which also leads to a decline in sales of financial products. This is also one of the embodiments of financial product publicity that is not in place. However, for the sake of personal performance, bank employees offer financial products with a larger bonus commission to customers who buy financial products. This practice also leads some customers to fail to buy financial products that really suit their family financial structure and mistakenly believe that the financial products of Jiangcheng Branch are single. They gave up buying financial products of Jiangcheng branch and instead bought financial products of other commercial banks, resulting in the loss of bank customers.

Sub-Section 4

The financial services environment is not ideal. At present, the marketing concept of financial products of Jiangcheng Branch is still centered on "product marketing", which often leads to the reduction of financial services, and sometimes it may lose a number of high-quality customers because of the unsatisfactory financial service environment. Some incentives issued by the Jiangcheng branch often led employees to a misunderstanding of treating the sale of financial products as a performance

indicator. The focus of employees is whether they can win the customer, and the purpose is to let the customer buy the financial products that have commissions and more commissions for them in this month. Selling only for sales, instead of selling around customers, ignoring the key point of providing customers with high-quality financial services in the process of selling financial products. On the basis of the traditional marketing concept, Jiangcheng branch of Agricultural Bank of China did not pay enough attention to the quality of after-sales service of financial products. This also makes customers who have bought financial products feel very inconvenient, and customer satisfaction is not enough, resulting in the unstable relationship between banks and customers. In addition, Jiangcheng Branch of Agricultural Bank of China mainly sells financial products through business outlets, and it is well known that the construction of a network requires a lot of manpower, material and financial resources, and it is difficult to effectively cover the customer market. It is difficult to find potential customers, resulting in a relatively simple customer system to buy financial products.

RESULTS

Sub-Section 1

We will strengthen innovation in financial products. In order to achieve a differentiated wealth management product strategy [4], we first need to classify customers into different categories. First, according to the different occupation of customers, it can be divided into private self-employed, personnel of public institutions, and ordinary people. Second, according to the different levels of cultural education received by customers, it can be divided into the cultural level of primary school students, junior high school students and college students [5].

The property allocation of private self-employed households is relatively large for real estate, stocks and funds, of course, there are some bank savings and cash inventory, which also reflects their active investment risk appetite. Jiangcheng branch should grasp this group of people, to this group of people to launch high-risk, high-yield financial products.

People who work in public institutions can accept certain investment risks when buying bank financial products. Jiangcheng branch can launch financial products with moderate positive risk preference according to the risk preference of such people, so as to realize the increase of the bank's income.

People's investment risk preference of Jiangcheng branch is generally conservative. For this group of people, Jiangcheng branch can introduce financial products with low investment risk and obvious returns to them, so that people can obtain the corresponding investment income.

Sub-Section 2

Strengthen the training of financial management personnel. Jiangcheng Branch of Agricultural Bank of China should strengthen the training of personnel related to financial services, so that employees can clearly know the types of financial products of the bank, the size of investment risks and the way of capital operation. For comprehensive tellers, they should have the most basic understanding of financial products, master basic financial knowledge, characteristics of financial products, and product manuals, so as to solve the financial needs of ordinary customers. Financial managers must pass professional examinations and hold a certificate to work. With the rapid development of the financial market, a number of high-quality customers have been achieved, and high-quality customers also have the demand for purchasing financial products. However, if the financial managers of Jiangcheng Branch lack the understanding of relevant financial products, they cannot provide financial guidance to high-quality customers. It is suggested that the head office carry out a series of training courses for financial managers, so that financial managers can enrich their professional knowledge and improve their job skills. It is also possible to attract high-end talents through high salary or high-quality employment treatment. The operation of funds and the design of financial products require high-end talents. Jiangcheng Branch can formulate reasonable performance plans to motivate employees to work hard and realize self-value as soon as possible. Only in this way can customers enjoy professional and comprehensive financial services from Jiangcheng Branch.

Sub-Section 3

Strengthen the publicity of financial products. Here, Jiangcheng Branch can carry out publicity through advertising, business publicity and public welfare activities to strengthen customers' awareness

of financial products, so that ordinary people can choose to buy financial products of Jiangcheng Branch of Agricultural Bank of China. Specific publicity methods are as follows:

The Jiangcheng branch of Agricultural Bank of China can adopt the way of TV advertising, and the broadcast channel can choose the local news channel of Jiangcheng County, so that when people watch the program, they can understand the corresponding information of financial products and increase their own financial knowledge reserve. You can also use the method of direct distribution of leaflets, the time can be selected to the afternoon or various holidays, the location can be selected in the square, park and supermarket gate and other relatively dense places to distribute. Advertisements can also be published in some financial newspapers and local newspapers, the content of the advertisement should be easy to understand, intuitive and correct, to detail the advantages of the Jiangcheng branch of Agricultural Bank of China financial products, the size of the risk, the term and the benefits that customers can get from buying the product, so that people with financial needs can understand the core information of the corresponding products.

Business promotion should be planned by the financial manager of Jiangcheng Branch, because there are two requirements when making promotional content. One is to have a comprehensive understanding of the financial products to be advertised, and the other is to have a comprehensive understanding of similar products of other banks, so as to analyze the advantages of the bank's financial products. With these two points, you can make leaflets, hall display boards, Jiangcheng branch financial product information to promote. We can make a mobile web page of financial products and let the employees of Jiangcheng Branch of Agricultural Bank of China spare time to push it to their circle of friends to find potential customers. Bank employees can also be mobilized to carry outdoor-to-door promotion with corresponding financial products and leaflets. If customers are willing to buy the financial products in the door-to-door promotion process, employees can handle on-site processing for customers in need through off-line autonomous equipment.

The Jiangcheng Branch of Agricultural Bank of China can carry out relevant public welfare activities, such as paying attention to left-behind children or socially vulnerable groups in Jiangcheng County. The bank can use some money from the sales of financial products to help left-behind children or socially vulnerable groups, transmit positive energy, make people understand the banking culture of the Jiangcheng branch of Agricultural Bank of China, and create a good social image. It can also boost sales of wealth management products. Carrying out public welfare activities can also attract some high-income and high-quality people to join the activities. Jiangcheng Branch can also use this opportunity to communicate with such people, understand and master more customer information, and promote financial products to them.

Sub-Section 4

Create a good environment for financial services. Jiangcheng Branch should change the previous concept of financial product marketing from "product marketing" to "service marketing". Service is also an effective marketing means, especially in this era when customers are God, attracting customers cannot only rely on financial products themselves. Nowadays, more and more customers are beginning to pay attention to the service they receive during the purchase of products, and more high-quality customers pay attention to service. Therefore, Jiangcheng Branch should strengthen the development of service marketing, and provide financial services for customers with different risk preferences. Ordinary customers can be responsible for the bank's marketing staff. For high-quality customers, Jiangcheng Branch needs to provide VIP service, and should have an office dedicated to receiving high-quality customers, and professional financial personnel should provide financial services for them. The satisfaction of high-quality customers with financial products and services of Jiangcheng Branch can be improved, so as to avoid the loss of high-quality customers [6].

Jiangcheng Branch should actively maintain the relationship with new and old customers and strive to establish a win-win and mutually beneficial supply and demand relationship with customers. In real life, people buy goods, basically choose acquaintances to buy, in order to avoid being pit by sellers. In this regard, the bank staff of Jiangcheng Branch can strengthen the emotional communication with customers when selling financial products to customers and analyze their financial needs through the economic information and investment risk preference of customers collected. Only by interactive and targeted marketing products and services to customers can we maximize the potential demand of customers, expand the customer resources of Jiangcheng Branch, and improve the operating income of Jiangcheng Branch.

CONCLUSION AND FUTURE WORK

Through the investigation of financial products of Jiangcheng Branch of Agricultural Bank of China, this paper understands the development status of financial products of Jiangcheng Branch of Agricultural Bank of China, finds out the problems existing in the development of financial products of Jiangcheng Branch, and puts forward targeted countermeasures and suggestions for the problems. There are four problems in the development of financial products of Jiangcheng Branch of Agricultural Bank of China. They are serious homogenization of products, lack of professional financial personnel, inadequate promotion of financial products and unsatisfactory financial service environment. According to these four problems, the corresponding development strategies are to strengthen the innovation of financial products, strengthen the training of financial personnel, strengthen the publicity of financial products, and create a good financial service environment. The strategy of strengthening the publicity of financial products is also subdivided, suggesting that Jiangcheng Branch can promote financial products through advertising, business publicity and public welfare activities. Only in this way can more people know about the financial products of Jiangcheng Branch and attract more customers to buy them. It is hoped that the above decisions can provide decision-making reference for the development of financial products of Jiangcheng Branch of Agricultural Bank of China in the future.

In view of my limited professional knowledge and the fact that some bank data cannot be disclosed, it is inevitable that some problems in the development of financial products of Jiangcheng Branch of Agricultural Bank of China are not comprehensive and professional. With the rapid development of China's financial market today, Jiangcheng Branch of Agricultural Bank of China should seize the opportunity, strengthen the development and innovation of financial products, seize high-quality customers, and create new operating income indicators.

ACKNOWLEDGEMENTS

I would like to express my sincere thanks to Suan Sunandha Rajabhat University for invaluable help throughout this research.

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