

Sustainable Marketing in the Banking Sector: Leveraging ESG Principles to Build Competitive Advantages Within the Framework of EU Regulations

Andrii Nikitin¹ and Igor Britchenko²

ABSTRACT

The article considers the necessity of studying ESG principles and competitive advantages' formation in the context of EU regulation in the banking sector. To solve this task, the difficulties of ESG principles implementation in the banking sector have been identified and their effects for banking organizations under EU regulation have been estimated. At that, the relevance of the research is caused by the necessity of attracting greater volumes of financing from other than EU sources into the European banking system according to the principles of sustainable development. The objective of the research is to suggest an approach for the integration of ESG principles into the Ukrainian banking system. The methodology used for the research implies the application of such methods as monitoring, comparison, abstraction, content analysis, structured descriptive and comparative analysis of secondary ESG-index data, and synthesis. The article looks at the need to analyze ESG principles and create competitive advantages within EU regulations in the banking sector. It examines the challenges of following ESG principles in banking and evaluates their impact on banks under EU rules. The EU banking sector has many advantages and challenges. Challenges include the continuous reduction of bank branches, high segmentation of the banking system across national markets, different national regulatory practices, competition from fintech and other financial and non-financial companies, and the gradual decline of the sector as an attractive place for new business investment.

Keywords: banking institution; European banking authority; green loan; marketing strategy; sustainable development

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¹ Kyiv National Economic University named after Vadym Hetman, Kyiv, Ukraine.
E-mail: nikitin.andrii@kneu.edu.ua

² Pomeranian Higher School in Starogard Gdanski, Starogard Gdanski, Poland.
E-mail: ibritchenko@gmail.com