IMPROVING MARKETING STRATEGIES AS A KEY FACTOR IN ENHANCING THE COMPETITIVENESS OF COMMERCIAL BANKS

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Annotation. *This article examines marketing strategy improvement as a key internal factor in strengthening the competitiveness of commercial banks, combining a review of services-marketing and bank-marketing theory with an empirical analysis of Uzbekistan's banking market. The marketing-mix, relationship-marketing, service-quality and brand-equity literature is systematized to build a conceptual view of how marketing strategy translates into bank competitiveness, and a seven-stage model for improving the marketing-strategy mechanism of commercial banks is proposed. Using data from the Central Bank of the Republic of Uzbekistan, the Asian Development Bank, international award and ranking programs and recent industry research, the article analyses the expansion of digital marketing and distribution channels in Uzbekistan's banking sector and compares the customer-base growth of digital-native banking platforms with the market average. The results show that the share of adults using digital payment channels in Uzbekistan rose from 39 percent in 2021 to about 72 percent in 2025, while leading digital-native banking platforms expanded their customer base considerably faster than the system average: ANORBANK's customer base grew by 46 percent in a single year to 3.55 million, and TBC Uzbekistan's user base rose from 13.2 million in December 2023 to 16.9 million in September 2024. At the same time, international evidence indicates that most retail banks still struggle to convert marketing and personalization investment into a consistently positive customer experience, with only about a quarter of retail-banking customers worldwide reporting a fully satisfactory service interaction. Based on these findings, practical recommendations are formulated for improving the marketing-strategy mechanism of commercial banks in Uzbekistan.*

Key words: *commercial banks, marketing strategy, competitiveness, bank marketing, digital marketing channels, relationship marketing, service quality, customer experience, brand equity, Uzbekistan.*

INTRODUCTION

Banks operate in markets where the core products — deposits, loans, payment and digital services — are largely standardized and easily imitated, so the way a bank identifies, reaches, retains and builds trust with its customers, that is, its marketing strategy, has become one of the main sources of sustainable competitive advantage in the banking sector [1]. Unlike manufacturing firms, banks sell intangible services whose quality customers can judge only through the actual process of

interaction, which is why the classic marketing mix had to be extended, for service firms, with people, process and physical evidence [2].

In Uzbekistan the banking market has been undergoing accelerated structural change: alongside long-established banks, a new generation of digital-native and digitally focused banking platforms — such as TBC Uzbekistan, Uzum Bank and ANORBANK — has emerged and expanded its customer base through app-centred, data-driven marketing rather than through a traditional branch network. Over the same period, the share of adults who hold a transaction account and use digital payment channels has risen sharply nationwide, which has changed the conditions under which every bank's marketing strategy must operate. Under these conditions, competitiveness increasingly depends not on the size of a bank's balance sheet alone, but on its ability to design a marketing strategy that matches its target segments, digital channels, brand and customer-experience quality to this fast-changing environment.

The purpose of this article is to analyse, on theoretical and empirical grounds, how the improvement of marketing-strategy mechanisms affects the competitiveness of commercial banks, and to substantiate a step-by-step model for improving these mechanisms for commercial banks operating in Uzbekistan. To achieve this purpose, the following tasks are addressed: to systematize the principal theoretical approaches to bank marketing strategy; to assess, on the basis of statistical and industry data, how digital marketing channels and customer bases are developing in Uzbekistan's banking market; to identify global benchmarks for marketing effectiveness and customer experience in retail banking; and to develop practical recommendations for commercial banks in Uzbekistan.

LITERATURE REVIEW

The foundation of modern marketing strategy was laid by the marketing-mix concept, which describes the controllable variables — product, price, place and promotion — that a firm combines to influence demand in its target market [1]. Because banking, like other services, is intangible, inseparable from its delivery process and variable in quality, Booms and Bitner argued that the original four elements of the marketing mix are not sufficient for service firms and extended the model with three additional elements — people, process and physical evidence — which together form the "7Ps" framework now widely used to design bank marketing strategy [2].

A second major strand of the literature concerns service quality as the central output that bank marketing strategy is expected to deliver. Parasuraman, Zeithaml and Berry developed the SERVQUAL instrument, which measures the gap between customers' expectations and their perceptions of actual service performance across five dimensions — reliability, responsiveness, assurance, empathy and tangibles — and it remains the most widely applied diagnostic tool for assessing service-marketing effectiveness in banking and other service industries [3]. Building on this tradition, Levesque and McDougall found, in a study of retail-bank customers, that service problems and a bank's ability to recover from them have a stronger influence on customer satisfaction and switching intentions than core service features such as interest rates [4], while Jamal and Naser showed that both the core and the relational dimensions of service quality are linked to customer satisfaction in retail banking [5].

A third strand concerns relationship marketing, which Berry defined as attracting, maintaining and enhancing customer relationships rather than treating each transaction as an isolated sale [6]. In retail banking this logic is directly linked to profitability: Reichheld and Sasser showed that a modest reduction in customer defection substantially raises the profitability of service businesses, because long-tenured customers generate more stable revenue and cost less to serve than newly acquired ones

[7]. Narver and Slater, in turn, demonstrated empirically that firms with a stronger market orientation — a systematic focus on customer needs and competitor behaviour — achieve higher business profitability, which supports treating marketing strategy as a determinant of competitiveness rather than a purely communicative function [8]. The growth of electronic distribution channels added a further dimension to relationship marketing in banking: Mols found that users of PC-based home-banking systems were more satisfied, less price-sensitive and more likely to repurchase than non-users, suggesting that a digital channel can itself become a loyalty-building marketing instrument rather than merely a cost-saving one [9].

A fourth strand of the literature addresses branding. Aaker defined brand equity as the set of assets and liabilities linked to a brand that add to or subtract from the value a product or service provides, including brand awareness, perceived quality and brand loyalty [10]; for commercial banks, whose core product is trust in an intangible promise, these assets are a central part of overall marketing strategy and a source of differentiation that is difficult for competitors to imitate.

Recent industry research extends this classical literature to the digital and data-driven marketing environment. The Capgemini Research Institute's World Retail Banking Report 2025, based on a survey of senior retail-banking executives, marketing-team members and urban digital-native customers, found that only about a quarter of customers reported a fully satisfactory experience in their interactions with retail banks and that only three percent of banks' marketing teams considered the customer-onboarding process seamless, despite heavy investment in personalization and digital channels [11]. A related 2025 study by Quinlan and Associates and Synpulse likewise found that the banking sector's customer-retention rate lags the non-banking average and estimated that closing the personalization gap could raise customer acquisition by up to 63 percent [12]. Taken together, these studies indicate that the technical capacity to run digital marketing campaigns has grown faster than banks' ability to convert this capacity into a consistently superior customer experience, which is precisely the gap that an improved marketing-strategy mechanism is meant to close.

Studies specifically devoted to the measurable effect of marketing-strategy improvement on the competitiveness of commercial banks in Uzbekistan's own market remain limited; most of the sources reviewed above are based on data from developed or globally diversified markets. This creates a need for research that links the international theoretical and empirical literature on bank marketing to the specific dynamics of Uzbekistan's banking market, where the customer base is shifting rapidly toward digital channels and where new digitally focused banking platforms compete alongside long-established banks.

RESEARCH METHODOLOGY

In the research process, methods of logical abstraction, systemic and comparative analysis, statistical grouping and graphical analysis were used. The empirical part relies on secondary data: the Central Bank of the Republic of Uzbekistan's and the Asian Development Bank's data on financial inclusion and digital-payment usage, and publicly available industry sources — including specialized financial-technology media, international award and ranking programs, and company data — on the customer-base growth of individual banks and on global benchmarks for marketing effectiveness in retail banking. Because these sources differ in reporting date and methodology, the data are not treated as strictly comparable across institutions; rather, they are interpreted as indicative evidence of the direction and scale of change in marketing-related indicators of bank competitiveness. Growth rates for individual banks' customer bases, where not reported directly by the source, were calculated by the authors from the reported current and prior-period figures.

ANALYSIS AND RESULTS

In the context of commercial banks, a marketing-strategy improvement mechanism is understood as the set of organizational, analytical and communicative tools through which a bank defines its target customer segments and value proposition, adapts the elements of the services marketing mix to these segments, builds digital and relationship-based distribution channels manages service quality and customer experience and measures the commercial results of these efforts. According to the market-orientation approach, such a mechanism raises competitiveness to the extent that it keeps the bank's offer continuously aligned with changing customer needs and competitors' actions [8], while the brand-equity view suggests that a strong, consistently managed brand becomes a competitive asset that is difficult for rivals to replicate [10].

The environment in which Uzbekistan's commercial banks must now design their marketing strategy has changed markedly over the past several years. As of 1 August 2026, total assets of Uzbekistan's banking system reached 1,016.6 trillion soums, up 19.3 percent year-on-year [13]. Over roughly the same period, according to Central Bank and Asian Development Bank data, the share of adults in Uzbekistan who own a transaction account rose from 44 percent in 2021 to 59 percent in early 2025, and the share of adults using digital payment channels rose from 39 percent to roughly 72 percent [14]; the volume of transactions carried out through mobile banking applications reached 646 trillion soums in 2025, a 60 percent increase over the previous year, while the number of bank cards in circulation exceeded 70.9 million and the number of payment terminals exceeded 439,000 [14]. This expansion is also consistent with the updated "Uzbekistan – 2030" strategy, which sets national targets for expanding information-technology exports and digital employment and, by implication, for the continued growth of digital financial services [15]. From 22 April 2026, the Central Bank's updated requirements additionally mandate multi-factor authentication for digital banking services and biometric confirmation for card-sharing operations, which turns digital trust and security communication into a direct component of banks' marketing strategy rather than a purely technical back-office matter [16] (Figure 1, panel b).

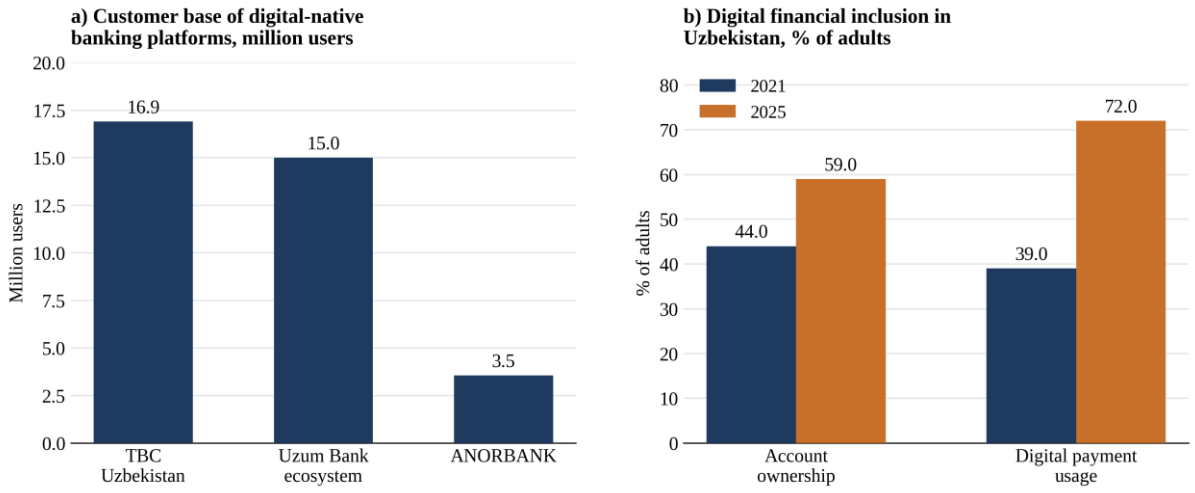


Figure 1. Growth of digital-native banks' customer base and the expansion of digital financial channels in Uzbekistan[16]

This expansion of digital infrastructure has been accompanied — and, for several market entrants, driven — by marketing strategies built primarily around mobile applications, ecosystem integration and data-driven customer acquisition rather than branch networks. TBC Uzbekistan, a mobile-exclusive bank majority-owned by the London-listed TBC Bank Group, expanded its

registered user base from 13.2 million in December 2023 to 16.9 million in September 2024 and raised a further 37 million US dollars specifically to deepen its artificial-intelligence-supported, data-driven marketing and product-personalization capability [17]. Uzum Bank, recognized as Best Digital Bank 2025 in Uzbekistan by Euromoney, built its competitiveness on integration with a wider digital ecosystem serving more than 15 million people and on embedding its payment instrument into everyday transport and retail use cases, which functions as a continuous, low-cost marketing and customer-retention channel [18]. ANORBANK, described by the organizers of Uzbekistan's national Brand Awards forum as the country's first domestic digital bank, increased its customer base by 46 percent in a single year to 3.55 million, with its mobile application downloaded more than 18.1 million times, and moved during 2025 from the category of small banks into the category of large banks in the national Bank Activity Index ranking [19] (Figure 1).

These cases illustrate, in Uzbekistan's own market, the general proposition drawn from the relationship-marketing and digital-channel literature: a marketing strategy built around a convenient, personalized and continuously used digital channel can expand a bank's customer base and strengthen loyalty faster than growth strategies based primarily on balance-sheet size or branch presence [9]. At the same time, the international evidence reviewed above cautions that growth in digital reach does not automatically translate into high service-quality perceptions: globally, only about a quarter of retail-bank customers report a fully satisfactory service experience, customer retention in banking lags the non-banking average, and marketing teams themselves rate the customer-onboarding journey as seamless in only a small minority of cases [11] (Figure 2).

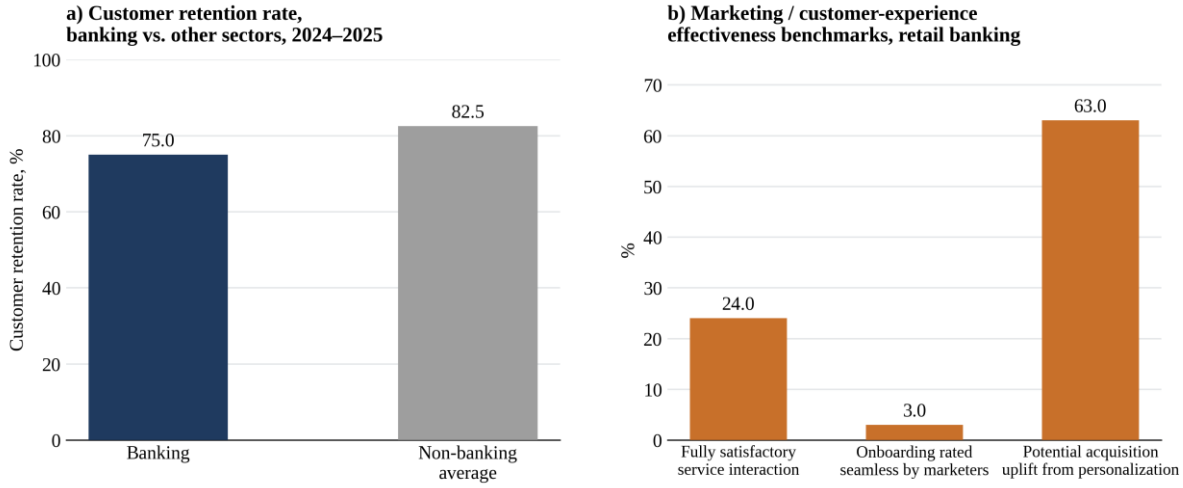


Figure 2. Global benchmarks of marketing and customer-experience effectiveness in retail banking [12]

For Uzbekistan's commercial banks, this combination of findings suggests that marketing-strategy improvement must proceed along two parallel lines: continuing to expand digital marketing and distribution channels, which still have room to grow since roughly three in ten adults remain outside the digital-payment system [14]; and, simultaneously, investing in the service-quality and customer-experience dimensions of marketing strategy — staff training, complaint handling, SERVQUAL-based monitoring [3],[4] — so that digital growth is matched by a comparable improvement in perceived service quality and brand trust [10].

Summarizing the theoretical and empirical analysis above, the following seven-stage model for improving the marketing-strategy mechanism of commercial banks is proposed for Uzbekistan's banking market (Table 1).

Table 1.

A Seven-Stage Model for Improving the Marketing-Strategy Mechanism of Commercial Banks

Stage	Content	Marketing-strategy instruments	Monitoring indicator
1. Market analysis and customer segmentation	Quarterly analysis of market share by segment, competitor positioning and digital customer behaviour	Market-orientation analysis; segment profitability analysis [8]	Market share by customer segment
2. Target-market selection and positioning	Choice of priority segments and a differentiated value proposition for each	STP (segmentation – targeting – positioning); brand positioning [10]	Brand awareness and recall index
3. Adaptation of the services marketing mix	Alignment of product, price, place, promotion, people, process and physical evidence to the chosen segments	7Ps marketing-mix framework [2]	Customer-acquisition cost (CAC)
4. Digital and relationship-marketing channel development	Development of mobile applications, ecosystem partnerships and personalized digital offers	Relationship marketing; digital/PC-banking channels [6],[9]	Share of digitally acquired customers; active app users
5. Service-quality and customer-experience management	Systematic measurement of service-quality gaps, complaint handling and staff training	SERVQUAL; service-recovery practices [3],[4]	Customer-satisfaction score; retention rate
6. Brand equity and trust building	Consistent brand communication across digital and physical channels; transparency on security and data use	Brand-equity management [10]	Brand-equity / brand-trust index
7. Marketing performance measurement and analytics	Integration of CRM analytics with the bank's overall performance-measurement system	Marketing ROI and customer-lifetime-value analysis [1],[8]	Marketing ROI; customer lifetime value

Source: developed by the authors.

The principal strength of this model is that it treats marketing strategy not as a set of separate advertising or digital-channel initiatives, but as an integrated management mechanism in which customer segmentation, the marketing mix, digital and relationship channels, service quality, brand management and performance analytics are coordinated and monitored together. In practice, the relative priority of the seven stages is likely to differ between long-established, branch-based banks — where stages 3–5 (marketing-mix adaptation, digital-channel development and service-quality management) are likely to yield the largest competitive gains — and digital-native platforms such as those reviewed above, for which stages 6–7 (brand and trust building, and marketing performance

analytics) are more likely to determine whether early customer-acquisition growth converts into durable competitiveness.

CONCLUSIONS AND RECOMMENDATIONS

The research findings show that marketing strategy has become one of the principal internal factors determining the competitiveness of commercial banks, both in the international literature and in Uzbekistan's own banking market. The systematized marketing-mix, relationship-marketing, service-quality and brand-equity literature indicates that competitiveness depends not only on what financial products a bank offers, but on how it segments its market, adapts the elements of its marketing mix, builds digital and relationship-based channels, and manages the resulting customer experience and brand.

Empirically, the share of adults in Uzbekistan using digital payment channels rose from 39 percent in 2021 to about 72 percent in 2025, and digital-native or digitally focused banking platforms expanded their customer base considerably faster than the market average, with ANORBANK's customer base growing 46 percent in a year to 3.55 million and TBC Uzbekistan's user base rising from 13.2 million to 16.9 million within roughly nine months. At the same time, international evidence shows that such growth in digital reach has not been matched by a proportional improvement in customer-experience quality, with only about a quarter of retail-bank customers worldwide reporting a satisfactory service interaction.

The limitation of the study is that the empirical part relies on secondary data of differing dates and methodologies, drawn mainly from publicly reported institutional and industry sources rather than from a unified bank-level panel or an original customer survey; the findings should therefore be read as indicative of direction and scale rather than as strictly comparable cross-bank statistics. Based on the research findings, the following are proposed:

- formalize marketing strategy in commercial banks as a document approved and periodically reviewed by the supervisory board, with measurable indicators (customer-acquisition cost, customer lifetime value, net promoter score, marketing return on investment) rather than as a set of ad hoc advertising or promotional decisions;
- apply SERVQUAL-based or comparable service-quality monitoring systematically across both digital and branch channels, and link the resulting findings directly to complaint-handling and staff-training programs;
- continue investing in mobile-application and ecosystem-based digital marketing channels, while allocating a comparable share of marketing investment to closing the customer-onboarding and service-experience gap identified in international benchmarking studies;
- strengthen brand-equity management as a distinct marketing function, with consistent brand communication across digital and physical channels and regular measurement of brand-awareness and trust indicators;
- integrate customer-relationship-management analytics with the bank's overall performance-measurement system, so that marketing-strategy decisions are evaluated with the same rigor as credit-risk or capital-adequacy decisions.

In future research it would be useful to build a bank-level panel dataset for Uzbekistan's commercial banks covering marketing expenditure, digital-channel indicators, customer-acquisition cost and customer-satisfaction measures, and to use regression-based methods to assess, causally rather than descriptively, how specific marketing-strategy instruments affect bank competitiveness in the Uzbek market.

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