

In order to determine strategic directions deposit policy banks will analyze changes in deposit base and define features behavior of consumers of deposit services due to banking crisis.

In late 2008 and the first half of 2009 significantly reduced the volume of bank deposit resources as a result of the financial crisis in the country. Outflow of deposits in the banking system was 20%, some banks have lost more than half of the deposit resources. In the second half of 2009 there has been a growth of deposits. In 2010, the banking system exceeded the level of deposit base before the crisis period. Retail deposits increased in 2010 on the 28.5%. Deposits in national currency grown more prompt rates than the deposits in foreign currency – 41,6% and 17,4% respectively (Fig. 1).

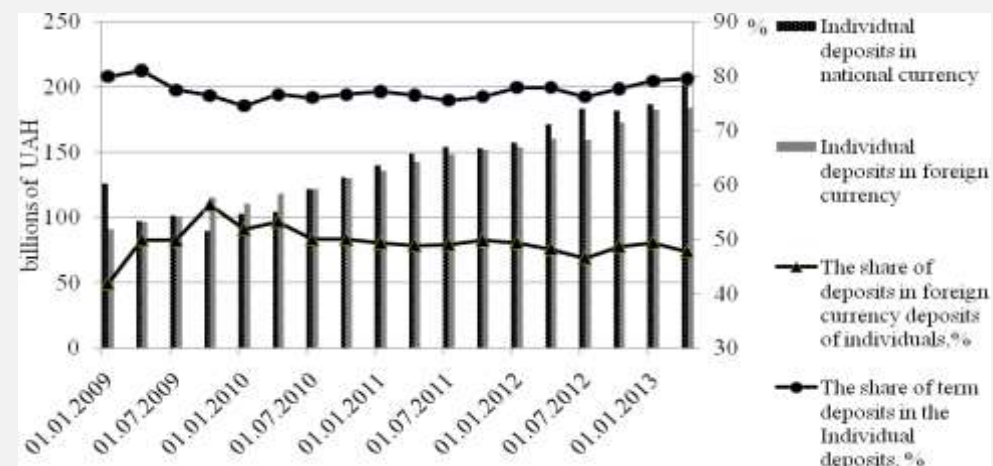


Fig. 1 – Dynamics of individual deposits in national and foreign currencies during the period from 1/1/09 to 1/4/13*

*Compiled according to the National Bank of Ukraine [1]

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DEPOSIT POLICY OF BANKS BASED ON BEHAVIOR OF CONSUMERS

Essential precondition for the stable positions of the bank in competition for the depositor and successful realization of the purposes of the deposit policy is to research the spectrum this kind of services offers other appropriate banking institutions within the region or target group of clients and developing relevant strategy in the market. Taking into account escalation of interbank competition in terms of deposit outflow especially important are the issues of formation of such a strategy in the area of deposit services that can be able to turn a simple depositor to a reliable partner of the bank and to provide them with strong and a long lasting business relationships.

Thus, in crisis conditions an important factor that influences volume of deposit resources is the public trust. The most effective way to return trust of the customers of the bank is the formation of positive public opinion about its activity. Therefore, the primary task of the deposit strategy is to support its image as a stable and reliable bank. For solving this task first of all responsible service of PR and marketing. Also equally important is to extend the range of deposit products offered to depositors, and the introduction of loyalty programs to retain customers and attract new depositors.

While developing the measures for each of the above strategies, the bank is necessary to consider changes that have occurred in behavior of consumers of deposit services because of banking crisis.

These changes first of all influenced the selection of the term of deposits, currency of deposits, type of products and allocation strategies of clients (fig. 2).

	Period of stability	Period of crisis	Post-crisis period
Terms of deposits	6-12 months	Week, ten-day period	To 3 months
Currency of deposits	Prevalence of hryvnia deposits	Multicurrency	Increasing the share of deposits in foreign currency
Types of products	The maximal interest rates and the possibility of replenishment	Possibility to withdrawal of deposits	Possibility to withdrawal of deposits and level of interest rates
Strategies of clients	Even distribution of clients among banks according to their strategy	Targeting clients on reliable banks	Well-defined distribution of customers on «players» and «investors»

Fig. 2 – Features behavior of consumers of deposit services due to banking crisis

Analysis leads to the following conclusions:

1. Period of stability. Clients reducing terms of investment. An important factor is possibility of choice of expiration of deposit agreement.
2. Period of crisis. There is an active diversification of the portfolio of deposits by currencies. For clients the preferred is the possibility of withdrawal of deposits and increased rates when increasing the volume of deposits.
3. Post-crisis period. Some clients are «players» that choose banks which offer a very high interest rates, others – the stability and guarantees.

So, the bank deposit policy based on behavior of consumers for increasing the deposit portfolio should be directed to attracting of new clients (strategy of development and strategy of diversification); retention of existing clients (penetration strategy); implementation of new directions in the development of products and services (innovative strategy).

References:

1. A site of National Bank of Ukraine [Electronic resource] / Bank supervision. Data from financial reports of Ukrainian banks. – Access mode: http://www.bank.gov.ua/control/en/publish/category?cat_id=73845. – Title from screen.