Marketing and Branding in Financial Services (MBFS)

For AIBB

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Module A:
Basics of Marketing

Q-01. Define marketing. Explain the marketing process.

Marketing is a fundamental concept in business and economics, particularly for academic purposes in Bangladesh. It refers to the set of activities and strategies that organizations use to create, promote, and distribute products or services to meet the needs and desires of customers.

The marketing process involves several key steps:

1. **Understanding Customer Needs:** The process starts with researching and understanding the needs and preferences of the target market, which can be diverse in a country like Bangladesh.
2. **Product Development:** Based on customer insights, organizations create products or services that fulfill those needs. For instance, in Bangladesh, products may need to be tailored to local tastes and preferences.
3. **Promotion:** This step involves promoting the product or service through advertising, sales, and other promotional efforts. In Bangladesh, promotional strategies may need to consider the cultural diversity of the population.
4. **Distribution:** Ensuring that the product reaches customers efficiently is critical. In Bangladesh, this may involve establishing distribution networks that reach remote areas.
5. **Selling and Customer Relationship:** Organizations sell their products or services, and it's essential to build and maintain good relationships with customers in a culturally diverse market like Bangladesh.
6. **Feedback and Adaptation:** Finally, organizations gather feedback from customers and adapt their marketing strategies to better meet customer needs. In Bangladesh, this step can be particularly important due to changing consumer preferences.

Understanding the marketing process is crucial for students in Bangladesh as it helps them grasp how businesses navigate the dynamic marketplace in the country.

Q-02. Why do understanding the marketplace important for financial institutions?

Understanding the marketplace is vital for financial institutions, for several reasons:

1. **Risk Assessment:** Financial institutions need to assess the risks associated with lending money. A deep understanding of the marketplace allows them to evaluate the creditworthiness of borrowers accurately. This is particularly crucial in Bangladesh, where diverse economic activities and regions can present varying levels of risk.
2. **Customer Needs:** Different customers have different financial needs. By understanding the marketplace, financial institutions can tailor their products and services to meet the unique requirements of customers, whether they are small farmers, business owners, or individuals in urban areas.
3. **Competitive Advantage:** In Bangladesh's competitive financial sector, knowledge of the marketplace can give institutions a competitive edge. It enables them to identify underserved markets and develop innovative financial solutions to address those gaps.
4. **Regulatory Compliance:** Financial institutions must adhere to regulations set by authorities like the Bangladesh Bank. Understanding the marketplace helps them comply with local regulations and ensure their operations align with the country's economic priorities.
5. **Long-Term Sustainability:** A deep understanding of the marketplace is crucial for the long-term sustainability of financial institutions. It allows them to make informed decisions, adapt to changing market conditions, and build trust with customers.

In summary, grasping the marketplace is essential for financial institutions in Bangladesh as it enables them to manage risks, meet customer needs, gain a competitive edge, comply with regulations, and ensure their sustainability in a dynamic economic environment.

Q-03. Differentiate among needs, wants, and demands with examples.

Or, Describe the followings in your own words in terms of financial service marketing-

(a) Demand (b) Need (c) Want. with example. BPE-98th.

1. **Needs:** Needs are the basic necessities and requirements that humans must have to survive and maintain a basic quality of life. They are essential for our well-being. For example, in Bangladesh, people need food, clean water, clothing, and shelter to live.
2. **Wants:** Wants are desires and preferences for things that go beyond our basic needs. They are not essential for survival but contribute to our comfort and happiness. An example in Bangladesh might be wanting a smartphone or a more comfortable mattress.
3. **Demands:** Demands occur when individuals not only want something but also have the willingness and ability to pay for it. This is where economic transactions take place. For instance, someone in Bangladesh may want a high-end smartphone (want), but they can only buy it if they have the financial means and actually make the purchase (demand).

Understanding these distinctions is fundamental for academic purposes, as they form the basis of consumer behavior and market dynamics in Bangladesh and elsewhere.

Q-04. What is customer driven marketing strategy? BPE-97th.

A customer-driven marketing strategy for a bank focuses on understanding and meeting the specific needs and preferences of its customers. Instead of creating one product or service for everyone, the bank identifies different groups of customers (segments) and tailors its offerings to satisfy each group's unique requirements. This approach involves four key steps:

1. **Market Segmentation**: Dividing the bank's market into distinct groups of customers with similar needs.
2. **Target Marketing**: Choosing specific segments to serve.
3. **Differentiation**: Making the bank's offerings unique and attractive to the chosen segments.
4. **Positioning**: Creating a clear, distinctive, and desirable place in the minds of the target customers compared to competitors.

By implementing this strategy, a bank can build stronger relationships with its customers, leading to increased satisfaction, loyalty, and profitability.

Q-05. Discuss the steps involved in designing customer driven marketing strategy for credit or loan product of a bank? BPE-97th.

Or, Pick a service offered by your financial institution and discuss how to apply customer driven marketing strategy for the picked services? BPE-98th.

Designing a customer-driven marketing strategy for a credit or loan product involves several key steps, guided by understanding and responding to customer needs:

1. **Market Segmentation**: Identify and categorize potential customers based on factors like income, needs, credit history, and preferences to find distinct groups within the market.
2. **Target Marketing**: Select specific segments that align best with the bank's loan products. Focus on those most likely to benefit from and qualify for the loans offered.
3. **Differentiation**: Highlight what makes the bank's loan products unique or better than competitors, such as lower interest rates, flexible repayment options, or faster approval processes.
4. **Positioning**: Develop a clear, appealing image of the loan products in customers' minds that emphasizes the benefits and differentiators identified in the previous step, aiming to make the bank the preferred choice for target segments.

This strategy aims to attract and retain customers by ensuring the bank's loan products meet their specific needs and preferences effectively.

Q-06. What are the 3c's of customer driven service marketing strategy? BPE-97th.

The 3C's of a customer-driven service marketing strategy, as outlined in marketing concepts by Philip Kotler, are:

1. **Customer Satisfaction**: Focusing on understanding and meeting the needs and expectations of customers to ensure they are satisfied with the service provided.
2. **Customer Retention**: Implementing strategies to keep customers coming back by building strong relationships, offering loyalty programs, and ensuring consistent, high-quality service.
3. **Customer Value Proposition**: Defining and communicating the unique value that the service provides to customers, which sets it apart from competitors. This involves highlighting how the

service meets customer needs better or differently, ensuring customers understand the benefits of choosing your service over others.

These components work together to create a marketing strategy that prioritizes the customer, aiming to attract, satisfy, and retain them effectively.

Q-07. Discuss the elements of customer driven marketing strategy? BPE-97th.

A customer-driven marketing strategy involves focusing on meeting the specific needs and wants of customers. Philip Kotler outlines several key elements in this approach:

1. **Market Segmentation**: Dividing the potential market into smaller groups based on characteristics like age, income, or lifestyle to better understand and serve their unique needs.
2. **Target Marketing**: Selecting specific segments to target based on their potential profitability and the company's ability to serve them effectively.
3. **Differentiation**: Identifying and communicating what makes the product or service unique and why it is better than competitors' offerings.
4. **Positioning**: Creating a distinct image of the product or service in the customer's mind that highlights its benefits and differentiates it from the competition.

These elements work together to tailor marketing efforts to attract, satisfy, and retain the most valuable customers by meeting their specific needs more effectively than competitors

Q-008. How do marketers design a customer-driven marketing strategy?

Marketers create a customer-driven marketing strategy by focusing on what customers want and need. Here's how they do it in simple steps:

1. **Segment the Market**: Divide the market into groups based on age, location, interests, or other factors.
2. **Choose a Target Market**: Select the group(s) of customers the business will focus on.
3. **Differentiation**: Differentiate the market offering to create superior customer value.
4. **Position the Product**: Decide how to present the product to make it appealing to the chosen target market.

By following these steps, marketers aim to attract and keep customers by offering products and services that meet their specific needs and preferences.

Q-09. Briefly explain marketing management philosophies/orientations for financial institutions with examples.

Marketing management philosophies for financial institutions include different approaches:

1. **Production Orientation**: Focus on efficient production and distribution. Example: A bank offering standardized low-cost services to attract a large customer base.
2. **Product Orientation**: Emphasize product quality and features. Example: A financial institution introducing advanced online banking features, believing that superior quality will attract customers.
3. **Selling Orientation**: Rely on aggressive sales techniques. Example: Credit card companies using intensive advertising and sales personnel to increase sign-ups.
4. **Marketing Orientation**: Focus on understanding and meeting customer needs. Example: A bank conducting surveys to understand customer needs and offering tailored financial solutions.
5. **Societal Marketing Orientation**: Balance company profits, customer satisfaction, and societal well-being. Example: A financial institution investing in community development projects and promoting sustainable financial practices.

Each philosophy guides how a financial institution approaches its market and customers, aiming for success in its own way.

Q-10. Differentiate between service and customer service with examples.

Aspect	Service	Customer Service
Definition	Service refers to the action of helping or doing work for someone.	Customer service is the assistance and advice provided by a company to those people who buy or use its products or services.
Focus	General tasks or activities.	Specifically assisting customers.
Goal	To complete a specific job or provide a facility.	To enhance customer satisfaction and experience.
Interaction Level	Can be minimal or impersonal.	Often involves direct, personal interaction.
Example	A bus service providing transportation.	A helpdesk at the bus station assisting travelers with queries.

Q-11. Define service . Briefly explain the characteristics of services. BPE-98th.

A **service/financial service** is a broad term that encompasses various offerings provided by financial institutions to facilitate the management, investment, transfer, and lending of money. Specifically, financial services include activities like banking (savings and checking accounts, loans, and mortgages), investment services (mutual funds, stock trading, retirement planning), insurance (life, health, property), and other services such as payment processing and financial advisory. These services are essential for economic stability and growth, allowing individuals and businesses to manage their finances effectively, access credit, and invest in opportunities for future financial security.

Services have unique characteristics that set them apart from physical products. Here are the main ones in simple terms:

1. **Intangibility**: You can't touch or see services. Like a doctor's advice, it's not a physical object.
2. **Inseparability**: Services are created and consumed at the same time. For example, when you get a haircut, the service is performed and used simultaneously.
3. **Variability**: The quality of services can change each time. Think of different experiences you might have at the same restaurant.
4. **Perishability**: Services can't be stored for later use. A plane seat empty on a flight can't be sold later.

These characteristics make marketing and managing services different from dealing with physical products.

Q-12. Illustrate the expanded marketing mix/7Ps for financial services.

The expanded marketing mix for financial services includes 7 Ps:

1. **Product**: Financial services offered, like loans, accounts, or insurance.
2. **Price**: What customers pay, including interest rates and fees.
3. **Place**: Where services are available, like branches, online, or ATMs.
4. **Promotion**: How services are advertised, like through ads or social media.
5. **People**: Staff who interact with customers, like advisors or customer service.
6. **Process**: How services are delivered, like online banking procedures.
7. **Physical Evidence**: Tangible elements, like branded documents or the look of a branch.

These elements help financial institutions create strategies to serve and attract customers effectively.

Q-13. What is holistic marketing? Explain with examples.

Holistic marketing is an approach that considers the whole business and all its parts as interconnected. It focuses on creating a unified and complete marketing strategy. Here's how it works with examples:

1. **Internal Marketing**: Ensuring everyone in the company understands and supports the marketing goals. Example: A bank training its employees to provide excellent customer service.

2. **Integrated Marketing**: Combining all marketing tools to present a consistent message. Example: A clothing store using social media, ads, and in-store promotions to announce a sale.
3. **Socially Responsible Marketing**: Considering ethical, environmental, and social aspects. Example: A company using eco-friendly packaging and supporting community projects.
4. **Relationship Marketing**: Building long-term relationships with customers. Example: A telecom company offering loyalty rewards to long-term customers.

Holistic marketing ties all aspects of a business together, aiming for long-term success and customer satisfaction.

Q-14. What are the dimensions of managing service quality? BPE-97th.

Managing service quality involves focusing on several key dimensions to ensure customers receive high-quality service that meets their expectations. According to the marketing insights of Philip Kotler, these dimensions include:

1. **Reliability**: The ability to provide the promised service dependably and accurately.
2. **Responsiveness**: Being willing to help customers promptly and provide timely service.
3. **Assurance**: The knowledge and courtesy of employees and their ability to convey trust and confidence.
4. **Empathy**: Providing caring, individualized attention to customers.
5. **Tangibles**: The appearance of physical facilities, equipment, personnel, and communication materials.

By concentrating on these dimensions, businesses can evaluate and improve their service quality, ensuring that customers have a positive experience that meets or exceeds their expectations.

Q-15. Describe SERVQUAL/Gaps model for managing service quality.

The SERVQUAL or Gaps Model is a tool used to manage and measure the quality of service. It identifies five key gaps that can affect customer satisfaction:

1. **Gap 1 - Understanding Customer Expectations**: The difference between what customers expect and what the management thinks they expect. For example, a hotel manager might think guests want luxury, but guests may prioritize fast service.
2. **Gap 2 - Service Design and Standards**: The difference between management's perception of customer expectations and the service standards they set.
3. **Gap 3 - Service Performance**: The difference between service standards and the actual service provided.
4. **Gap 4 - Market Communication**: The difference between service delivery and what's promised in advertising.
5. **Gap 5 - Perceived Service**: The difference between expected service and perceived service by the customer.

By identifying and addressing these gaps, businesses can improve their service quality and customer satisfaction.

Q-16. What do you mean by financial services? May-20

Financial services refer to a wide range of activities that manage money and offer monetary assistance to individuals and businesses. Here's a simple breakdown:

1. **Banking**: Services like saving accounts, checking accounts, and loans provided by banks.
2. **Insurance**: Protection against risks, like health, car, or home insurance.
3. **Investment Services**: Assistance with investing in stocks, bonds, or mutual funds.
4. **Payment Services**: Managing transactions, like through credit cards or electronic transfers.
5. **Advisory Services**: Offering financial advice on saving, investing, or retirement planning.

These services help people and companies manage their finances, plan for the future, and deal with unexpected events. They play a crucial role in the economy by helping money flow and grow.

Q-17. List the reasons associated with the failure of new financial services? BPE-97th.

The failure of new financial services in a bank of Bangladesh can often be attributed to several realistic reasons:

1. **Lack of Market Research**: Not understanding customer needs or market demand accurately can lead to services that do not meet expectations.
2. **Poor Product Design**: Services that are complex, difficult to use, or not tailored to local preferences can deter adoption.
3. **Inadequate Marketing**: Failing to effectively communicate the benefits and features of the new service to the target market.
4. **Insufficient Training**: Employees may lack the knowledge or skills to support and sell the new service effectively.
5. **Regulatory Challenges**: Facing unexpected legal or regulatory hurdles that complicate service deployment or operation.
6. **Technical Issues**: Encountering problems with the technology platform, such as glitches, downtime, or security vulnerabilities.
7. **Competitive Pressure**: Strong competition from existing or new players offering similar services with better features or lower prices.

Addressing these issues requires thorough planning, market understanding, and continuous improvement efforts.

Q-18. What do you mean by marketing of financial product/services? BDE 92nd

Marketing of financial products and services refers to the strategies and actions used to promote and sell financial offerings like bank accounts, loans, insurance, and investment plans. Here's what it involves in simple terms:

1. **Understanding Customers**: Figuring out what different types of customers need and want in terms of financial services.
2. **Creating Products**: Designing financial products that meet these needs, like a special savings account for students or retirement plans for older adults.
3. **Setting Prices**: Deciding how much to charge for these services, like interest rates for loans or fees for managing investments.
4. **Promoting**: Advertising these products through various channels like TV, online ads, or direct mail.
5. **Selling**: Finally, selling these services to customers through bank branches, online platforms, or financial advisors.

The goal is to attract and keep customers by offering them valuable financial solutions that fit their needs.

Q-19. What are the specific features of a bank product that require different marketing techniques for these services/products? May-20, BDE-95

Or, "Marketing of financial product/services is a challenging task in the context of our commercial banks and financial institutions." How can you endorse the view through your logic? BDE-93rd.

Or, is there any differences between approaches taken for service marketing and traditional product marketing? Please specify. BPE-96th

Bank products have specific features that require unique marketing techniques. Here's a breakdown:

1. **Intangibility**: You can't physically touch bank services like loans or savings accounts. So, marketing often focuses on the benefits and feelings of security these services provide.
2. **Inseparability**: Banking services are directly linked to the people who provide them. Marketing emphasizes the trustworthiness and expertise of bank staff.
3. **Variability**: Customer experiences can vary greatly. Banks use marketing to highlight their consistent quality and personalized service.
4. **Perishability**: Services like consultation can't be stored. Banks often manage this through appointments or online services, and market the convenience and accessibility of these options.
5. **Complexity**: Banking products can be complex. Marketing strategies often include educational content to help customers understand different products and how they can benefit them.

Effective marketing for bank products focuses on building trust, simplifying complex ideas, and highlighting the personal benefits and convenience of their services

Q-20. Discuss about the Categories of Services. BPE-98th.

Services can be divided into different categories based on their nature and the way they are provided. Here are the main types:

1. **Consumer Services**: These are services aimed at individuals for personal use. Examples include beauty salons, education services, and healthcare.
2. **Business Services**: These services target businesses and organizations. They include consulting, IT support, legal services, and more, helping businesses operate efficiently.
3. **Social Services**: These are provided for the welfare of the community and often funded by the government. Examples are public health services, social work, and public housing.
4. **Personal vs. Impersonal Services**: Personal services involve direct human interaction, like fitness training or massage therapy. Impersonal services, like online banking or automated car washes, require little to no human contact.
5. **High vs. Low Contact Services**: High-contact services require direct, often face-to-face, interaction with the customer, such as in counseling or personal training. Low-contact services, like tax filing online or automated customer support, need minimal direct interaction.

Understanding these categories helps in tailoring marketing and management strategies to suit the specific needs and nature of each type of service.

Q-21. In which ways the challenges can be controlled by management authorities? BDE-93rd.

Management authorities can control challenges in several ways:

1. **Effective Planning**: Create detailed plans for different scenarios. This helps anticipate problems and have solutions ready.
2. **Strong Leadership**: Good leaders guide teams through tough times, making decisive and informed decisions.
3. **Clear Communication**: Keeping everyone informed and on the same page reduces confusion and aligns efforts.
4. **Training and Development**: Equip staff with the right skills to handle challenges effectively.
5. **Risk Management**: Identify potential risks and have strategies to mitigate them.
6. **Adaptability**: Be ready to change plans and strategies when situations evolve.
7. **Customer Focus**: Listen to customer feedback and adapt services or products to meet their needs better.
8. **Team Collaboration**: Encourage teamwork to solve problems more creatively and efficiently.

By implementing these strategies, management can effectively control challenges, leading to smoother operations and better outcomes.

Q-22. Which factors are relevant for fixing the marketing strategies of our banks? Explain with example. BDE-93rd.

Or, How does business environment affect marketing strategies of a bank? BPE-98th.

When fixing marketing strategies for banks in Bangladesh, several factors are important:

1. **Customer Needs and Preferences**: Understand what customers in Bangladesh want from their banking services. For example, if customers prefer mobile banking, banks should focus on enhancing their digital platforms.
2. **Economic Conditions**: Consider the economic environment of Bangladesh. For instance, in times of economic growth, banks might focus on loans for businesses and homes.
3. **Competition**: Look at what other banks are offering. If competitors have better online services, a bank might improve its own to stay competitive.
4. **Regulations**: Follow Bangladesh's banking regulations. For example, ensuring all marketing practices are compliant with local laws.
5. **Cultural Factors**: Respect cultural norms and values in Bangladesh. This might involve creating services that align with local festivals or traditions.
6. **Technology Trends**: Embrace new technology trends. If mobile payments are popular, banks should incorporate this into their services.

By considering these factors, banks in Bangladesh can create effective marketing strategies that resonate with local customers and adapt to the market's needs.

Q-23. Discuss about the characteristic of bank services. May-18, Nov-15

Bank services have several unique characteristics:

1. **Intangibility**: You can't physically touch or see bank services like loans or account management. This means banks often focus on the trust and security they offer.
2. **Inseparability**: Banking services are often delivered directly by bank staff, meaning the service quality is closely linked to the person providing it.
3. **Variability**: The quality of bank services can vary depending on who provides them and when. For example, one customer might have a great experience with a teller, while another might not.
4. **Perishability**: Banking services can't be stored for later use. For instance, an unused appointment slot with a financial advisor can't be sold at a later time.
5. **Complexity**: Bank services can be complex and difficult for customers to understand. Banks often need to provide clear information and guidance to help customers make informed decisions.

Understanding these characteristics helps banks tailor their services and marketing to meet customer needs effectively.

Q-24. In a globalized world, why is marketing information very important for a financial institution? May-18,17,15, Nov-15,

In a globalized world, marketing information is crucial for a financial institution for several reasons:

1. **Understanding Diverse Markets**: Different countries have different cultures, laws, and economic conditions. Marketing information helps understand these variations, allowing banks to tailor their services accordingly.
2. **Staying Competitive**: The financial sector is highly competitive, especially on a global scale. Up-to-date marketing information keeps financial institutions aware of what competitors are doing, helping them stay ahead.
3. **Identifying Trends**: Global markets are dynamic, with new trends emerging constantly. Marketing information helps banks spot these trends, like the rise in digital banking, so they can adapt quickly.
4. **Risk Management**: It helps in assessing risks associated with different global markets, ensuring more informed decision-making.
5. **Customer Preferences**: It enables financial institutions to understand and meet the evolving needs and preferences of a diverse, global customer base.

Thus, marketing information is vital for any financial institution looking to succeed and grow in the global market.

Q-25. Explain the fundamental/core concepts of Marketing. June-11, BDE-95th.

The core concepts of marketing are basic ideas that underpin effective marketing strategies. Here they are in simple terms:

1. **Needs, Wants, and Demands**: Understanding what customers need, want, and are willing to pay for.
2. **Market Offerings**: Products or services offered to meet customer needs and wants.
3. **Value and Satisfaction**: Delivering value to customers to keep them satisfied and loyal.
4. **Exchanges and Relationships**: Creating mutual benefit through exchanges and building long-term relationships with customers.
5. **Markets**: The places (physical or digital) where buyers and sellers meet.

These concepts focus on understanding and meeting customer needs, creating value, and building relationships, which are key to successful marketing.

Q-26. What are the elements of marketing? Discuss. May-19,12; Nov-17,16,10

The elements of marketing, often called the marketing mix, are crucial parts of a marketing plan. Here they are in simple terms:

1. **Product**: What you're selling, whether it's a physical item, a service, or a digital good. It's about creating something that meets customer needs.
2. **Price**: How much customers pay for the product. This includes discounts, payment plans, and pricing strategies to attract the right customers.
3. **Place**: Where the product is sold. This can be a physical store, an online platform, or through a distributor.

4. **Promotion**: How you tell people about the product. This includes advertising, social media, public relations, and sales promotions.

These elements work together to effectively market a product, targeting the right customers and meeting their needs.

Q-27. What are the activities on which the bank marketing functions focus its attention? Nov-18, May-17,16,15.

Bank marketing functions focus on several key activities:

1. **Product Development**: Creating banking products and services that meet customer needs, like savings accounts, loans, or digital banking apps.
2. **Market Research**: Understanding customer preferences, banking trends, and what competitors are offering.
3. **Promotion**: Advertising and promoting bank products through various channels like social media, TV ads, or email campaigns.
4. **Customer Service**: Providing excellent service to keep customers satisfied and address their queries and concerns.
5. **Sales**: Convincing potential customers to sign up for bank services.
6. **Brand Building**: Establishing and maintaining a strong, trustworthy brand image.

These activities help banks attract new customers, retain existing ones, and stay competitive in the market.

Q-28. Define and outline the steps in marketing process in Bangladesh. Dec-11.

The marketing process in Bangladesh, like anywhere else, involves several key steps:

1. **Research and Analysis**: Understand the market, including customer needs, competitors, and trends in Bangladesh.
2. **Setting Objectives**: Decide what the marketing efforts aim to achieve, like increasing sales or brand awareness.
3. **Target Market Selection**: Identify the specific group of customers in Bangladesh to target, based on research.
4. **Marketing Strategy Development**: Create a plan that includes the marketing mix (product, price, place, and promotion) tailored to the Bangladeshi market.
5. **Implementation**: Put the marketing strategy into action using various channels and methods relevant in Bangladesh.
6. **Monitoring and Evaluation**: Continuously track the performance of the marketing activities and make adjustments as needed.

These steps ensure a systematic approach to marketing, helping businesses effectively reach and engage their target audience in Bangladesh.

Q-**29. Define marketing mix? Nov-18, May-16,15; BDE-93rd.**
Or, Describe different important elements of marketing mix for financial services. May 20; BPE-98th.
Or, Describe different important elements of marketing mix (for financial services). Nov-19, 18
Or, Describe the elaborately the four Ps of marketing mix. May-15.
Or, what is service marketing mix? How does bank management effectively apply these mix elements to satisfy bank clients? BDE-95

The marketing mix for financial services is a set of actions, or tactics, that a company uses to promote its brand or product in the market. It's often referred to as the four Ps:

1. **Product**: What you are selling. It can be a physical good, a service, or even a digital product. This involves deciding on the variety, design, features, quality, and packaging.
2. **Price**: How much the product costs. This includes considering discounts, payment terms, and pricing strategies to attract customers while making a profit.
3. **Place**: Where the product is sold. This can range from physical locations like stores to online platforms. It also involves distribution channels and logistics.
4. **Promotion**: How you tell customers about the product. This encompasses advertising, public relations, social media, sales promotions, and more.

These four elements work together to create a cohesive strategy to reach and satisfy customers.

Q-30. How does the marketing mix of corporate banking and retail banking differ? Give example. BPE-97th.
Or, How the segmentation of a bank's retail and corporate markets differ? BPE-98th.

The marketing mix in corporate and retail banking differs primarily in terms of product, price, place, and promotion strategies:

1. **Product**: **Corporate banking** offers complex financial products like syndicated loans, treasury services, and trade finance, tailored to large businesses. **Retail banking** focuses on simpler products like savings accounts, personal loans, and credit cards for individual consumers.
2. **Price**: Pricing in **corporate banking** is often negotiable and based on the specific needs and risk profile of the business**. Retail banking** tends to have fixed pricing structures for its products.
3. **Place**: **Corporate banking** services are usually delivered through dedicated relationship managers or specialized branches, while retail banking services are accessible through widespread branch networks and digital channels.
4. **Promotion**: **Corporate banking** relies on direct sales and relationship-based marketing, whereas **retail banking** uses mass media advertising, online marketing, and promotional offers.

For example, a bank might offer a multinational corporation a tailored financing solution with dedicated support, while advertising a standard credit card with fixed rates to individual consumers.

Q-31. Why are consumers placed in the center point of marketing mix? Nov-19,18, May-16.
Consumers are placed at the center of the marketing mix because they are the key focus of any marketing strategy. Here's why:

1. **Understanding Needs and Wants**: The whole point of marketing is to satisfy consumer needs and wants. By placing them at the center, businesses can better understand and meet these needs.
2. **Creating Value**: The value of a product or service is determined by how much consumers appreciate it. This makes understanding their preferences crucial.
3. **Building Relationships**: Long-term success comes from building strong relationships with customers. This requires focusing on what they truly want and need.
4. **Driving Sales**: Ultimately, consumers are the ones who buy products or services. Their preferences and behaviors directly affect sales and profitability.

By keeping consumers at the heart of the marketing mix, businesses can ensure that their strategies are focused on delivering what the market demands.

Q-32. A well-known commercial Bank is planning to launch a special banking service to women entrepreneur. Explain how the bank can use marking mix to make it a success? BPE-96th.
To launch a special banking service for women entrepreneurs, a bank can use the marketing mix effectively:

1. **Product**: Design the service specifically for women entrepreneurs, such as offering business loans with favorable terms, financial advice tailored to women-owned businesses, and networking opportunities.
2. **Price**: Set competitive pricing for these services, maybe with lower interest rates or reduced fees, to attract women entrepreneurs who are just starting out or looking to grow their businesses.
3. **Place**: Make the service easily accessible. This could be through dedicated sections in branches, a user-friendly online platform, or even through outreach programs in communities.
4. **Promotion**: Advertise the service where women entrepreneurs are likely to see it. Use social media, women's business networks, and entrepreneurship events. Highlight how the service is tailored to their specific needs.

By focusing on these aspects of the marketing mix, the bank can effectively reach and serve women entrepreneurs, making the service a success.

Q-33. Discuss the internal and external factors affecting the change in attitudes towards bank marketing. Nov-15, BDE-95.
Changes in attitudes towards bank marketing are influenced by both internal and external factors:

Internal Factors:

1. **Bank Policies**: Changes in a bank's policies, like fee structures or customer service approaches, can affect how customers view its marketing efforts.

2. **Service Quality**: The quality of services provided, including efficiency and reliability, can change customer attitudes.
3. **Employee Behavior**: The professionalism and helpfulness of bank staff play a significant role in shaping customer perceptions.

External Factors:

1. **Technological Advances**: Innovations like online banking and mobile apps have changed expectations and attitudes towards bank marketing.
2. **Economic Conditions**: Economic ups and downs can alter how people perceive and respond to banking services and marketing.
3. **Competitor Actions**: The marketing strategies and service quality of competing banks can influence customer attitudes towards a particular bank.
4. **Regulatory Changes**: New banking regulations can affect marketing strategies and customer attitudes.

Both these internal and external factors combine to shape how customers view and respond to bank marketing.

Q-34. Discuss about the how to Prepare an Integrated Marketing Plan and Programmed?

Preparing an Integrated Marketing Plan and Program involves several steps:

1. **Set Clear Objectives**: Define what you want to achieve with your marketing, like increasing sales or improving brand awareness.
2. **Understand Your Audience**: Know who your customers are, what they need, and where you can reach them.
3. **Develop a Consistent Message**: Your marketing message should be clear and consistent across all channels, whether it's on social media, in ads, or in person.
4. **Choose the Right Channels**: Select the best ways to reach your audience, like online platforms, traditional media, or events.
5. **Create a Timeline**: Plan when each part of your marketing campaign will happen.
6. **Allocate Budget**: Decide how much money to spend on different parts of your marketing.
7. **Implement and Monitor**: Start your marketing activities and keep an eye on their performance. Adjust your plan as needed based on what's working.

This approach ensures that all parts of your marketing work together smoothly and effectively.

Q-35. What do you understand Products, Services, and Brands in Marketing in Financial Institutions.

In the context of financial institutions, "Products, Services, and Brands" in marketing encompass:

1. **Products**: These are the tangible offerings of a financial institution, like loans, credit cards, and savings accounts. Each product is designed to meet specific financial needs of customers, such as borrowing, saving, or investing.
2. **Services**: This refers to the intangible aspects of a financial institution's offerings. It includes customer service, financial advice, online banking, and transaction processing. The quality of these services is crucial for customer satisfaction and loyalty.
3. **Brands**: The brand represents the identity of the financial institution. It's how customers perceive the institution, influenced by its reputation, advertising, customer experiences, and corporate values. A strong brand can build trust and differentiate the institution in a competitive market.

In essence, effective marketing in financial institutions involves a strategic mix of developing appealing products, delivering exceptional services, and building a strong, trustworthy brand.

Q-36. How to Building Customer Value Financial Institutions.

Building customer value in financial institutions involves focusing on strategies that enhance the benefits customers receive from their products and services, while also fostering trust and loyalty. Here are key approaches:

1. **Understand Customer Needs**: Conduct research to deeply understand the financial needs, preferences, and behaviors of different customer segments.

2. **Customize Offerings**: Tailor products and services to meet the specific needs of various customer groups, offering personalized solutions.
3. **Enhance Convenience**: Invest in digital technologies to make banking more accessible and convenient through online and mobile platforms.
4. **Deliver Exceptional Service**: Train staff to provide knowledgeable, friendly, and responsive service, ensuring customers feel valued and supported.
5. **Build Trust**: Maintain high ethical standards, protect customer data, and be transparent in communications to build and maintain trust.
6. **Provide Value-added Services**: Offer financial education, advice, and tools that help customers manage their finances better.

By focusing on these areas, financial institutions can create significant value for their customers, leading to increased satisfaction, loyalty, and profitability

Q-37. Briefly discuss about the nature of services in Fis?

The nature of services in Financial Institutions (FIs) is characterized by several distinct aspects:

1. **Intangibility**: Services provided by FIs, such as banking, lending, and investment advice, cannot be seen, touched, or owned like physical products. This makes it challenging for customers to evaluate the service before consumption.
2. **Inseparability**: Services are typically produced and consumed simultaneously. For instance, a financial consultation cannot take place without both the advisor and the client being present.
3. **Variability**: The quality of financial services can vary greatly depending on who provides them, when, and where. FIs strive to minimize this variability through training and standardization.
4. **Perishability**: Financial services cannot be stored for later use. For example, unused banking services today cannot be saved for tomorrow, making demand management crucial for FIs.

Understanding these characteristics helps FIs tailor their marketing, delivery, and quality control strategies to better meet customer needs and expectations.

Q-38. Define modern marketing. How does a modern marketing system integrate various elements to create a customer-driven marketing strategy, and what role do different stakeholders play in this system? BPE-98th.

Modern marketing is a strategic approach focused on creating, delivering, and communicating value to customers. It involves understanding consumer needs and preferences through research and data analysis, and leveraging digital channels such as social media, email, and content marketing to reach and engage specific target audiences. Modern marketing emphasizes customer relationships, brand building, and long-term customer loyalty. It integrates various tools and techniques to deliver consistent, personalized experiences that enhance customer satisfaction and drive business growth. The goal is to build a strong brand presence and foster meaningful connections with customers.

A modern marketing system integrates elements to create a customer-driven strategy by aligning suppliers, companies, competitors, intermediaries, and customers.

1. **Suppliers**: Provide essential inputs like equipment, software, and funding for operational readiness.
2. **Banking Sector**: Conducts market research to understand customer needs, designing relevant products and services.
3. **Market Offerings and Communication**: Banks deliver offerings through branches, online platforms, agent outlets, and mobile financial services (MFS).
4. **Marketing Intermediaries**: Facilitate distribution and extend service reach, especially in remote areas.
5. **Environmental Forces**: Influence the system, requiring adaptation to demographic, economic, environmental, technological, political, and social changes.
6. **Value Addition**: Each stakeholder adds value, enhancing service delivery and meeting consumer needs.
7. **Relationship Management**: Success depends on the cooperation of all stakeholders to satisfy consumers effectively.

This interconnected system ensures consumer needs are met efficiently.

Q-39. Write difference between service and customer services.

Aspect	Service	Customer Service
1.Definition	Core products offered by financial institutions (e.g., deposit, loan, payment).	Support provided for a company's core products (e.g., answering questions, handling complaints).
2.Scope	Includes financial products and transactions.	Encompasses interactions like guiding customers and dealing with billing issues.
3.Occurrence	Happens during the use of financial products.	Can occur on-site, over the phone, or via the internet.
4.Objective	Provide financial solutions to customers.	Enhance customer satisfaction and retention by exceeding expectations.
5.Impact on Business	Essential for offering basic financial functions.	Crucial for attracting and retaining customers, and generating positive word-of-mouth.

Q-40. What are the different categories of service mix in financial services, and how do they impact the delivery and perception of customer service?

In financial services, the service mix includes both intangible and tangible components. These categories can significantly impact the delivery and perception of customer service.

1. **Pure Services**: These are entirely intangible offerings like advisory or consultancy services. Customers perceive value based on the expertise and quality of interaction with the service provider.
2. **Facilitating Services**: These include tangible elements that support the delivery of the core service. For example, ATMs and POS terminals provide a physical interface for transactions, making the service more accessible and convenient for customers.
3. **Hybrid Services**: These combine both tangible and intangible elements. For instance, online banking provides an intangible service (digital transactions) facilitated by tangible components (computers, internet connectivity).

The mix of these service categories helps financial institutions tailor their customer service strategies to meet specific needs. Intangible services focus on personalized, expert interaction, while tangible components enhance accessibility and convenience. Effective management of this service mix ensures that customers receive comprehensive and satisfactory service experiences, leading to better customer retention and positive word-of-mouth

Q-41. What are the five dimensions of service quality in the banking sector, and how do they influence customer satisfaction and loyalty?

The five dimensions of service quality in the banking sector are Reliability, Responsiveness, Assurance, Empathy, and Tangibles. Each plays a crucial role in influencing customer satisfaction and loyalty.

1. **Reliability**: Ability to perform promised services dependably and accurately. Trust in reliable service fosters long-term loyalty.
2. **Responsiveness**: Emphasizes prompt and timely service. Quick responses lead to higher customer satisfaction.
3. **Assurance**: Knowledge and courtesy build trust and confidence. Customers feel secure and are more likely to return.
4. **Empathy**: Individualized attention creates emotional attachment. Valued customers develop stronger relationships with the bank.

5. **Tangibles**: Physical aspects like ambiance enhance customer experience. A comfortable environment boosts satisfaction.

Managing these dimensions enhances customer satisfaction, retention, and positive word-of-mouth.

Short Notes:

Q-01. Product Branding: BDE 92, May-20 BPE-98th.

Product branding is the process of creating a unique identity and image for a product in the minds of consumers. This involves designing a distinctive name, logo, packaging, and marketing strategy that set the product apart from competitors. Effective branding helps build recognition, trust, and loyalty among customers.

For example, Apple's branding includes its iconic logo, sleek product design, and consistent marketing message focused on innovation and quality. When consumers see the Apple brand, they associate it with premium technology and a superior user experience.

Strong product branding can lead to increased sales, higher customer loyalty, and a competitive advantage in the market, making it a crucial aspect of business strategy.

Q- 02. Define strategies business unit with an example. BDE 92th.
Or, Strategic Business Unit (SBU). Nov-19,16,11; May-19; BDE-95th. BPE-98th.

A **business unit strategy** focuses on how a specific unit within a larger company competes in its market. It's about making decisions on how to use resources, what products or services to offer, and how to attract and retain customers within that specific segment of the business. For example, in a company that manufactures electronics, one business unit might focus solely on smartphones. The strategy for this unit would include decisions on smartphone design, pricing, marketing, and distribution channels, tailored to outperform competitors in the smartphone market. This specialized approach allows each unit to effectively target its specific market segment.

Q-03. Service Marketing. BDE-93; Nov-19,16, 14

Service marketing focuses on promoting and selling intangible services rather than physical products. It involves creating strategies to highlight the benefits and value of services such as banking, healthcare, education, and hospitality. Key aspects include understanding customer needs, delivering high-quality service, and building strong relationships.

Service marketing often emphasizes the "7 Ps": Product, Price, Place, Promotion, People, Process, and Physical Evidence. For example, a hotel might market its comfortable rooms, friendly staff, and convenient location, using customer testimonials and visual imagery to convey quality.

Effective service marketing helps build trust and customer loyalty, ensuring that clients perceive the service as valuable and are willing to return or recommend it to others.

Q-04. Direct marketing. May-18,16,11; Nov-17,14,12

Direct marketing is a strategy where businesses communicate directly with potential customers to promote their products or services. This approach aims to generate immediate responses and build direct relationships with consumers. Common methods include email campaigns, telemarketing, direct mail, text messages, and online advertisements.

For example, a company might send personalized emails to a targeted list of customers, offering special discounts or new product information. The key to effective direct marketing is personalization and targeting, ensuring messages are relevant to the recipient's interests and needs.

Direct marketing allows businesses to measure the effectiveness of their campaigns through response rates and sales conversions, making it a cost-effective way to reach and engage with their audience.

Q-05. Techno etiquette in banking. Nov-19,17,16,15; May-12
Techno etiquette in banking refers to the appropriate and respectful use of technology in banking environments. It encompasses how both bank employees and customers should interact with technology, like mobile devices, computers, and ATMs, in a way that's considerate and secure. For example, bank staff should maintain confidentiality when discussing sensitive information on phones or computers. Similarly, customers are expected to respect privacy and security norms, like keeping a distance from others at ATMs or not using loudspeaker mode on phones in the bank. Good techno etiquette ensures a smooth, respectful, and secure banking experience for everyone involved.

Q-06. E-Marketing. May-20

E-marketing, or electronic marketing, is the practice of using digital channels to promote products or services. It includes a variety of online strategies such as social media marketing, email marketing, search engine optimization (SEO), content marketing, and online advertising.

E-marketing allows businesses to reach a global audience, engage with customers in real-time, and personalize marketing efforts based on data analytics. For example, a company might use social media platforms to share engaging content, run targeted ads, and interact with followers.

The effectiveness of e-marketing can be tracked through metrics like website traffic, click-through rates, and conversion rates, enabling businesses to refine their strategies and achieve better results.