Service Marketing Mix Strategies and Their Contribution to Improving the Financial Performance of the Banking Sector: An Exploratory Analytical Study of a Sample of Commercial Banks Listed on the Iraq Stock Exchange

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Abstract

Service marketing mix strategies are considered among the most significant contemporary intellectual developments in the field of marketing management, expressed as a new approach whose primary objective is to understand and integrate business strategies. Their influential role soon expanded in dealing with financial performance indicators and mechanisms for improvement. The main objectives of service marketing mix strategies are regarded as medium-term goals, determined by tactical organizational and administrative levels. These objectives should focus on achieving adaptation in line with environmental changes, beginning with the identification of the target market, followed by adjustment and engagement with market requirements, and culminating in the identification of the most appropriate service marketing mix.

Accordingly, the present study aims to clarify the role of service marketing mix strategies in improving financial performance. To achieve this objective, a questionnaire was designed in alignment with the research goals and distributed to the targeted organizations banks listed on the Iraq Stock Exchange in Erbil, Kurdistan Region of Iraq. The research sample consisted of ten banks, with a total of 236 distributed questionnaires, of which 213 were retrieved and deemed valid for analysis, representing a response rate of 90.2%. The collected data were analyzed using correlation coefficients and linear regression models, which facilitated the derivation of a set of results. Based on these results, several conclusions were formulated, the most important of which indicates that certain elements of service marketing mix strategies such as branch expansion, increasing the number of ATMs, and enhancing human resources exhibit a strong positive correlation with banks' financial performance, while other factors, such as transfer fees and interest rates, demonstrate a weaker and less evident association.

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In light of these conclusions, the study offers several recommendations, most notably urging the investigated organizations to prioritize the development of human resources through strategic recruitment and continuous training, given its significant impact on improving service quality and enhancing performance efficiency.

Keywords*: Service marketing; mix strategies; financial performance.*

1. Introduction

In today's competitive banking and financial environment, the performance of banks is increasingly influenced by strategic marketing approaches and effective financial management. The service marketing mix, which encompasses multiple dimensions including product or service offerings, pricing, promotion, distribution channels, human resources, operational processes, and physical evidence, has emerged as a critical tool for achieving organizational objectives and enhancing customer satisfaction (Amira & Abla, 2023; Faten, 2019). Research has shown that the strategic implementation of these marketing mix elements not only improves service delivery but also directly impacts the financial performance of banking institutions (Khairaldin & Noura, 2020; Rima, 2020).

Financial performance itself is a multidimensional concept that reflects a bank's ability to manage resources effectively, achieve profitability, maintain liquidity, and ensure long-term sustainability (Siddkhan, 2021; Somia & Milouda, 2021). Key indicators such as return on equity, return on assets, net profit margin, liquidity ratios, debt ratios, and capital adequacy ratios provide insight into the overall financial health of banks and their capacity to meet stakeholder expectations (Amal, 2013; Al-Khatib, 2010). Evaluating these indicators enables both internal and external stakeholders to make informed strategic and investment decisions, thus fostering competitive advantage and organizational growth.

Recent empirical studies have emphasized the interrelationship between service marketing strategies and financial outcomes in the banking sector. For instance, increasing branch networks, expanding ATM infrastructure, enhancing human resources, and diversifying financial products are all positively correlated with financial performance metrics such as profitability, asset utilization, and liquidity management (Abdelkader & Kasher, 2016; Qustali & Nahla, 2018). Conversely, some elements such as transaction fees and interest rate adjustments may have a limited but still measurable impact, necessitating careful management to balance profitability with customer satisfaction.

The current study builds on a wide range of literature, spanning theses, dissertations, journal articles, and books, as well as data from annual reports and official statistics, to investigate the relationship between the service marketing mix and financial performance in commercial banks. By employing quantitative research methods, including correlation and regression analyses via SPSS v.28, the study examines both the overall impact of the service marketing mix on financial performance and the individual effects of each marketing mix element on key financial indicators. The findings are intended to provide actionable insights for banking managers, policymakers, and investors seeking to optimize marketing strategies and enhance financial outcomes.

2. Chapter One: Research Methodology

2.1 General Framework of the Study

2.1.1 First: Research Problem

The service marketing mix represents a fundamental pillar on which service institutions, particularly banks, rely in their efforts to keep pace with the rapid changes in their competitive environment. With the intensification of competition and the growing expectations of customers, banks have increasingly focused on adopting effective service marketing mix strategies, recognizing that their success or failure is closely tied to their ability to deliver high-value banking services that meet customers' needs and satisfy their expectations.

Accordingly, the structure of the study can be built upon the required steps to address the central research question: *"Do service marketing mix strategies have a positive relationship and impact on improving and sustaining the financial performance of the investigated banks?"*

2.1.2 Second: Significance of the Study

This study is of considerable importance to bank managers and professionals in financial institutions, as it provides solutions and contributes to improving the financial performance of a sample of banks operating in the city of Erbil through the adoption of effective service marketing mix strategies. The significance of this study can be summarized in the following points:

1. **Identifying the relationship between the service marketing mix and financial performance:** The study seeks to explore the relationship between the service marketing mix strategies adopted by banks and the improvement of their financial performance.
2. **Enhancing the competitiveness of private banks:** With increasing competition among banks, effective service marketing mix strategies represent an essential tool for attracting more customers and strengthening the reputation of private banks.
3. **Developing service marketing mix strategies, particularly in the banking sector:** Many banks lack integrated service marketing mix strategies that directly influence their financial performance, which highlights the importance of this research in filling that gap.

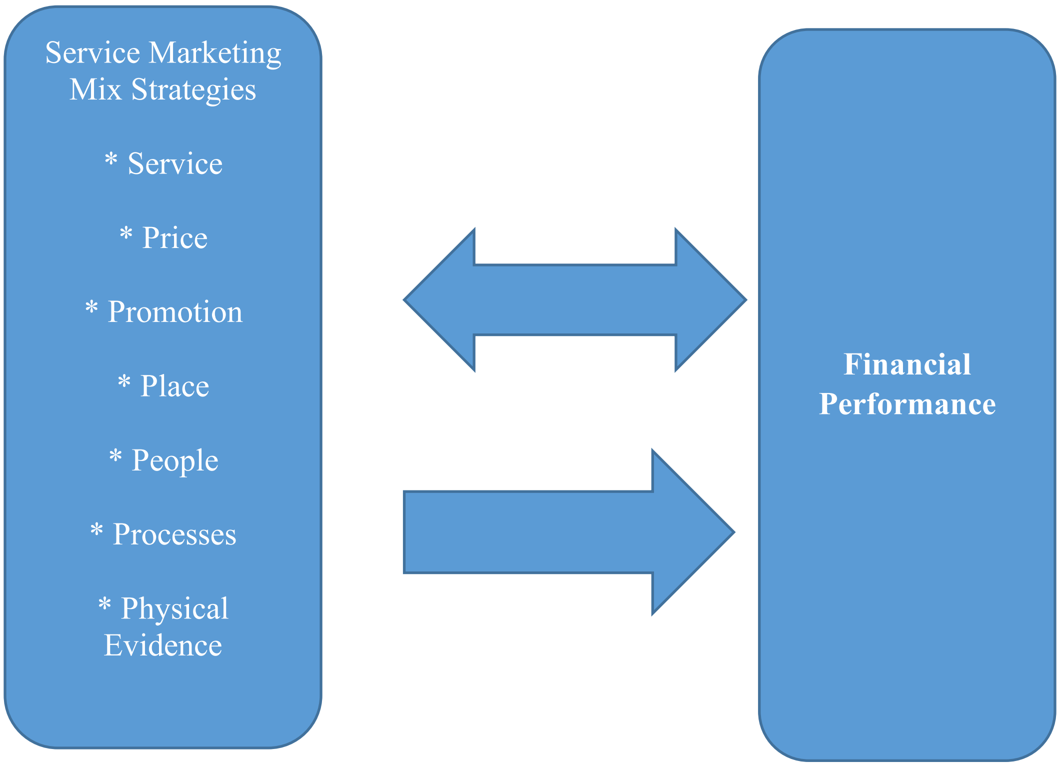
2.1.3 Third: Research Objectives

Based on the stated problem and significance, the main objective of this study is to analyze the relationship and impact between the service marketing mix strategies adopted by the investigated banks and their role in financial performance. The specific objectives of the study are as follows:

1. To evaluate the relationship between service marketing mix strategies and the financial performance of the banks included in the study, in order to determine the extent to which these strategies contribute to improving financial performance.
2. To identify the degree of influence of each dimension of the service marketing mix currently applied in the investigated banks and assess their effectiveness in enhancing financial performance.

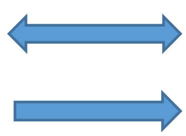
2.1.4. Fourth: Research Model

In light of the elements influencing the research problem and in order to achieve its objectives, a hypothetical model has been developed to illustrate the logical relationship between the study variables. Accordingly, the hypothetical model of the study is represented in Figure (1) below.



Correlation Relationship

Relationship of Impact



Source: Prepared by the Researcher

2.1.5 Fifth: Research Hypotheses

In light of the research problem, its significance, and objectives, the researcher adopts the acceptance hypothesis, which states:

- **Main Hypothesis 1:** There is a statistically significant positive correlation between the independent variable and the dependent variable in the investigated banks.
- **Main Hypothesis 2:** There is a statistically significant impact between the dimensions of the independent variable and the dependent variable as a whole in the investigated banks.

2.2 Service Marketing Mix Strategies

2.2.1 First: The Concept of Service Marketing Mix Strategies

The concept of the service marketing mix, as a term within the humanities, is a fundamental notion in marketing management. It serves as a strategic framework for enhancing customer experience and increasing loyalty, and it is employed by business organizations to deliver and promote their services effectively. It differs from the marketing mix for a tangible product due to the unique characteristics of services. Scholars and academics have expressed varying perspectives in defining this concept.

Amira and Abla (2023, p. 4) state that the service marketing mix is a combination of marketing tools through which a set of decisions are derived to achieve several marketing objectives in the market where the organization operates. Kotler and Keller (2016, p. 233) describe it as a set of tools that organizations use to effectively deliver and promote their services, consisting of seven elements, each of which is important in providing an integrated service experience. Amr et al. (2015, p. 559) add that it is a set of integrated and interrelated marketing activities intended to perform the marketing function as planned. Al-Sumaidai (2011, p. 299) defines it as a set of tools used by business organizations in marketing their products to achieve their marketing objectives. Al-Dumoor (2008, p. 74) emphasizes that it is a set of integrated and interrelated marketing activities that depend on one another in order to carry out the marketing function as planned.

Therefore, the marketing mix is considered the core element of any marketing strategy, and the process of creating balance within the marketing mix is unique to each organization or each service, differing from one organization to another.

Accordingly, the operational definition can be stated as:
"A set of tools that serve as a guide for marketing, enabling the organization to coordinate its marketing efforts in order to achieve its objectives efficiently and effectively."

2.2.2 Second: Importance and Objectives of the Service Marketing Mix

The service marketing mix is considered one of the core activities in service organizations and a central axis of marketing activities, as it provides a fundamental base of information upon which these activities rely. It contributes to achieving success in a complex competitive environment. Additionally, through the elements of the service marketing mix, organizations can satisfy customer desires, meet their needs, and deliver added value that enhances their satisfaction and loyalty. The application of the seven elements of the marketing mix (Service, Price, Promotion, Place, People, Processes, Physical Evidence) is crucial.

Mousa and Abdelqader (2020, p. 14) indicate that the importance of the marketing mix can be summarized as follows:

- It represents all the marketing activities carried out by the organization.
- The marketing mix is considered the key to marketing operations and strategies within the organization.
- It serves as a driver for strategic decision-making related to marketing plans, which has a significant impact on the organization across various areas.

2.2.3 Third: Dimensions of the Service Marketing Mix

The service marketing mix consists of seven main dimensions, known as the **7Ps**. These seven elements are considered the lifeblood of marketing programs for service organizations. Marketing decisions must be based on the needs and desires of customers, and the marketing mix in the service sector is generally broader and more comprehensive compared to the tangible goods sector of an organization (Kheiraldin, 2020, p. 50).

Figure (2) Illustrates the Elements of the Service Marketing Mix
Source: Derived from online research and the *Income Marketing* website

This variable consists of a set of main dimensions that contribute to its explanation, which are:

1. **Product or Service:** The product or service is the first component of the service marketing mix. Researchers have offered various definitions of product or service depending on the context. Some view the product as a tangible entity that can be measured and evaluated, while others consider service as an intangible experience relying on customer interaction with the service provider. The product may be a good, a service, or an idea, composed of tangible or intangible attributes that satisfy consumer needs and desires, obtained in exchange for money or another unit of value. Tangible attributes include physical features such as color and design, while intangible attributes include services like those provided by a physician (Altai & Al-Alak, 2019, p. 30).
2. **Price:** Price is an important element of the marketing mix. It represents the total value exchanged by the customer as payment for purchasing or using a product or service (Kotler & Armstrong, 2006, pp. 11–12). Pricing is defined as the art of translating the value of a product at a given time into monetary terms (Abu Amin, 2014, p. 19). Price directly influences customer impressions and purchasing decisions, as it serves as an exchange mechanism offered by the buyer to obtain marketed goods or services (Faten, 2019, p. 21). Designing and implementing pricing strategies must be done continuously because prices may rise or fall over time (Vivek Mehta, 2021, p. 6).
3. **Promotion:** Kotler (1999, p. 45) defines promotion as "activities conducted within the framework of marketing efforts by the organization to communicate its products to consumers and persuade them to purchase." Abdelqader & Kasher (2016, p. 60) describe it as "a set of means involving marketing efforts by the organization to stimulate customer desire persuasively, convincing them to purchase products according to their abilities and expectations" (Faten, 2019, p. 34).
4. **Place or Distribution:** Place refers to locations where the product can be purchased or where the appropriate site for service delivery can be reserved. Reservation sites and customer access have changed significantly due to technological advances in distribution channels via the Internet (Vivek Mehta, 2021, p. 6). Place is a

network of methods and approaches for delivering services that facilitate customer access (Binyam Ketema, 2023, p. 26).

5. **People:** Employees of service organizations play a crucial role in producing and delivering the service and influencing customer satisfaction. Therefore, employees must adhere to marketing ethics to build long-term, positive relationships with customers (Pomering & Johnson, 2008, p. 8). The American Marketing Association defines people as "all participants in delivering and facilitating the service for customers, thereby affecting customer satisfaction, including all employees and service providers, as well as other customers present in the environment" (Qastali, 2018, p. 32).
6. **Processes:** Service delivery processes include all activities and actions performed during the provision of banking services and managing the interaction between the service provider (bank) and the recipient (Rima, 2019, p. 24). Processes involve the actual procedures that encompass the flow of activities contributing to service and product delivery, executing steps to deliver them to customers, and providing them with appropriate evidence to manage or interact with the product or service. The process also serves as a guide for customers regarding the services or goods (Al-Kafarna, 2020, p. 17).
7. **Physical Evidence:** Physical evidence refers to the environment in which the service is delivered, where the customer interacts with the service organization. It includes all tangible elements that facilitate service delivery or performance (Boudia, 2016, p. 131). Physical evidence comprises all items representing services, such as reports, brochures, business cards, signage, communication services, and other tangible cues (Chand, 2017, p. 78).

2.3 Bank Financial Performance

2.3.1 First: Concept and Definition of Bank Financial Performance

Bank financial performance refers to the financial condition of a bank over a specific period, encompassing the collection and utilization of funds measured by several indicators, including capital adequacy ratio, liquidity, financial leverage, solvency, and profitability. Accordingly, financial performance represents the bank's ability to manage and control its resources (Sadd Khan, 2019, pp. 56–60).

Researchers have expressed varying opinions and perspectives on the definition of bank financial performance, leading to a clear diversity in the proposed definitions. The table below presents some of the most important definitions offered by researchers regarding this concept, reflecting the variety of scientific perspectives in this field.

Table (1): Selected Definitions of Bank Financial Performance According to Their Sources

S	ources	**Definitions**
	oumaya, Miloudi, 2021, p. 6	1. The extent to which the organization achieves a safety margin through its ability to confront risks and financial challenges, thereby avoiding insolvency.
	Al-Tawil, 2018, p. 4	2. The key measure reflecting the bank's value, financial position, ability to achieve objectives in a timely manner, and creation of competitive advantage.

	Lu & Taylor,2016:6	3. The existing financial condition of the bank over a specified period regarding a particular aspect of its performance or its overall performance; it is also defined as the banking activities related to achieving financial objectives.
	Belhammou, 2013, p. 3	4. The bank's ability to optimally utilize its resources in both long-term and short-term applications to generate wealth.
	Wan &Feng, 2012: 115-129	5. The assessment of the bank's financial condition to determine its ability to meet future financial obligations and to efficiently and effectively utilize its available resources.
	Mutua, 2010 : 34	6. A measure through which the bank's capacity to use financial assets to generate returns can be evaluated, allowing for the assessment of the bank's financial position over a specific period or for comparison with other organizations within the same sector.

Source: Prepared by the researcher based on the referenced sources.

2.3.2 Second: Importance and Objectives of Bank Financial Performance

Financial performance receives significant attention in all types of organizations from investors, banks, and management because optimal financial performance is one of the main reasons for the continuity, sustainability, and development of organizations. It is a fundamental component of all organizational activities, as it provides accurate and reliable data when comparing actual organizational performance with planned performance, identifying deviations through financial indicators that measure the achievement of planned objectives, and allowing organizations to correct these deviations. The importance of financial performance can be summarized as follows:

a) Financial performance aims to evaluate organizational performance from multiple perspectives in a way that serves data users who have financial interests in the organization.
b) It assists in conducting analysis, comparison, and evaluation of financial data, and in understanding the interaction between financial information.
c) It monitors organizational operations, examines behavior, and oversees financial and economic conditions.
d) It identifies strengths and weaknesses within the organization, enabling the reinforcement of strengths, addressing weaknesses, and utilizing the data provided by financial performance to guide financial decisions for users and contribute to making sound decisions that ensure continuity and sustainability.

Financial performance seeks to achieve economic efficiency through improved use of financial resources, ensuring sufficient liquidity to meet obligations, and enhancing profitability and sustainable growth. It also contributes to improving investor confidence and increasing the market value of the organization. Financial performance can help investors achieve the following objectives, as noted by Al-Khatib (2010, p. 47):

a) Assisting investors in monitoring and understanding the organization's activities and their nature.
b) Helping track the surrounding economic and financial conditions.
c) Estimating the impact of financial performance tools on profitability, liquidity, indebtedness, and dividend distributions relative to share price.
d) Enabling investors to analyze, compare, and interpret financial data, understand the interaction between data, and make appropriate decisions according to the organization's conditions.

e) Providing information for analysis purposes to make decisions and select the best stocks through the organization's financial performance indicators.

2.3.3 Third: Bank Financial Performance Measures and Indicators

Financial indicators are used to evaluate the efficiency and effectiveness of financial activities in banks. These indicators help measure the extent of an organization's success in achieving financial objectives as well as the goals and interests of shareholders, employees, and creditors (Al-Burwari, 2013, p. 28). Financial performance is measured using a set of indicators, the most important of which include liquidity ratios, financial leverage ratios, profitability ratios, and others.

2.4 Field Work

2.4.1 Statistical Analysis and Processing Methods:

The Statistical Package for the Social Sciences (**SPSS**) was used for data analysis. Based on the nature of the study and the objectives it seeks to achieve, the research data were analyzed using general statistical methods to obtain overall conclusions about the characteristics and composition of the study population and its distribution. This also included the use of frequency tables, percentages, and graphs to present and clarify information about the banks in the study sample. The statistical methods used include: validity testing, reliability testing, Cronbach's alpha, weighted mean, and standard deviation.

2.4.2 Testing the Relationship Between Study Variables:

The researcher employed the **correlation coefficient** to determine the relationships between study variables. Two possibilities arise:

- If the probability value of the correlation coefficient is less than the significance level alpha (0.05), the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted, indicating a significant relationship between the study variables.
- If the probability value of the correlation coefficient is greater than the significance level alpha (0.05), the null hypothesis is accepted, indicating no significant relationship between the study variables.

Table (2): Results of Correlation Between Study Variables

Variables		Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8
X1	Strength of Relationship	0.183	0.102	0.107	0.145	0.060	-0.103	0.102	.221*
	Significance Level	0.104	0.370	0.344	0.199	0.598	0.362	0.367	0.049
X2	Strength of Relationship	0.217	0.115	.278*	0.041	-0.145	-.316**	0.194	.307**
	Significance Level	0.053	0.308	0.013	0.719	0.200	0.004	0.085	0.006
X3	Strength of Relationship	.282*	0.166	.406**	0.033	-0.002	-.311**	.382**	.416**

	Significance Level	0.011	0.142	0.000	0.775	0.989	0.005	0.000	0.000
X4	Strength of Relationship	-0.092	-0.119	-0.200	-0.230	0.296	0.464	-0.278	-0.309
	Significance Level	0.800	0.744	0.579	0.522	0.406	0.177	0.437	0.385
X5	Strength of Relationship	-0.155	-0.524	-0.283	-0.423	0.576	0.256	-0.417	-0.212
	Significance Level	0.670	0.120	0.428	0.223	0.081	0.475	0.231	0.557
X6	Strength of Relationship	-0.013	0.145	0.018	0.366	-0.122	-0.403	0.069	-0.218
	Significance Level	0.971	0.690	0.961	0.298	0.737	0.248	0.850	0.545
X7	Strength of Relationship	0.032	0.058	0.180	-0.281	0.210	0.060	-0.226	-0.369
	Significance Level	0.931	0.874	0.619	0.432	0.561	0.869	0.529	0.294
X8	Strength of Relationship	$.472^{**}$	0.212	$.269^{*}$	0.056	$.694^{**}$	0.152	0.190	$.600^{**}$
	Significance Level	0.000	0.059	0.016	0.624	0.000	0.179	0.092	0.000
X9	Strength of Relationship	$.358^{**}$	0.137	$.330^{**}$	-0.023	0.020	-0.090	$.464^{**}$	$.495^{**}$
	Significance Level	0.001	0.226	0.003	0.843	0.858	0.426	0.000	0.000
X10	Strength of Relationship	$.560^{**}$	$.346^{**}$	$.465^{**}$	0.066	$.649^{**}$	$.265^{*}$	0.161	$.632^{**}$
	Significance Level	0.000	0.002	0.000	0.558	0.000	0.017	0.154	0.000
X11	Strength of Relationship	$.521^{**}$	0.198	0.212	0.090	-0.030	0.068	0.008	$.472^{**}$
	Significance Level	0.000	0.079	0.058	0.429	0.789	0.548	0.946	0.000
X12	Strength of Relationship	0.109	0.218	0.365	-0.215	-0.143	-0.088	0.250	-0.001
	Significance Level	0.765	0.545	0.300	0.552	0.694	0.808	0.485	0.998
X13	Strength of Relationship	0.457	0.324	0.077	$.635^{*}$	-0.409	-0.501	0.552	0.557
	Significance Level	0.184	0.361	0.832	0.049	0.240	0.140	0.098	0.094

Independent Variables (X):

- **X1:** Number of loan types
- **X2:** Number of current account types
- **X3:** Number of electronic card services

- **X4:** Interest rates on loans and deposits
- **X5:** External and internal transfer fees
- **X6:** External transfer fee (%)
- **X7:** Internal transfer fee (%)
- **X8:** Number of branches
- **X9:** Number of ATMs
- **X10:** Number of employees
- **X11:** Number of training courses attended
- **X12:** Average time taken to complete transactions
- **X13:** Operational error rate

Dependent Variables (Y):

- **Y1:** Return on equity (ROE)
- **Y2:** Return on assets (ROA)
- **Y3:** Asset utilization rate
- **Y4:** Net profit margin
- **Y5:** Current ratio
- **Y6:** Statutory reserve ratio
- **Y7:** Debt ratio
- **Y8:** Debt-to-equity ratio

Source: Prepared by the researcher based on SPSS v.28 analysis results

It is evident from **Table (2)** the strength of the relationship or correlation between the study variables and the significance levels associated with this test. The correlation results between service marketing mix strategies and financial performance reveal several significant relationships, highlighting notable connections between certain factors and the institution's financial performance. Based on the results presented in **Table (1)**, the acceptance of the first main hypothesis **H_1** is confirmed, which states:

"There is a positive relationship between the independent variable (service marketing mix strategies) and the dependent variable (financial performance) overall."

2.4.3 Testing the Effect Between Survey Variables:

The researcher used **regression analysis** to examine the role of the survey variables. Based on the regression analysis results, a significant effect was confirmed between the study variables as follows:

1. **Testing the Effect of Service Marketing Mix Strategies on Financial Performance (Return on Equity)**

Table (3): Results of Testing the Effect of Service Marketing Mix Strategies on Return on Equity (ROE)

Variable	R^2	F-Test		T-Test		Beta Coefficient
		Calculated Value	Significance Level	Calculated Value	Significance Level	
X1	36%	43.925	0.000	6.628	0.000	0.598
X2	39%	51.305	0.000	7.163	0.000	0.627
X3	39%	51.424	0.000	7.171	0.000	0.628
X4	69%	19.714	0.002	4.440	0.002	0.829
X5	69%	20.188	0.002	4.493	0.002	0.832
X6	59%	12.839	0.006	3.583	0.006	0.767
X7	67%	18.102	0.002	4.255	0.002	0.817
X8	51%	80.647	0.000	8.980	0.000	0.711
X9	35%	42.925	0.000	6.552	0.000	0.593
X10	55%	97.405	0.000	9.869	0.000	0.743
X11	37%	46.054	0.000	6.786	0.000	0.607
X12	72%	22.824	0.001	4.777	0.001	0.847
X13	79%	32.882	0.000	5.734	0.000	0.886

Independent Variables (X):

- **X1:** Number of loan types
- **X2:** Number of current account types
- **X3:** Number of electronic card services
- **X4:** Interest rates on loans and deposits
- **X5:** External and internal transfer fees
- **X6:** External transfer fee (%)
- **X7:** Internal transfer fee (%)
- **X8:** Number of branches
- **X9:** Number of ATMs
- **X10:** Number of employees
- **X11:** Number of training courses attended
- **X12:** Average time taken to complete transactions
- **X13:** Operational error rate

Source: Prepared by the researcher based on SPSS v.28 analysis results

From **Table (3)**, the statistical analysis results indicated a significant effect between the service marketing mix strategies and **Return on Equity (ROE)**.

2. Testing the Effect of Service Marketing Mix Strategies on Financial Performance (Return on Assets – ROA)

Table (4): Results of Testing the Effect of Service Marketing Mix Strategies on Return on Assets (ROA)

Variable	R^2	F-Test		T-Test		Beta Coefficient
		Calculated Value	Significance Level	Calculated Value	Significance Level	
X1	42%	56.751	0.000	7.533	0.000	0.647
X2	48%	72.636	0.000	8.523	0.000	0.692
X3	42%	58.019	0.000	7.617	0.000	0.651
X4	85%	51.827	0.000	7.199	0.000	0.923
X5	83%	44.399	0.000	6.663	0.000	0.912
X6	77%	29.312	0.000	5.414	0.000	0.875
X7	82%	42.060	0.000	6.485	0.000	0.908
X8	46%	68.639	0.000	8.285	0.000	0.682
X9	25%	26.723	0.000	5.169	0.000	0.503
X10	54%	92.256	0.000	9.605	0.000	0.734
X11	15%	13.854	0.000	3.722	0.000	0.386
X12	89%	70.637	0.000	8.405	0.000	0.942
X13	88%	67.211	0.000	8.198	0.000	0.939

Independent Variables (X):

- **X1:** Number of loan types
- **X2:** Number of current account types
- **X3:** Number of electronic card services
- **X4:** Interest rates on loans and deposits
- **X5:** External and internal transfer fees
- **X6:** External transfer fee (%)
- **X7:** Internal transfer fee (%)
- **X8:** Number of branches
- **X9:** Number of ATMs
- **X10:** Number of employees
- **X11:** Number of training courses attended
- **X12:** Average time taken to complete transactions
- **X13:** Operational error rate

Source: Prepared by the researcher based on SPSS v.28 analysis results

From **Table (4)**, the statistical analysis results indicated a significant effect between the service marketing mix strategies and **Return on Assets (ROA)**.

3. Testing the Effect of Service Marketing Mix Strategies on Financial Performance (Asset Utilization Rate)

Table (5): Results of Testing the Effect of Service Marketing Mix Strategies on Asset Utilization Rate

Variable	R^2	F-Test		T-Test		Beta Coefficient
		Calculated Value	Significance Level	Calculated Value	Significance Level	
X1	67%	156.956	0.000	12.528	0.000	0.816
X2	81%	343.178	0.000	18.525	0.000	0.902
X3	73%	211.578	0.000	14.546	0.000	0.853
X4	89%	69.853	0.000	8.358	0.000	0.941
X5	90%	78.092	0.000	8.837	0.000	0.947
X6	77%	29.515	0.000	5.433	0.000	0.875
X7	88%	63.085	0.000	7.943	0.000	0.935
X8	71%	193.531	0.000	13.912	0.000	0.843
X9	44%	61.293	0.000	7.829	0.000	0.661
X10	80%	310.082	0.000	17.609	0.000	0.893
X11	17%	16.271	0.000	4.034	0.000	0.413
X12	93%	127.692	0.000	11.300	0.000	0.967
X13	88%	63.271	0.000	7.954	0.000	0.936

Independent Variables (X):

- **X1:** Number of loan types
- **X2:** Number of current account types
- **X3:** Number of electronic card services
- **X4:** Interest rates on loans and deposits
- **X5:** External and internal transfer fees
- **X6:** External transfer fee (%)
- **X7:** Internal transfer fee (%)
- **X8:** Number of branches
- **X9:** Number of ATMs
- **X10:** Number of employees
- **X11:** Number of training courses attended
- **X12:** Average time taken to complete transactions

- **X13:** Operational error rate

Source: Prepared by the researcher based on SPSS v.28 analysis results

From **Table (5)**, the statistical analysis results indicated a significant effect between the service marketing mix strategies and **Asset Utilization Rate**.

4. Testing the Effect of Service Marketing Mix Strategies on Financial Performance (Net Profit Margin)

Table (6): Results of Testing the Effect of Service Marketing Mix Strategies on Net Profit Margin

Variable	R^2	F-Test		T-Test		Beta Coefficient
		Calculated Value	Significance Level	Calculated Value	Significance Level	
X1	51%	83.710	0.000	9.149	0.000	0.717
X2	55%	96.384	0.000	9.818	0.000	0.741
X3	43%	59.557	0.000	7.717	0.000	0.656
X4	84%	46.434	0.000	6.814	0.000	0.915
X5	84%	46.639	0.000	6.829	0.000	0.916
X6	82%	40.613	0.000	6.373	0.000	0.905
X7	76%	28.919	0.000	5.378	0.000	0.873
X8	47%	69.381	0.000	8.330	0.000	0.684
X9	21%	20.739	0.000	4.554	0.000	0.456
X10	49%	75.291	0.000	8.677	0.000	0.699
X11	11%	9.898	0.002	3.146	0.002	0.334
X12	83%	44.744	0.000	6.689	0.000	0.912
X13	93%	126.702	0.000	11.256	0.000	0.966

Independent Variables (X):

- **X1:** Number of loan types
- **X2:** Number of current account types
- **X3:** Number of electronic card services
- **X4:** Interest rates on loans and deposits
- **X5:** External and internal transfer fees
- **X6:** External transfer fee (%)
- **X7:** Internal transfer fee (%)

- **X8:** Number of branches
- **X9:** Number of ATMs
- **X10:** Number of employees
- **X11:** Number of training courses attended
- **X12:** Average time taken to complete transactions
- **X13:** Operational error rate

Source: Prepared by the researcher based on SPSS v.28 analysis results

From **Table (6)**, the statistical analysis results indicated a significant effect between the service marketing mix strategies and **Net Profit Margin**.

5. Testing the Effect of Service Marketing Mix Strategies on Financial Performance (Current Ratio)

Table (7): Results of Testing the Effect of Service Marketing Mix Strategies on Current Ratio

Variable	R^2	F-Test		T-Test		Beta Coefficient
		Calculated Value	Significance Level	Calculated Value	Significance Level	
X1	15%	13.639	0.000	3.693	0.000	0.384
X2	12%	10.968	0.001	3.312	0.001	0.349
X3	12%	10.430	0.002	3.230	0.002	0.342
X4	84%	45.822	0.000	6.769	0.000	0.914
X5	87%	60.711	0.000	7.792	0.000	0.933
X6	63%	15.554	0.003	3.944	0.003	0.796
X7	79%	34.448	0.000	5.869	0.000	0.890
X8	45%	65.059	0.000	8.066	0.000	0.672
X9	7%	5.875	0.018	2.424	0.018	0.263
X10	41%	55.106	0.000	7.423	0.000	0.641
X11	2%	1.216	0.274	1.103	0.274	0.123
X12	77%	29.536	0.000	5.435	0.000	0.875
X13	68%	18.962	0.002	4.355	0.002	0.823

Independent Variables (X):

- **X1:** Number of loan types
- **X2:** Number of current account types
- **X3:** Number of electronic card services
- **X4:** Interest rates on loans and deposits
- **X5:** External and internal transfer fees
- **X6:** External transfer fee (%)

- **X7:** Internal transfer fee (%)
- **X8:** Number of branches
- **X9:** Number of ATMs
- **X10:** Number of employees
- **X11:** Number of training courses attended
- **X12:** Average time taken to complete transactions
- **X13:** Operational error rate

Source: Prepared by the researcher based on SPSS v.28 analysis results

From **Table (7)**, the statistical analysis results indicated a significant effect between the service marketing mix strategies and **Current Ratio**.

6. Testing the Effect of Service Marketing Mix Strategies on Financial Performance (Statutory Reserve Ratio)

Table (8): Results of Testing the Effect of Service Marketing Mix Strategies on Statutory Reserve Ratio

Variable	R^2	F-Test		T-Test		Beta Coefficient
		Calculated Value	Significance Level	Calculated Value	Significance Level	
X1	57%	103.238	0.000	10.161	0.000	0.753
X2	64%	142.776	0.000	11.949	0.000	0.802
X3	44%	62.853	0.000	7.928	0.000	0.666
X4	90%	79.721	0.000	8.929	0.000	0.948
X5	88%	64.233	0.000	8.015	0.000	0.937
X6	61%	13.908	0.005	3.729	0.005	0.779
X7	80%	36.193	0.000	6.016	0.000	0.895
X8	65%	144.072	0.000	12.003	0.000	0.804
X9	26%	27.300	0.000	5.225	0.000	0.507
X10	71%	190.326	0.000	13.796	0.000	0.841
X11	12%	11.227	0.001	3.351	0.001	0.353
X12	82%	41.724	0.000	6.459	0.000	0.907
X13	72%	22.768	0.001	4.772	0.001	0.847

Independent Variables (X):

- **X1:** Number of loan types
- **X2:** Number of current account types

- **X3:** Number of electronic card services
- **X4:** Interest rates on loans and deposits
- **X5:** External and internal transfer fees
- **X6:** External transfer fee (%)
- **X7:** Internal transfer fee (%)
- **X8:** Number of branches
- **X9:** Number of ATMs
- **X10:** Number of employees
- **X11:** Number of training courses attended
- **X12:** Average time taken to complete transactions
- **X13:** Operational error rate

Source: Prepared by the researcher based on SPSS v.28 analysis results

From **Table (8)**, the statistical analysis results indicated a significant effect between the service marketing mix strategies and **Statutory Reserve Ratio**.

7. Testing the Effect of Service Marketing Mix Strategies on Financial Performance (Debt Ratio)

Table (9): Results of Testing the Effect of Service Marketing Mix Strategies on Debt Ratio

Variable	R^2	F-Test		T-Test		Beta Coefficient
		Calculated Value	Significance Level	Calculated Value	Significance Level	
X1	34%	41.040	0.000	6.406	0.000	0.585
X2	41%	55.356	0.000	7.440	0.000	0.642
X3	47%	70.406	0.000	8.391	0.000	0.686
X4	88%	63.011	0.000	7.938	0.000	0.935
X5	88%	68.049	0.000	8.249	0.000	0.940
X6	77%	30.740	0.000	5.544	0.000	0.880
X7	81%	39.414	0.000	6.278	0.000	0.902
X8	38%	48.111	0.000	6.936	0.000	0.615
X9	45%	63.429	0.000	7.964	0.000	0.667
X10	37%	46.914	0.000	6.849	0.000	0.610
X11	5%	4.548	0.036	2.132	0.036	0.233
X12	92%	103.887	0.000	10.193	0.000	0.959
X13	94%	133.470	0.000	11.553	0.000	0.968

Independent Variables (X):

- **X1:** Number of loan types
- **X2:** Number of current account types
- **X3:** Number of electronic card services
- **X4:** Interest rates on loans and deposits
- **X5:** External and internal transfer fees
- **X6:** External transfer fee (%)
- **X7:** Internal transfer fee (%)
- **X8:** Number of branches
- **X9:** Number of ATMs
- **X10:** Number of employees
- **X11:** Number of training courses attended
- **X12:** Average time taken to complete transactions
- **X13:** Operational error rate

Source: Prepared by the researcher based on SPSS v.28 analysis results

From **Table (9)**, the statistical analysis results indicated a significant effect between the service marketing mix strategies and **Debt Ratio**.

8. Testing the Effect of Service Marketing Mix Strategies on Financial Performance (Debt-to-Equity Ratio)

Table (10): Results of Testing the Effect of Service Marketing Mix Strategies on Debt-to-Equity Ratio

Variable	R^2	F-Test		T-Test		Beta Coefficient
		Calculated Value	Significance Level	Calculated Value	Significance Level	
X1	58%	107.001	0.000	10.344	0.000	0.758
X2	66%	154.098	0.000	12.414	0.000	0.813
X3	64%	143.142	0.000	11.964	0.000	0.803
X4	71%	22.462	0.001	4.739	0.001	0.845
X5	75%	26.425	0.001	5.141	0.001	0.864
X6	57%	12.150	0.007	3.486	0.007	0.758
X7	63%	15.293	0.004	3.911	0.004	0.793
X8	76%	245.870	0.000	15.680	0.000	0.870
X9	52%	85.489	0.000	9.246	0.000	0.721
X10	78%	274.909	0.000	16.580	0.000	0.881
X11	31%	35.363	0.000	5.947	0.000	0.556

X12	76%	27.846	0.001	5.277	0.001	0.869
X13	85%	52.907	0.000	7.274	0.000	0.924

Independent Variables (X):

- **X1:** Number of loan types
- **X2:** Number of current account types
- **X3:** Number of electronic card services
- **X4:** Interest rates on loans and deposits
- **X5:** External and internal transfer fees
- **X6:** External transfer fee (%)
- **X7:** Internal transfer fee (%)
- **X8:** Number of branches
- **X9:** Number of ATMs
- **X10:** Number of employees
- **X11:** Number of training courses attended
- **X12:** Average time taken to complete transactions
- **X13:** Operational error rate

Source: Prepared by the researcher based on SPSS v.28 analysis results

From **Table (10)**, the statistical analysis results indicated a significant effect between the service marketing mix strategies and **Debt-to-Equity Ratio**.

Based on the results presented in **Tables (2 to 10)**, the main hypothesis **H2** is confirmed, which states: *"Each dimension of the independent variable individually has a significant effect on financial performance"*. This confirms the strength and impact of each element of the service marketing mix on financial performance.

3. Conclusions

1. Some elements of the service marketing mix strategies, such as branch expansion, increasing ATMs, and improving human resources, show a strong positive correlation with the financial performance of banks, whereas other factors, such as transfer fees and interest rates, have a weaker and less clear correlation.
2. The study confirmed that the service marketing mix represents the fundamental pillar for the success of marketing activities in the banking sector, forming the organized framework for delivering banking services effectively to meet customer expectations.
3. The study concluded that service marketing mix strategies are essential activities relied upon by banks, not only to achieve marketing objectives but also as a tool to obtain data and information that contribute to making effective strategic decisions.
4. Each dimension of the service marketing mix strategies has a statistically significant effect on financial performance indicators, including **Return on Equity, Return on Assets, Net Profit Margin, Turnover Ratio, Debt Ratio, Debt-to-Equity Ratio, and Statutory Reserve Ratio**, confirming the acceptance of the main hypothesis H2: *"Each dimension of the independent variable individually affects financial performance."*

5. There is a significant correlation between the number of ATMs and key financial indicators, indicating that improving technological infrastructure and expanding service points enhances operational efficiency and generates higher profits.

4. Recommendations

1. Focus on strategic geographic expansion by opening new branches in key locations, as this effectively enhances financial performance through increased customer interaction and market base expansion.
2. Invest in technological infrastructure, particularly by increasing the number of ATMs and optimizing their geographic distribution, to enhance customer experience and facilitate access to banking services.
3. Prioritize human resource development through careful recruitment and continuous training, as it significantly improves service quality and operational efficiency.
4. Diversify the provision of financial services and products, such as loan types and current accounts, and promote them through effective marketing methods to increase usage and provide added value to customers.
5. Reevaluate the impact of pricing and fees within the marketing mix, as results indicate a limited effect on financial performance, necessitating a review of these policies to ensure a balance between marketing attractiveness and profitability.

5. Conflict of Interest

The authors declare that they have no conflict of interest.

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