

Improving The Efficiency Of Using Marketing Innovations In Commercial Banks

Minarova Murshida Khozhimuratovna

Tashkent State University of Economics, Senior Lecturer, Department of "Marketing"

Aziza Valiyeva Anvar qizi

Tashkent State University of Economics, PhD Department of "Marketing"

ABSTRACT

The accelerating digitalization of financial services and the entry of agile fintech competitors have made marketing innovation a strategic priority for commercial banks, yet the efficiency of such innovations is rarely assessed in a systematic way. This paper examines how commercial banks can increase the efficiency of marketing innovations and identifies the conditions under which innovative marketing instruments translate into measurable economic and customer-related returns. The study adopts a conceptual-analytical design that combines a structured review of peer-reviewed literature on bank marketing and innovation efficiency with secondary statistical data from the banking sector of Uzbekistan.

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1. Introduction

Commercial banking has entered a period in which marketing can no longer be treated as a peripheral support function. The convergence of digital channels, open banking standards, and customer expectations shaped by technology platforms outside the financial sector has turned marketing into one of the principal arenas of competition between incumbent banks and fintech entrants. According to the Oslo Manual definition widely used in innovation studies, marketing innovation involves the implementation of a new marketing method entailing significant changes in product design or packaging, placement, promotion, or pricing. Applied to banking, this covers a broad range of practices: mobile-application redesign, data-driven personalization of offers, social-media-based brand engagement, embedded and co-branded financial products distributed through fintech partners, and gamified loyalty mechanisms.

The adoption of such instruments has grown rapidly across both developed and emerging banking markets. However, adoption alone does not guarantee efficiency. A bank may operate a technically advanced mobile application or a sophisticated customer-relationship-management (CRM) system without realizing a proportional return in customer acquisition, retention, or profitability. The literature on innovation management in banking has historically been fragmented across disciplines — marketing, information systems, and financial economics — a fragmentation noted as early as the review of academic publications on bank innovation management conducted by Tipu (2011), who classified more than 250 studies into separate strands dealing with the process, determinants, types, and measurement of innovation, with comparatively limited cross-fertilization between them. This fragmentation has left a practical gap: bank managers possess a growing menu of marketing-innovation instruments but limited systematic guidance on how to evaluate and improve their efficiency.

The problem is particularly acute in emerging banking markets undergoing rapid digital transformation, such as Uzbekistan, where the number of electronic banking transactions multiplied many times over within a few years while formal frameworks for measuring marketing effectiveness in the banking sector remain

underdeveloped. For banks operating in such environments, the central managerial question is not whether to innovate in marketing, but how to allocate marketing-innovation investment so that it generates measurable efficiency gains rather than merely technological novelty.

Building on this problem, the present paper pursues three objectives: first, to develop a structured typology of marketing innovations used by commercial banks and the efficiency indicators associated with each category; second, to synthesize the conditions identified in the academic literature under which marketing innovation in banking generates measurable efficiency gains; and third, to derive practical implications for banks operating in emerging markets, illustrated with evidence from the banking sector of Uzbekistan.

2. Materials and Methods

This study employs a conceptual-analytical design that combines a structured review of academic literature with secondary statistical data, rather than primary survey or transactional data collected directly from individual banks. This design was chosen because the objective of the paper is to build an integrative framework linking categories of marketing innovation to efficiency indicators — a task for which synthesis of existing empirical and conceptual contributions is methodologically appropriate, and because comparable, bank-level marketing-performance data are not uniformly disclosed across institutions, which would limit the validity of a narrow single-bank survey.

The literature search was conducted across Scopus, Web of Science, ScienceDirect, PubMed/PLOS, and Google Scholar, using combinations of the keywords “marketing innovation,” “bank marketing,” “marketing efficiency,” “financial technology,” and “banking efficiency.” Sources were included if they were peer-reviewed, published between 2010 and 2025, and addressed either the measurement of marketing efficiency in financial institutions or the relationship between innovation and bank performance. Editorials, non-peer-reviewed industry reports, and studies unrelated to the financial-services sector were excluded. The resulting set of sources was supplemented with secondary statistical data published by the Central Bank of the Republic of Uzbekistan and with findings reported in a recent sector study on the digitalization of commercial-bank operations in Uzbekistan, used to illustrate the typology with evidence from an emerging banking market.

The analytical procedure followed two steps. First, the reviewed literature was coded according to (a) the type of marketing innovation discussed and (b) the efficiency indicator or outcome variable used to evaluate it, producing a typology that links innovation categories to measurable indicators (presented in Section 3.1). Second, the conditions associated with successful versus limited efficiency outcomes reported across the reviewed studies were extracted and grouped into recurring themes (data infrastructure, organizational capability, customer trust, and regulatory environment), forming the basis of the discussion in Section 4. As with any literature-based synthesis, this approach is subject to the limitation that it reflects patterns identified in already-published research rather than newly collected primary evidence; this limitation and its implications for future research are addressed in Section 4.4.

3. Results

3.1 A typology of marketing innovations in commercial banks

The literature reviewed for this study converges on five broad categories of marketing innovation relevant to commercial banks, each associated with a distinct set of efficiency indicators. Table 1 summarizes this typology.

Table 1. Typology of marketing innovations in commercial banks and associated efficiency indicators

Category of marketing innovation	Typical instruments	Primary efficiency indicators
Digital and mobile-channel marketing	Mobile-banking applications, push-notification campaigns, in-app cross-selling, QR-based payment promotion	Customer acquisition cost (CAC), active-user growth rate, channel cost-to-income ratio

Category of marketing innovation	Typical instruments	Primary efficiency indicators
Data-driven personalization and CRM analytics	Big-data segmentation, machine-learning propensity models, next-best-offer engines	Conversion rate, cross-sell ratio, prediction accuracy of demand models
Social media and content marketing	Branded content, influencer partnerships, community management, electronic word-of-mouth	Engagement rate, brand-awareness index, cost per lead
Fintech-partnership and open-banking marketing	API-based co-branded products, marketplace integration, embedded finance offers	Partner-channel revenue share, time-to-market for new offers
Loyalty and gamification programmes	Cashback schemes, point-based loyalty applications, gamified savings tools	Customer retention rate, customer lifetime value (CLV)

3.2 Evidence on efficiency drivers

Across the reviewed literature, three findings recur with respect to what drives the efficiency of marketing innovation in banking. First, the integration of marketing activity with quantitative measurement systems is consistently identified as a precondition for efficiency. In their study of the Slovak retail-banking market, Csikósová, Čulková, and Janošková (2016) developed an integral system of indicators covering product, price, distribution, and promotion dimensions of the marketing mix and showed that banks lacking such systematic indicators could not reliably link marketing spending to changes in market position or client perception of value. This points to measurement infrastructure, rather than the marketing instrument itself, as a binding constraint on efficiency.

Second, predictive and data-driven marketing methods show measurable gains over traditional, undifferentiated marketing when properly implemented. Tang and Zhu (2024) compared ensemble-learning models (random forest and support-vector-machine algorithms) against conventional approaches for predicting bank customers' product demand, reporting substantially higher predictive accuracy for the ensemble approach and concluding that data-driven demand modelling allowed banks to design more targeted marketing campaigns and improve product-marketing success rates. This is consistent with the broader literature on innovation and efficiency in financial institutions: Sena, Kenjegaliev, and Kenjegalieva (2022) demonstrate, using a production-frontier framework, that the capacity of a financial institution to convert investment in new technologies into reduced input usage for a given level of output — that is, its innovation efficiency — varies substantially across banks even when nominal investment levels are similar, underlining that the organizational capacity to exploit innovation matters as much as the innovation itself.

Third, marketing innovation interacts with, and partly depends on, broader digital and financial-technology infrastructure. Ebissa and Lakew (2025), analyzing panel data from seventeen commercial banks in Ethiopia over twelve years using a stochastic-frontier approach, found a positive association between the adoption of financial-technology platforms — card banking, mobile banking, and internet banking — and banks' cost efficiency, reducing both the time and the non-economic cost of service delivery. Because these same digital channels are typically the delivery infrastructure for marketing innovations such as personalized push notifications or in-app offers, the efficiency of marketing innovation in practice is partly inherited from the efficiency of the underlying technological platform on which it is deployed.

3.3 Barriers to efficient implementation

The reviewed literature also identifies recurring barriers. The disciplinary fragmentation documented by Tipu (2011) translates, at the level of individual banks, into a separation between marketing departments and data or technology functions, which limits the feedback loop needed to refine marketing innovations based on performance data. Other recurring barriers include legacy core-banking systems that are difficult to integrate with modern CRM and analytics platforms, shortages of staff with combined marketing-and-analytics skills, customer concerns over data privacy that constrain the intensity of personalization that can be deployed without reputational risk, and, in markets with developing regulatory frameworks, uncertainty about the permissible scope of data use in targeted marketing.

3.4 Illustration from an emerging banking market: Uzbekistan

The banking sector of Uzbekistan provides an illustrative case of a market in which the infrastructure for marketing innovation has expanded rapidly while systematic efficiency measurement remains at an early stage of development. As of late 2025, the sector comprised 35 licensed commercial banks with total assets exceeding 920 trillion soums, reflecting continued asset growth amid an ongoing programme of banking-sector reform. At the level of digital infrastructure, a recent sectoral study reports that, according to Central Bank data, the number of electronic banking transactions increased twelvefold and their aggregate value increased ninefold between 2018 and 2023, accompanied by the spread of remote-identification tools, QR-based payment solutions, and artificial-intelligence modules in several commercial banks.

This rapid expansion of digital channels creates considerable potential for marketing innovations such as personalized in-app offers, behaviourally triggered promotions, and gamified savings products. At the same time, it illustrates the central finding of this review: infrastructure expansion is necessary but not sufficient for marketing efficiency. Without parallel investment in customer-data analytics capability, integrated performance-measurement systems, and staff skilled in interpreting marketing data, the growth of digital transaction volumes in a market such as Uzbekistan's is more likely to translate into operational digitalization than into measurable improvements in marketing return on investment.

4. Discussion

4.1 Theoretical interpretation

The pattern identified across the reviewed literature is consistent with two complementary theoretical perspectives. Rogers' diffusion-of-innovation framework suggests that the rate and depth of adoption of a marketing innovation depend on its perceived relative advantage, compatibility with existing systems, and observability of results — conditions that explain why marketing innovations integrated with existing CRM and core-banking infrastructure (high compatibility) tend to show clearer efficiency gains than stand-alone initiatives. The resource-based view of the firm offers a complementary explanation at the organizational level: because data-analytics capability, integrated customer databases, and cross-functional marketing-technology teams are difficult for competitors to replicate quickly, banks that have invested in these capabilities are positioned to extract disproportionate efficiency gains from marketing innovations that, in isolation, are technically available to any competitor.

4.2 Comparison across market contexts

The contrast between the evidence reviewed from more mature banking markets and the Uzbekistan illustration suggests a sequencing pattern relevant to emerging markets generally. In markets such as Slovakia, where Csikósová et al. (2016) document the use of formal marketing-mix indicators, and in studies drawing on large institutional datasets such as Tang and Zhu (2024) or Sena et al. (2022), measurement infrastructure and analytical capability appear to have developed alongside, or shortly after, the underlying digital-channel infrastructure. In several emerging markets, including Uzbekistan, digital-channel infrastructure has expanded very rapidly — as reflected in the multiplication of electronic transactions described above — while the analytical and measurement layer needed to convert that infrastructure into marketing efficiency appears to lag behind. This suggests that policy and managerial attention in such markets should shift from channel expansion, which is already advancing quickly, toward building the data-governance, analytics, and performance-measurement capabilities required to make marketing innovation efficient rather than merely present.

4.3 Practical implications

For bank management, three implications follow. First, marketing-innovation initiatives should be approved and evaluated against the specific efficiency indicators associated with their category, as outlined in Table 1, rather than against generic adoption metrics such as the number of features launched. Second, investment in marketing innovation should be paired with investment in the underlying data infrastructure and cross-functional capability; the evidence reviewed indicates that marketing innovations deployed without such complementary investment tend to generate engagement or transaction growth without a proportional improvement in cost efficiency or customer lifetime value. Third, banks operating in markets with developing data-protection frameworks should treat transparent and proportionate use of customer data not merely as a compliance requirement but as a precondition for the customer trust on which the effectiveness of personalized marketing depends.

For policymakers and regulators in emerging banking markets, the findings suggest that continued support for digital-payment and identification infrastructure should be accompanied by parallel attention to data-protection frameworks and to the statistical and reporting standards that would allow banks, regulators, and researchers to track marketing-related efficiency indicators in a comparable way across the sector.

4.4 Limitations and future research

This study is conceptual in nature and relies on the synthesis of secondary sources rather than newly collected primary data from individual banks; consequently, the framework presented should be understood as a structuring device for further empirical research rather than a definitive measurement of efficiency outcomes. Future research could test the typology developed in Section 3.1 using bank-level panel data, including from Uzbekistan, to estimate the magnitude of efficiency gains associated with specific categories of marketing innovation, and could examine through primary surveys of bank marketing departments which organizational and data-governance conditions most strongly predict the realized efficiency of marketing-innovation investment.

5. Conclusion

Marketing innovation has become a central, rather than peripheral, dimension of competitive strategy for commercial banks, but the literature reviewed in this study indicates that the efficiency of such innovation depends less on the novelty of the instrument adopted than on the presence of complementary measurement systems, data infrastructure, and organizational capability. Five categories of marketing innovation — digital and mobile-channel marketing, data-driven personalization, social media and content marketing, fintech-partnership marketing, and loyalty or gamification programmes — were identified, each associated with distinct efficiency indicators that bank management can use to evaluate performance rather than relying on adoption alone as a proxy for success.

The case of Uzbekistan's banking sector illustrates a broader pattern relevant to emerging markets: rapid expansion of digital infrastructure does not automatically translate into marketing efficiency unless accompanied by investment in analytics capability, integrated customer-data systems, and proportionate, trust-preserving data practices. For banks and regulators in such markets, the priority going forward should be to complement continued digital-channel growth with the measurement and governance infrastructure needed to convert marketing innovation into measurable returns, an agenda that also defines a clear direction for future empirical research using bank-level data.

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