

Original Paper

Exploration on the Transformation of Retail Finance Marketing from “Sitting Business” to “Traveling Business” in Commercial Banks

—Take the “Pop-up Shop” Model of C Bank Pedestrian Street as an Example

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Abstract

“Sitting business” and “traveling business” are two commonly used modes in marketing practice. “Sitting business” refers to waiting for customers to come to the door, is a kind of signboard and business name to attract customers of the marketing model, such as the commercial street store model, its business characteristics and competitiveness are mainly reflected in the attractiveness of products and the quality of service in the hall. “Merchant” refers to proactive marketing customers, and now refers more to product promotion and branding based on planning and packaging, as well as marketing personnel to communicate and interact with customers outside the business premises to expand product influence and market share. It is generally believed that sitting merchants are a conventional, traditional and inefficient marketing model compared to merchants. In the operation of modern enterprises, due to the increasingly fierce market competition, the transformation from “sitting business” to “traveling business” has become the consensus of business managers, and the awareness and ability of business are gradually becoming the core competitiveness of modern enterprise marketing.

The operation mode of traditional bank branches is more of a passive waiting for customers to come to the door and accept the business needs of customers, reflecting the concept of “sitting in business”.

With the sudden rise of Internet finance, which has had a huge impact on traditional banking business, the banking industry has realized that there may be a “last mile” shortcoming in physical outlets in financial services, and narrowing the distance between bank outlets and customers is more about “going out”, such as developing community banks, carrying out door-to-door marketing, expanding business districts, etc., mining customer needs outside bank outlets, building “scenario-based” finance, and constantly trying to change the business model from “sitting business” to “traveling business”.

Keywords

retail business, commercial banks, business transformation

The business philosophy of “traveling business” requires the banking business to pay attention to users at all times, focus on the living habits and surrounding pain points of user groups, meet the daily life behavior needs of user groups as the first point, build a “light branch +” ecology, and use financial services as auxiliary tools for clothing, food, housing, transportation, education, entertainment and other life scenarios. With the help of this model, the bank realizes the customer reach in the traffic scenario, and allows customers to enter the threshold of the bank in a relaxed and happy scenario through various livelihood services and marketing activities around the customer's life scenario.

1. The Objective Requirements of “Sitting Business” to “Traveling Business”

With the continuous development of mobile Internet technology, the popularization and facilitation of mobile banking, online banking and Internet financial service products, customers can easily handle banking services through online channels, and commercial bank outlets continue to appear “hollowing out”. The number of customers handling financial services in stores has continued to decrease. The “hollowing out” problem prompts banks to adjust the marketing mode of retail business, change the development mode relying on physical outlets, and explore new channels to achieve business transformation through external expansion.

First, Internet finance has an impact on traditional banking outlets, and mobile finance has gradually replaced traditional banking outlets. Business outlets belong to the heavy assets of commercial banks, and the labor cost and operating expenses are high. In the case of the declining profit of the network operation, banks are required to adopt the strategy of “going out” to expand the customer flow and resources outside the network.

Second, the network layout of banks is relatively concentrated, and there is fierce competition for customer resources in the same region. In the era of stock market competition, various commercial banks accelerate the construction of physical outlets, which leads to the clustering of bank outlets. Such fierce competition among the industry leads to the diversion of high-quality customers, and commercial banks have to target their marketing at high-traffic scenarios in order to operate and develop.

Third, commercial banks from a single “interest rate” model to a comprehensive “service” model.

The comprehensive service business of the bank has been continuously enriched. In addition to the deposit and loan business, the intermediary business income has been improved through the innovation of retail business such as agent sales, credit cards, precious metals, and third-party payment. In order to further improve profitability, commercial banks are required to change from “business” to “business” and give full play to the maximum efficiency of resources.

2. C Bank Scene “Pop-up Shop” Exploration*2.1 The Origin of the “Pop-up Shop”*

A Pop-up shop is a temporary brand marketing store located in a commercially developed area. In 2004, Rei Kawakubo, the godmother of Japanese fashion, converted a used bookstore in Berlin, opened the world's first “pop-up shop” and sold out its entire stock within a year. The “pop-up shop” then became a marketing strategy favored by major brands across the world, and derived a variety of forms. The combination of “pop-up store” and retail business of commercial banks reflects the deep cultivation of financial services in the consumption scene, the integration of services in the traffic scene, and the new trend and new situation of bank retail business operation.

2.2 The Characteristics of “Pop-up Shops”

On the one hand, to experience as the main, sales as a supplement to reconstruct the new retail format. Compared with the traditional retail industry, “pop-up stores” pay more attention to the scene experience of consumers. The uniqueness of the “pop-up store” is to shift consumers’ attention to the fantastic “utopia” created by the business, rather than just focusing on the product itself. Consumers will be more likely to accept services or complete consumption because of the effect created by this special scenario. In this context, the combination of commercial banks and “pop-up stores” contributes to the improvement of retail financial performance.

On the other hand, with the media carrier, re-create the way of marketing publicity. In the retail model, “pop-up store” is a new marketing means, the consumption scene traffic directly into potential customer groups. In this context, the “pop-up store” for impulse consumption of young people, has a strong appeal. Commercial banks operate “pop-up shops” to deliberately guide consumers and circle potential target customers in the temporary scenes built to make potential customers stay longer, so as to improve the communication effect and promote the development of retail financial services.

2.3 The Case of “Pop-up Shops”

C Bank constantly tries to innovate means, deeply cultivate traffic scenes, and build “pop-up stores” in high-traffic scenes such as urban pedestrian streets or department stores. Take the XD branch branch in Beijing as an example. The branch branch is located in Xidan business District. In order to attract high-traffic scene customers in Xidan commercial district, the branch invested venue rental and

construction expenses to build a “pop-up store” with credit card retail finance as the theme in Xidan Joy City. The comparison of the retail marketing efficiency between the branch and the “pop-up store” is as follows (the data is taken as an example of the marketing situation in the statistical period).

Table 1. The Comparison of the Marketing Efficiency between the Branch and the “Pop-up Store”

Business item	Xidan physical outlets (daily average)	Xidan Pop-up Shop (daily)	Efficiency multiple
Third party card binding	138 pieces	414 pieces	3
Inclusive insurance	4 households	14 households	3.5
Precious metal sales	1 set	2 sets	2
Credit card	3 pieces	28 pieces	9

Based on the statistical intermediate business income generated by part of the retail business and the actual input operating costs, the revenue/cost-effectiveness situation is as follows.

Table 2. The Comparison of the Cost-effectiveness between the Branch and the “Pop-up Store”

	Rental cost (average monthly)	Intermediate business income (monthly average)	Revenue/cost
Xidan physical outlets	RMB 2 million	RMB 2.4 million	1.1
Xidan Pop-up Shop	RMB 130 thousands	RMB 280 thousands	2.1

Through data comparison, the high-traffic scene “pop-up store” mode to carry out retail financial marketing activities has certain market advantages compared with traditional outlets. The marketing effectiveness of major retail businesses in “pop-up stores” is on average three times that of traditional outlets. At the same time, the branch of the WF branch also opened a “pop-up store” in the outlet store in the city, which cost 80,000 yuan to build, and the use period is as long as 6 months. The scene was only open for a week, achieving 2,074 three-way card binding, 52 credit card issuance, 20 precious metal sales, and 1 credit consumer loan loan. This scenario also shows the marketing effectiveness of the “pop-up shop” extension scenario.

2.4 The Role of “Pop-up Shops”

- 1) Change from passive to active. By building a “pop-up shop”, we take the customer as the center, actively create demand, and lead customers into the role, so as to form a dynamic consistency between customer demand upgrading and bank product and service innovation. Focus on meeting the needs of customers, create immediate value for customers, in order to achieve a win-win situation, and truly reflect active marketing.
- 2) Change static to dynamic. The essential difference between static marketing and dynamic marketing is that the former is often a contact, a promotion, a feedback, and the latter is a dynamic adaptation process. There are many interactions, communication and coordination between travel marketers and customers, thus forming a “dynamic matching” process. Therefore, a good account manager in the outermost scenario is equivalent to an efficient mobile network.
- 3) Turn isolation into relevance. The service transformation from “business” to “business” is to achieve internal and external correlation. Commercial banks will combine the professional advantages of physical outlets with consumption scenarios, give full play to the value of business resources, serve customers in the way of business, and fully expand customers and markets, so as to form a collaborative evolution mechanism and ultimately achieve the goal of maximizing profits.

3. “Pop-up Shop” Retail Finance Development Proposal

- 1) Optimize human resources and enrich the strength of traders. Through the gradient transfer of middle and back office personnel and the job transfer training of middle-aged employees, the position structure adjustment is implemented within the existing personnel in a targeted manner, and the operation and professional personnel with marketing ability and customer service experience are transferred to the front desk marketing positions to optimize the human resource structure. Strengthen learning and training, improve the understanding and familiarity of account managers to new businesses and new markets, and enhance the marketing success rate through ability cultivation, so as to increase the expected revenue.
- 2) Innovative assessment and incentives to enhance the willingness of traders. The assessment focuses on the contribution of account managers, and truly reflects the “customer-centric” financial service concept from the assessment. Strengthen the incentive of account managers, tilt marketing resources more to account managers, closely match the assessment results, combine material rewards with non-material rewards, and fully mobilize the enthusiasm of account managers in expanding marketing.
- 3) Straighten out the marketing relationship and give play to the synergy effect. The key to establish the cooperative mechanism between “business” and “business” is to straighten out the relationship among professional marketing, counter service marketing and comprehensive marketing. For the purpose of customer manager to obtain customers, vickers, live customers, play the role of business, and build the

soft power of foreign extension financial services.

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