Marketing and Branding in Financial Services (MBFS)
For AIBB

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Suggestion:

- *Read 4 star and 5 star marked chapter if you have time shortage to read all chapter.*
- *Must read short notes from all chapter.*
- *MetaMentor Center suggest to read whole note to find 100% common in exam. We cover everything in our note.*

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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:

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.

1. **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.
2. **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.
3. **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.
4. **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.

Q-03. Differentiate among needs, wants, and demands with examples. BPE-98th 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).

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. BPE-5th.

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.

Q-06. What are the 3c's of customer driven service marketing strategy? BPE-97th, BPE-99th.

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

The 3C's of customer-driven service marketing strategy are as follows:

1. **Customer:** The organization should identify customers' needs, expectations, preferences and buying behaviour. The main objective is to provide services that create customer satisfaction and value.

2. **Company:** The company should assess its own strengths, weaknesses, resources, skills and service capabilities. It should design services according to its capacity and customer requirements.
3. **Competitor:** The organization should analyse its competitors' services, prices, strengths and weaknesses. This helps the company develop a better and more competitive service strategy.

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-08. 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. 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-11. Illustrate the expanded marketing mix/7Ps for financial services.
Or, What are the expanded mix of marketing for service? BPE-5th.

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-12. 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-13. What are the dimensions of managing service quality? BPE-97th.

Or, What are the five dimensions of service quality in the banking sector, and how do they influence customer satisfaction and loyalty? BPE-99th.

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-14. Describe SERVQUAL/Gaps model for managing service quality. BPE-99th.

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-15. 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.

Q-16. What are the specific features of a bank product that require different marketing techniques for these services/products?
Or "Marketing of financial products/services is a challenging task in the context of our commercial banks and financial institutions." How can you endorse the view through your logic?
Or are 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-17. 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.

Q-18. In which ways can the challenges be controlled by management authorities?

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.

Q-19. Which factors are relevant for fixing the marketing strategies of our banks? Explain with example.

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-20. Define and outline the steps in marketing process in Bangladesh. BPE-99th.

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-21. Define marketing mix?
Or Describe different important elements of marketing mix for financial services. BPE-98th.
Or Describe different important elements of marketing mix (for financial services).
Or Describe elaborately the four Ps of marketing mix.
Or what is service marketing mix? How does bank management effectively apply these mix elements to satisfy bank clients?
Or What is service Marketing Mix? How has digitization transformed the traditional service Marketing Mix? BPE-7th

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.

Q-22. 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.

Q-23. 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.

Q-24. 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-25. What is marketing strategy? How it is important for financial institutions? BPE-96th.

A **marketing strategy** is a long-term plan used by financial institutions to attract, engage, and retain customers while achieving business growth. It includes identifying target customers, defining value propositions, and using various marketing tools like digital marketing, branding, and customer relationship management.

Importance for Financial Institutions:

1. **Customer Engagement:** Helps in building strong relationships and trust with customers.
2. **Competitive Advantage:** Differentiates banks from competitors through unique products and services.
3. **Brand Awareness:** Increases visibility in the market and enhances customer loyalty.
4. **Revenue Growth:** Drives customer acquisition and boosts profitability.
5. **Market Expansion:** Helps enter new markets and reach diverse customer segments.
6. **Regulatory Compliance:** Ensures adherence to financial marketing regulations.
7. **Customer Retention:** Strengthens long-term relationships through loyalty programs and personalized services.

A well-structured marketing strategy ensures sustainable growth, better customer relationships, and a strong brand presence in the financial sector.

Q-26: How do financial institutions capture value from customers to create profits and customer equity?

Financial institutions **capture value** by ensuring **customer satisfaction and loyalty**, leading to **long-term profitability**. This is achieved through:

1. **Superior Customer Value:** Offering the right products to retain customers and encouraging repeat business.
2. **Increasing Customer Share:** Encouraging customers to use multiple products like **loans, savings, and credit cards** within the same bank.
3. **Customer Lifetime Value (CLV):** Maximizing the total value of a customer's transactions over time.
4. **Customer Equity:** Growing the total **lifetime value of all customers**, ensuring sustained profits.

By understanding customer needs and **offering innovative products**, banks can secure long-term financial growth and avoid losing valuable customers.

Q-27: "Customer satisfaction depends on service perceived performance relative to customer expectation"-Explain. BPE-99th.

Customer satisfaction is determined by comparing a service's **perceived performance** with **customer expectations**.

1. **If perceived performance meets expectations** → The customer is **satisfied**.
2. **If perceived performance exceeds expectations** → The customer is **highly satisfied or delighted**.
3. **If perceived performance falls below expectations** → The customer is **dissatisfied**.

Financial institutions can improve satisfaction by:

- Ensuring **reliable and efficient service delivery**.
- Providing **knowledgeable and responsive employees**.
- Maintaining **transparent processes and fair pricing**.
- Managing customer expectations through **clear communication and service quality improvements**.

By consistently meeting or exceeding expectations, banks can **enhance customer loyalty, reduce churn, and improve brand reputation**

Q-28: Define Market Offerings. BPE-99th.

Market offerings refer to the combination of **products, services, information, or experiences** provided to customers to satisfy their **needs and wants**. These offerings are not limited to physical products but also include various other forms such as:

1. **Products** – Tangible goods like electronics, furniture, and vehicles.
2. **Services** – Intangible offerings such as **banking, insurance, and hospitality**.
3. **Information & Ideas** – Concepts like **public awareness campaigns, educational content, and advisory services**.
4. **Experiences** – Customer interactions in **theme parks, tourism, and entertainment sectors**.

Financial institutions use **market offerings** to attract, serve, and retain customers by delivering **value-driven solutions** that enhance customer satisfaction and loyalty

Q-29. Whether social responsibilities and ethics in banking mean same? Give your logic. BPE-5th.

No, social responsibilities and ethics in banking are not the same, though they are closely related.

Simple explanation:

- **Social Responsibility**:
  → Means banks' duty to serve society.
  → Example: Giving loans to farmers, helping poor people, protecting the environment.
- **Ethics in Banking**:
  → Means doing the right thing in business.
  → Example: Not cheating customers, being honest, avoiding corruption.

Social responsibilities and ethics in banking are not the same. Three logics are:

1. **Purpose**: Social responsibility focuses on serving society (e.g., helping the poor), while ethics ensures honest behavior (e.g., no fraud).
2. **Scope**: Ethics applies to individual behavior in daily operations, but social responsibility includes broader community actions.
3. **Obligation**: Ethics is a moral duty in every action, while social responsibility is often a voluntary act to support social welfare.

Q-30. Customer relationship is always changing in nature—How can a manager set strategies to cope-up with the change? BPE-5th.

1. **Understand Customer Needs:** Regularly collect customer feedback to understand changing preferences.
2. **Use Technology:** Apply CRM systems to track and analyze customer behavior and personalize services.
3. **Train Staff:** Train front-line staff to be adaptive, responsive, and empathetic to customer issues.
4. **Develop Flexible Policies:** Design service rules that allow adjustments based on individual customer situations.
5. **Maintain Regular Communication:** Use social media, SMS, and emails to stay connected with customers and update them.

These strategies help maintain strong, long-term customer relationships in a changing market.

Q-31. (a) What is a mission statement? Write down the major characteristics and importance of mission statement. BPE-6th.

A mission statement is a short-written statement that explains why an organization exists, what it wants to achieve, and whom it serves. It gives the organization a clear purpose and direction. It guides employees, customers, and stakeholders to understand the business and its core activities.

Major Characteristics of a Mission Statement

1. **Clear and Simple:** The statement uses simple and understandable language.
2. **Purpose-oriented:** It clearly states the main purpose of the organization.
3. **Customer-focused:** It reflects the needs of customers and how the organization will satisfy them.
4. **Scope of Activities:** It mentions what products or services the organization offers.
5. **Value Statement:** It shows the values or principles the organization follows.
6. **Realistic and Achievable:** The mission is practical and can be achieved in the real world.
7. **Long-term Focus:** It focuses on long-term goals, not temporary tasks.
8. **Motivational:** It inspires employees to work effectively toward common goals.

(b) Define interactive marketing. How can you prepare an interactive marketing plan for your bank? BPE-6th.

Interactive marketing is a marketing approach where a bank communicates with customers **two-way**, not just one-way. In this system, customers actively respond, give feedback, ask questions, and interact with the bank through digital platforms, apps, websites, social media, and customer service channels. It focuses on personalization, engagement, and building long-term relationships by understanding customer needs directly.

To prepare an effective **interactive marketing plan** for a bank, the first step is to identify the bank's target customer groups such as students, salaried employees, SMEs, or digital-first customers. The bank should design personalized messages and services for each group. Next, the bank must use interactive tools such as mobile apps, chatbots, social media pages, live chats, email newsletters, and online surveys to maintain two-way communication. The bank should regularly collect customer feedback to improve products like savings accounts, loan services, cards, and digital banking features. Additionally, the bank must ensure quick responses, provide educational content, and run digital campaigns that encourage customers to participate. Continuous monitoring of customer behavior will help the bank adjust its strategy and build stronger engagement.

Q-32. What are the elements of socio-political environment? BPE-6th.

The socio-political environment includes the social and political factors that influence a bank's marketing decisions and customer behavior. These elements shape how people live, what they expect, and how government policies affect financial services.

Key Elements of the Socio-Political Environment

1. **Demographic Factors:** Population size, age groups, education level, income pattern, and family structure that affect demand for banking services.
2. **Cultural Values and Lifestyle:** Social attitudes, traditions, beliefs, and lifestyle patterns that shape customer preferences.
3. **Political Stability:** A stable political system helps smooth banking operations, while instability increases risk.
4. **Government Policies and Regulations:** Banking laws, rules of Bangladesh Bank, taxation policy, and financial reforms directly affect marketing activities.
5. **Social Institutions:** Role of family, community, educational institutions, and social groups that influence financial decisions.
6. **Public Opinion and Social Awareness:** Expectations regarding ethical banking, green banking, and corporate social responsibility (CSR).
7. **Pressure Groups and Media:** Consumer groups, NGOs, and mass media that can influence a bank's reputation and public image.

Case Study

Case–1: Understanding Marketplace, Customer Value and Marketing Mix in Retail Banking

Case Scenario: A leading private commercial bank in Bangladesh has observed that many young salaried employees and fresh graduates are unhappy with traditional savings accounts. They want easy digital access, small balance requirements and attractive benefits linked with lifestyle needs. After conducting surveys and focus-group discussions in Dhaka, Chattogram and several university areas, the bank decides to launch a new service called "Smart Start Digital Account."

The account can be opened through mobile app or website with minimum documents. Customers aged between 18 and 35 with a regular income or stipend are targeted. The product offers zero initial deposit, no minimum balance penalty, free debit card for online purchases, instant fund transfer, utility bill payment and small pre-approved personal loan limits. To build customer value, the bank partners with popular cafés, e-commerce sites and ride-sharing apps to provide cash-back and discounts.

For promotion, the bank uses social media campaigns, campus activation programs and SMS marketing. Branch layout, ATM screens and brochures are redesigned with youthful colors and simple messages. Specially trained relationship officers handle digital queries through chat, call Centre and social media platforms to ensure quick response and service recovery. Management regularly reviews customer feedback, app ratings and transaction data to improve the features of "Smart Start Digital Account" and to design future products for this growing segment.

Task:

As a member of the retail product development and branding division, evaluate the bank's marketing strategy for the "Smart Start Digital Account" and provide recommendations for improvement.

Questions:

1. Which customer needs, wants and demands are reflected in the case? Explain briefly.
2. What bases of market segmentation has the bank used for "Smart Start Digital Account"? Give your logic.
3. How does the bank follow in the footsteps of the marketing process by designing this product? Comment.
4. Identify at least four elements of the expanded marketing mix (7Ps) used in the case and explain how they create customer value.
5. In your opinion, how can managing service quality further strengthen long-term customer relationships for this product? Give three suggestions.

Answers:

1.**Needs:** Customers need a safe and convenient banking system where they can save money, make payments and manage accounts easily. Young customers especially need digital access because they have busy and mobile lifestyles.

Wants: They want modern features like app-based transactions, zero minimum balance, fast fund transfers, online bill payments and lifestyle benefits such as discounts and cashbacks.

Demands: When these wants to combine with ability and willingness to pay (or open an account), they become demands. In this case, young, employed customers demand a fully digital and low-cost account with flexible savings options and instant services.

2. The bank has followed three segmentation bases:

- **Demographic Segmentation:** Target age group (18–35), salaried income earners, students with stipend.
- **Geographic Segmentation:** Focus on Dhaka, Chattogram and university zones where digital usage is high.
- **Psychographic & Behavioral Segmentation:** Customer lifestyle preferences such as digital-first behavior, demand for convenience, online purchases, and cash-back usage.

3.The bank followed the marketing process in a structured way:

1. **Understanding the Marketplace:** Conducted surveys and focus group discussions to identify dissatisfaction with traditional accounts.
2. **Designing a Customer-Driven Marketing Strategy:** Segmented young customers and targeted them with a digital savings product. Positioned the product as a "simple, flexible, digital-first account."

3. **Developing an Integrated Marketing Program:** Designed the product with digital features, zero balance, cash-back, QR pay, and youth-friendly benefits.
4. **Building Customer Relationships:** Used skilled relationship officers, fast response teams, active chat support.
5. **Capturing Value from Customers:** By offering value, the bank ensures customer retention, higher transactions, and cross-selling potential.

4. Elements of the expanded marketing mix (7Ps) are used in this case, and they create customer value.

(a) Product: Smart Start Account includes zero balance, free debit card, mobile app, fund transfer and lifestyle benefits—creating strong customer value.

(b) Price: Zero minimum balance, no penalty, free services—reduces financial burden and attracts youth segment.

(c) Place: Mobile apps, websites, digital platforms, campus programs and social media ensure wide and easy access.

(d) Promotion: Social media ads, SMS campaigns, campus activation and merchant partnerships effectively explain product benefits.

(e) People: Trained relationship officers handle queries through chat, call center and social media, increasing customer satisfaction.

5. In my opinion, managing service quality further strengthens long-term customer relationships for this product here are three suggestions.

- **Improve Responsiveness:** Ensure instant replies through chat, hotline and app support, especially for young customers who expect fast service.
- **Enhance Reliability & Accuracy:** Ensure error-free transactions, real-time account updates and smooth mobile banking performance.
- **Continuous Feedback & Improvement:** Regularly review app ratings, customer reviews and digital complaint logs to identify service gaps and modify features.

Case 2: Positioning a Holistic Bank – One Bank 360° "Banking for Every Moment"

Case Scenario: One Bank PLC is a leading private commercial bank in Bangladesh. Facing intense competition in both retail and SME markets, the bank decided to reposition itself under the new brand platform "One Bank 360° – Banking for Every Moment." The objective was to offer seamless banking experience across all touchpoints and to build a strong, emotionally engaging brand.

As a first step, the HR division launched an internal marketing program so that all employees clearly understood the new brand promise, service standards, and desired customer experience. Cross-functional teams were formed, bringing together managers from cards, SME, remittance, digital banking, and branch banking. This ensured that the same core message, logo, color scheme, and tagline appeared consistently in TV commercials, Facebook campaigns, outdoor billboards, branch interiors, and mobile banking app.

Under relationship and socially responsible marketing, One Bank introduced financial literacy sessions in schools and universities, arranged women-entrepreneur fairs, and sponsored tree-plantation and flood-relief activities. Customer data from the core banking system and mobile app were used to design personalized offers such as education loans for students, SME loans for frequent high-value current account holders, and tailored savings schemes for families. Relationship managers and call-center agents were instructed to contact key customers regularly and proactively solve service issues.

Despite these efforts, customer complaints began to rise about long waiting times at the call center and frequent technical failures of the mobile banking app during peak salary periods. Many customers felt that the actual service performance did not match the brand promise of "Banking for Every Moment," creating a possible service-quality gap.

Task:

Understanding how a holistic marketing approach and modern marketing system help One Bank to build a customer-driven position, and how gaps between promise and performance can affect customer satisfaction.

Questions:

1. Define holistic marketing. Identify and briefly explain how the four components internally, integrated, relationship, and socially responsible marketing—are reflected in the One Bank 360° program?
2. How does this case illustrate a modern marketing system involving different stakeholders such as suppliers, the bank itself, marketing intermediaries, customers, and environmental forces?
3. Which elements of a customer-driven marketing strategy, targeting, differentiation, and positioning—can be identified in One Bank's activities? Give suitable examples from the case?
4. "Customer satisfaction depends on perceived performance relative to customer expectation." Using the problems of the call center and mobile app, explain how gaps between expected and perceived service may affect customer satisfaction and loyalty to One Bank?

Answers:

1. Holistic Marketing

Holistic marketing means the whole organization works together to create superior customer value. All departments follow one unified objective and ensure consistency in marketing activities.

In One Bank 360°, the four components are visible:

• **Internal Marketing:** HR trained employees to understand brand promise and service standards.

• **Integrated Marketing:** All departments used the same message, logo, and tagline across TV, social media, branches, and apps.

• **Relationship Marketing:** Customer data was used to give personalized offers and maintain regular contact with key clients.

• **Socially Responsible Marketing:** The bank arranged financial literacy programs and social welfare activities.

2. Modern Marketing System and Stakeholder Analysis

A modern marketing system includes suppliers, the company, intermediaries, customers, and environmental forces.

- **Suppliers:** Provide technology and digital systems.
- **The Bank:** Designs products and manages branding.
- **Marketing Intermediaries:** Agencies and digital platforms promote services.
- **Customers:** Different groups guide product design.
- **Environmental Forces:** Competition, technology, and regulations influence decisions

3. Customer-Driven Marketing Strategy (STDP)

- **Segmentation:** Students, SME clients, high-value users, families.
- **Targeting:** Education loans, SME loans, savings schemes.
- **Differentiation:** Personalized offers and seamless banking service.
- **Positioning:** “One Bank 360°” as a complete and reliable partner.

4. Customer Satisfaction and Expectation

1. **Expectation–Performance Gap:** Poor app performance and call delays caused dissatisfaction.
2. **Loss of Trust:** Service problems reduced confidence in the bank.
3. **Lower Loyalty:** Customers may switch to competitors due to service gaps.

Compare and Contrast

Q-1. Differentiate between service and customer service with examples. BPE-99th, BPE- 6th.

Aspect	Service	Customer Service
Definition	Service means doing a task or providing help.	Customer service means helping customers who buy or use products.
Goal	To complete a task or provide a facility.	To increase customer satisfaction.
Interaction Level	May have little personal interaction.	Usually involves direct and personal interaction.

Q-2. Customer Need vs Customer Demand BPE-6th.

Aspect	Customer Need	Customer Demand
Meaning	Customer need is a basic requirement that a person wants to fulfill for living.	Customer demand is a specific product or service that a person wants and is willing to buy to satisfy the need.
Nature	It is general and natural for all people.	It is specific and depends on income, taste, and market condition.
Example	A person needs food to survive.	The same person demands a meal from a particular restaurant to satisfy that need.

Q-3. Difference Between Consumer Market and Business Market BPE-6th

Point	Consumer Market	Business Market
Nature of Buyers	Individual buyers purchase goods for personal or family use.	Organizations purchase goods for production, resale, or business use.
Purchase Purpose	Buyers purchase to satisfy personal needs.	Buyers purchase to support production and earn profit.
Relationship with Seller	Usually short-term and simple transactions.	Usually long-term and stable supplier relationships.

Short Questions:

Q-01. Product Branding: BPE-98th, BPE- 6th.

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. 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.

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.

Q-02. Define strategic business unit with an example.
Or Strategic Business Unit (SBU). BPE-98th, BPE- 6th.

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.

Q-03. Service Marketing.

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.

Q-04. Direct marketing.

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.

Q-05. E-Marketing.

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.

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.

Q-06: Marketing Myopia.BPE-5th

Marketing Myopia means a short-sighted and narrow view of marketing, where a company focuses only on selling products instead of understanding customer needs. The term was introduced by Theodore Levitt. When companies concentrate only on the product, not on the benefit or value it gives to customers, they fail in the long run.

For example, a railway company that thinks it's only in the train business, not the transportation business, misses growth opportunities. The key idea is: businesses must define themselves by customer need, not by the product they sell. Long-term success comes from focusing on customer satisfaction, not just selling more items.

End of First Chapter