CHAPTER II

MARKETING STRATEGIES ADOPTED BY BANKS IN INDIA
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2.1 Banks operating in India, both foreign, new generation and old private sector banks and public sector banks adopt different strategies in the various elements of the marketing mix. They devise and implement their strategies based on the business objectives and target segments ultimately to achieve the business targets. Different banks in India adopt the following strategies. Though these strategies are not exhaustive, they give a very reasonable picture about the marketing approach of these banks:

2.2 PRODUCT

Product is the core of the marketing strategy and the entire strategy is centered on the product and its benefits. Different banks promote different products based on their customer need perception and segments. Bank offers different types of products from core products to value-added products, innovative products etc.

The multinational Hongkong bank has marketed a product targeting the business segment. They have started offering factoring and forfaiting services, which is a hybrid credit product, which helps exporters for immediate funding of their export receivables by advance payments. This will help the exporters to manage their cash flow effectively.

Citibank and Standard Chartered Bank are offering private banking services, which is offered as money management services for high net worth
individuals for managing their money. The services cover investment in mutual funds, bonds etc.

But these foreign banks do not stop with offering only hybrid products with value additions but also core deposit products with augmentation.

Almost all foreign banks offer combination FD deposit schemes to lure customers. These deposit schemes offer flexibility in withdrawal and banks attract customers by highlighting their unique selling propositions (USPs). StanChart is marketing this deposit product as '2 in 1 Account' while ANZ Grindlays market it as 'My Money'. But the pioneer in the introduction of these hybrid deposit products is Citibank. Citibank is the first bank to introduce these deposits under the brand name of 'Unfixed Deposit' thus creating a new slot in the minds of the customers and duly encashed the early bird advantages. Maintaining their stronghold in the retail-banking sector, Citibank introduced another innovative product in the card category. Citibank introduced convenience cheques, which changed the entire perception of credit card usage. They made a 'feature extension' by enabling their credit card customers to issue cheques against their credit card. Each cardholder will be issued three cheques, which can be issued upto specified amounts. This is a classic case of value addition to product offering.

Foreign banks are not only marketing their products but they are acting as selling agents for other products. The beneficiaries are new private sector mutual funds. Through their private banking divisions, Citibank, Standard Chartered Bank, ANZ Grindlays and Deutsche Bank market the mutual fund products of new private sector mutual funds. This
product offering of other products is based on a two-pronged strategy of value addition to the customer and attractive fee based income for the banks in the range of 0.5% to 2.5%. This new product-marketing concept has attracted other private sector players like IndusInd Bank, HDFC Bank, which are seriously considering entering in this area.

The new generation private sector banks are also adopting very competitive marketing strategies to garner their share of business. In the process, the thrust on new product development, offering innovative products, offering core products with value augmentation, exploring new segments are some of the product strategies adopted by these banks. These banks offer a tough competition to the foreign banks with better pricing and almost same technology.

Like their foreign counterparts, private sector banks also offer combination fixed deposit schemes with value focus. While Times Bank is offering this product under 'Convenience Deposit' and another variant 'Dual Deposit', HDFC Bank and IDBI Bank are offering the same under 'Super Saver' and 'Money Power' Account. ICICI Bank is offering it under the name 'Quantum Optima'.

Global Trust Bank is offering forfaiting services, a credit product, to take on the foreign banks in the product category. The strategy for offering this product is to leverage its experience in export financing and improve its bottom line and the service is available at all its branches.

Another private sector bank, Centurion Bank is planning to offer retail operations in government securities. The strategies are based on the scope of expected interest from the individuals for their retail product. In
addition to other core products like trade finance, lending against securities, ATMs and depository services, Centurion Bank is also planning to launch debit cards to improve their customer base.

IndusInd Bank has now refocused its marketing strategy to retail banking and started marketing its retail asset and liability products to expand business and improve the bottomlines. It has marketed a retail credit product for traders as a measure of increasing the retail customer base. It has also expanded the savings bank product portfolio by lowering the entry barriers and also marketing its SB product to depository account clients. The bank is also promoting housing loan schemes under Indus Home and cash management services for corporate with a strategy to improve profits through float funds.

Another private sector bank HDFC Bank is focussing its strategy on marketing retail asset and liability products. HDFC Bank is another private sector bank that is focussing on retail banking and offer retail banking products to widen the customer base by marketing customer friendly products. They marketed a hybrid, value added savings product called 'Freedom Account' focussing on the middle income segment, throwing open lot of add on value features with the account. To take care of the high end retail segment, they have marketed an investment advisory services product called 'Wealth Management Plan' which advise on investment options in the primary and secondary market and debt instruments such as debentures and tax free schemes. The bank has laid down entry prescriptions for being eligible to avail the product.

Not to be left behind in the competitive race, public sector banking behemoth State Bank of India has reoriented its strategy to market new
products. SBI has marketed a hybrid term deposit product called 'MODS' (Multi Option Deposit Scheme) aggressively in all their computerized branches. They have entered in a big way in credit card business also targeting the middle end segment through an exclusive subsidiary route. Their marketing strategy emphasizes on developing new products to expand business and customer service.

Corporation Bank, another highly efficient public sector bank with the strategy for thrust in retail banking, marketed repackaged retail lending products under specific brand names for better acceptability. They have marketed car loans under 'Corp Mobile', loans for medicos for medical equipment under 'Corp Meditech' and consumer durable finance under 'Corp Consumer' and housing loans under 'Corp Home' eyeing various retail segments.

Old generation private sector banks are also redefining their marketing strategies in the product front to encash the enormous opportunities available in the retail-banking segment. Taking the cue from multinational banks, the private sector Vysya Bank plans to enter in the mutual funds schemes distribution area and leverage its branch network to sell products of mutual fund scheme of Ing Savings Trust. The bank plans to expand the business to distribute other mutual funds schemes also with the objective of business development.

Another greenfield area as far as product development is concerned is the bullion business. Reserve Bank of India gave permission to 12 banks to import gold for their clients and related business opened up the avenue for developing strategies with regard to product development. Banks who were the early starters (8 banks) encashed the opportunity and developed
products and made profits. But the increase in the number of players increased the competition and banks are developing products on gold deposit schemes after RBI allowed the banks to float gold deposits.

Public sector major State Bank of India has taken the lead in developing gold deposit schemes with the attraction of interest for the scheme. The other public sector banks are also following suit in marketing gold deposit schemes. But interest in marketing gold deposit schemes does not stop with public sector banks alone.

Scotia Bank another foreign bank permitted to deal in bullion has evinced interest in the product of gold deposit scheme and will be marketing it when foreign banks are allowed to do it.

Almost all banks from multinational to public sector are aggressively fighting for their slice of the cake in a very popular product segment of credit cards. With the potential for credit cards business both in terms of card spend (amount spent through credit cards per annum) as well as the potential card base (number of credit cards) being very huge, almost all banks try to capitalize this business opportunity. The total spending of cardholders has sky rocketed from US$ 1 bullion in 1994 to about US$ 2.5 billion in 1998 and expected to surge ahead to US $ 8 billion in 2000. The Indian payment card industry with an expected annual growth rate of 30% is expected to grow to 10 million cards by 2000 from the level of 2.1 million in 1996 and 2.8 million in 1998 with average card use per year at 9.3 times, average rupee spend per card per year at Rs. 14,700 (Visa Classic) and Rs. 40,000 (Visa Gold) and average transactions value of Rs. 1,600. Banks develop strategies to exploit the huge potential available in the card products and offer various types of cards attacking different
segments with different product differentiation strategies with regard to price, value and positioning and branding.

Citibank, the market leader in card products, has spread their wings in the credit card product market. In addition to regular credit cards, Citibank has extended the card market with lot of product differentiation. It has marketed co-branded cards and affinity cards and networking ATMs to have increased cash access. Co-branded cards help the card members earn reward points for their purchases and hence discount on the co-branded company's products. Affinity cards reserve a certain percentage of card earnings accruing to the company for select causes. Thus Citibank has marketed the cards with the twin objective of expanding card base and usage and also contributing to social causes from the revenues and additionally value addition to the card user by reward points.

Citibank is also using the database of the cardholders through which they are marketing other retail products like car loans and the response is quite good with 50 per cent of the card disbursements from the card database. Citibank is using the database to do 'life stage marketing' selling different products to the customer depending on his life cycle needs.

Additionally as the leader in the card business Citibank has entered into strategic tie-ups for co-branded cards with Oriental Bank of Commerce, Vysya Bank for extending the card base to smaller cities.

Standard Chartered Bank is giving a tough fight to Citibank in the card business. Next only to Citibank in the card product business, Stanchart is offering the differentiated card products like co-branded cards, affinity cards and strategic thrust on card market with a half the size of Citibank's
card base of over 1 million. This is because the growth rates in the card business continue to be impressive, despite the recession according to Harpal Duggal, Head, Card Service (India Bankcard Centre) Standard Chartered Bank. Standard Chartered Bank marketed Global credit card ahead of their arch rival Citibank to give their card customers value addition giving them the opportunity to use their cards at 1,00,000 outlets in India and more than 15 million outlets worldwide. The feature of the global credit card is, a card member can pay back in rupees for transactions that are incurred in any part of the world and the facility to repay in parts. The bank plans to extend this improvised product to the entire card member base.

Not to be left behind Citibank has also started marketing its international cards though a little late and added additional features than Stan Chart's cards like reward points etc., which can be exchanged.

Attracted by the enormous potential in the card segment, another multinational bank American Express launched their credit card in India to carve a share. As a fresher in the card game, American Express targeted their credit card product at the financially prudent section. The product is focussed to the discerning customer with value on savings focus by attracting them in the price front along with the range of privileges, services and rewards like balance transfer services, reward points etc., They have added value addition to the product by offering the facility of transferring their outstanding loans and credit card dues of other banks on user friendly terms with an additional offer of personal loans upto Rs. 10 lakhs. American Express Bank is pursuing a very attractive penetration strategy in product marketing to wean away the customers from other foreign banks.
In addition to card products, American Express has also formed strategic alliances with Karvey Consultants, IDBI Bank, Birla Global Finance Corporation and Trade Wings for offering various retail banking products to customers.

The private sector HDFC Bank is planning to offer debit card products to develop a debit cardholder base of 1.75 lakhs cards and has tied up with Visa International to offer the debit card.

The public sector banks also are playing the card game for quite sometime albeit without much fanfare or marketing thrust as foreign banks.

The first public sector bank which entered the credit card product segment is Andhra Bank but without aggressive marketing and focussed mainly on their existing customers. The other strong player in the credit card product is Bank of Baroda, which offered their card products targeting middle end customers and developed a very strong card customer base with a 12% market share. Bank of Baroda has set up a separate subsidiary to deal in card products. Another major player is Canara Bank who marketed their credit card product as Cancard with much success. The strategy for credit card product does not stop with their customer base alone. They entered into strategic allegiances with 8 public and private sector banks like Indian Overseas Bank and offered the product as co-branded cards though individually the alliance banks marketed the card as their own product.

Vijaya Bank, another public sector bank has started offering its credit card products to their customers to expand its business. But they have made a beginning only now.
State Bank of India entered aggressively into offering credit card products to take advantage of the growth-oriented phase in the credit card market segment. It has formed a subsidiary along with GE Capital to market its credit card product. The strategy is to look at the existing cardholders who are dissatisfied with current levels of services and product offering, customers in new towns and cities which have to experience any kind of payment card penetration / low penetration and target to capture 30% of market share by 2002. Additionally it plans to target its 20 million-account holder base and where the larger part of the base is middle class. The SBI wants to potentially extend the credit card appeal to the masses by the price strategy.

2.3 PRICE

Price strategy of banks depends on the banks’ business objectives.

Though RBI has deregularised the interest rates, still there cannot be much leverage for the banks to play in the price front because the relatively high composition of term deposits in the public sector banks deposit portfolios. As such, public sector banks as well as private sector banks does not adopt an aggressive posture in the price front with regard to term deposits. The price levels of the term deposit of different maturity periods are almost same for all the banks except for some difference of upto 25 to 50 basis points in case of short or long maturities based on their asset liability management practices.

In the case of public sector banks, the price quoted for asset products and other service products are also almost same except for one or two banks where they quote a little finer pricing to attract business.
But foreign banks and private sector banks use price as a marketing strategy to mobilise business.

In new generation private sector banks, different banks adopt different pricing strategies for their fee based income services. For example if one compares the service charges of two private sector banks, ICICI Bank and Times Bank, ICICI Bank is pursuing a more aggressive pricing strategy than Times Bank with regard to fee based income.

In the area of issue of Bankers Cheques, ICICI Bank has strategically priced it at Re. 1 per 1000 or part there of with a minimum of Rs. 25 and maximum of Rs. 500. But Times Bank has priced it in a differential way (i.e.) Re. 0.50 per thousand with a minimum of Rs. 50 for debit to account and Re. 0.75 per thousand with a minimum of Rs. 100 and for non-customers, an additional Rs. 20. Taking this price prescription the ICICI Bank customer taking bankers cheque will pay Rs. 25 as charges for Rs. 5000, where as a Times Bank customer for the same amount will shell out Rs. 50 in case of debit to account and Rs. 100 in case of cash remittance. But if the same customer purchase a bankers cheque for Rs. 5,00,000 he has to pay Rs. 500 in ICICI Bank whereas in Times Bank he will be paying Rs. 250 in case of debit to account and Rs. 375 in case of cash remittance. Times Bank has strategically built up differential pricing in such a way that for lower amounts price is not competitive and for higher amounts the price is highly competitive.

ICICI Bank targets at the lower end pricing whereas Times Bank targets at the higher end pricing.
Similarly for Electronic Funds Transfer, Times Bank has priced it at Rs. 2.50 per thousand, minimum Rs. 100 whereas ICICI Bank has priced it at Rs. 3 per thousand, minimum Rs. 20 and maximum Rs. 3000 and Rs. 200 as transmission cost. If a customer wants to send an EFT remittance for Rs. 1,00,000 he has to pay Rs. 250 as the fees in Times Bank whereas in ICICI Bank he has to pay Rs. 300 as fees plus Rs. 200 as transmission charges. Again, Times Bank is scoring over ICICI Bank in terms of pricing. In the case of demand drafts also, Times Bank has priced its service at half the price of ICICI Bank. A discerning customer will try to take advantage of price privileges under different bands of services.

Some banks are pricing their products very attractively to make good the price sacrifice by transaction in the account and recovering transaction charges. Multinational ABNAmro Bank is charging nothing for opening a Depository Account. Further ABNAmro Bank is projecting 'price' as a principle by highlighting their transparent pricing policies and absence of any hidden charges.

HDFC Bank is following the strategy of alternate pricing for their wealth management plan namely, “HDFC Advisory Services” (Portfolio Management Services). The pricing is linked to the relationship balance with the bank. They have two alternate pricing methods linked to maintaining an account or not. For managing a minimum portfolio of Rs. 10 lakhs, the conditions are:

(i) The customer should have Savings Account

(ii) A fixed deposit of Rs. 2 lakh for a year (for a minimum portfolio of Rs. 10 lakh and additional Rs. 1 lakh FD for additional portfolio of
Rs. 5 lakh) or should have taken loans against shares for Rs. 5 lakhs (for a minimum portfolio of Rs. 10 lakhs and additional loans against shares of Rs. 2.5 lakhs for additional portfolio value of Rs. 5 lakhs.)

(iii) Should have a depository account or additional fixed deposit of Rs. 2 lakhs of one-year tenure. If the following conditions are satisfied, then the price will be nil and if it is not satisfied the price will be 1% of the value of the portfolio.

The pricing strategy adopted by HDFC Bank is a strategy with cross selling focus to offset the price concession. Like this, new generation private sector banks use price as an effective tool to offer 'bundle products' to take care of the price concessions and the overall concession is not hitting the banks bottomlines.

But price as a strategy is used very aggressively in the credit card products. Almost all credit card marketers are offering the same value features with regard to reward points, accident insurance coverage, ATM cash withdrawal facility, reach etc., So the aggressive marketers use 'price' as the value proposition to increase the market share.

When Citibank has priced its rupeedenominated card at Rs. 750 and International Card at Rs. 4200, Hongkong Bank at Rs.500 and Rs. 2730, American Express at Rs. 995 and Rs. 3780, Stanchart priced its rupee card at Rs. 700 and offered international card at no extra cost, a classic case of value pricing and offering a tough fight to the card leader Citibank.

The price strategy adopted by the new entrant American Express is offering value to the customer in a different dimension. The price strategy was targeted towards the cardholders of other foreign banks (Citibank,
Standard Chartered Bank, Hongkong Bank) to wean them away to their fold. Am Ex had adopted a two pronged pricing strategy, one on the interest rate and the other on card fees. It penetrated the market share of other multinational banks. They offered an interest rate of only 1.99% per month when compared to 3.0% of other banks and added value to it by offering the facility of transferring the credit card balances of other banks and marketed it as their USP. It created a real impact on the credit card market. They further enhanced the value-pricing proposition by clubbing card fee and annual spends. If the customer’s card spends exceeds Rs. 45,000 p.a then the annual card fee is waived. Thus they have bundled card spend and card fee in one pack and offered it as a value pack. But, American Express Bank recently revised its pricing from 1.99% to 2.49 % based on the concept of sustainability of pricing.

The public sector giant SBI, another new entrant in the card business, has again taken price platform as the strategy for gaining market share. Targeted as a credit card for the mass market, price positioning is the strategy adopted by the SBI. The card fee was fixed at Rs. 500 and entrance fee of Rs. 250 with interest free credit upto 50 days with an extended credit option. With its wide network and attractive pricing, SBI has targeted the middle and lower middle segment which form their core customer base for expanding their credit card market also and the results are already rewarding.

2.4 PLACE

Place strategy adopted by banks are focused mainly in two areas, the first is the concept of branch and ambience and second is the concept of off site locations.
State Bank of India is taking the competition from private sector banks head on. To strengthen its presence in the retail-banking sector, SBI has launched an aggressive place strategy by planning to open 100 hi-tech personal banking branches to enhance the brand equity and would be set up on the lines of a stores' chain. The strategy is to make these hitech personal banking branches as a one-stop shop for various products.

Extended business hours is another 'place' strategy followed by banks, making available the 'place' for customers for more time periods to do business. For that, SBI plan to introduce double shift banking in their branches extending business hours.

Corporation bank has followed the 'place' strategy of offering specialised service like demat services at 15 centres expanding the place concept. Such specialised services would be extended to places where there is demand and the bank has a strong presence. They are setting-up kiosks with smart card facilities for these account holders.

Oman International Bank has followed a different 'place' strategy by promoting their branch ambience as a marketing strategy. They promoted their branch in Bangalore as a 'Shopping mall' ambience than a branch atmosphere and invited the customers to have a feel of the shopping mall ambience.

The place strategies adopted by foreign banks and new generation private sector banks extend beyond the branch boundaries. Setting up of off site ATMs is one of the attractive place strategies followed by these banks. The offsite ATMs are usually positioned at strategic locations convenient to the customers. The locations may be easily accessible sites like shopping
malls, bazaar or a specific location like corporate offices of corporate clients targeted exclusively for them. The place strategy has shifted from straightjacket banking from the branch to tech savvy banking at offsite locations. Banks like Citibank, ANZ Grindlays, Hongkong Bank, Standard Chartered, Bank of America, ABNAmro, Global Trust Bank, ICICI Bank, UTI Bank, Centurion Bank, HDFC Bank and Times Bank are moving away from the branchbased on site ATMs to specific off site applications in corporate locations. The future place strategy of ICICI Bank is to set up TechNet kiosks, which will be ATM centres with value added services of other group related activities. The ultimate idea of the place strategy of the banks is to comfort the customers in the best possible way.

2.5 PROMOTION

Banks’ promotion strategies are mainly advertising, publicity and personal selling.

Banks for communicating with the customers and prospects mostly adopt the advertising method. For advertising banks mainly use print media and visual media for effective reach of the customers.

The banks follow different strategies with regard to promotions through the print media.

American Express has adopted a novel promotional strategy for its credit cards. As a part of the road show, they have engaged college students to distribute opening forms and brochures for the bank's credit card business started recently. The promotion strategy was targeted at the shopkeepers at the upmarket Connaught Place in New Delhi. Says Sanjay Rishi, Country Manager, American Express Travel Related Services, India; ‘we opted for
the road shows as a test. We wanted to follow an unconventional approach of providing credit card forms in places where the customer needs them most. The results were so good that we are going to make road shows an on-going activity and use them to push our marketing and advertising efforts. American Express promoted their card product through press insertions highlighting the value of cards. The theme of promotion campaign was based on the movements of a ballet dancer comparing the flexibility of the card to that and the value attached to the card by different value propositions. They promoted this concept through TV commercials also.

The promotion strategy adopted by Hongkong Bank through print media targeted the customers / prospects in two dimensions. The first promotional strategy is to promote the unified marketing name of Hongkong Bank. As a brand consolidation exercise, the new brand name and the new marketing name HSBC was introduced and promotions were carried out to highlight the new brand name and brand signage. A case of reinforcement of new brand name in the minds of customers. The second promotion strategy was targeted at promoting their savings bank account highlighting the completeness of the product. The promotion strategy was focused on the feature and value propositions attached to the product like ATM access, phone banking, standing instructions, sweeping facility to FD, any branch access, personalised cheque book, joining fee waiver for credit cards, higher limit for ATM withdrawals, quarterly interest etc. and highlighting the values / features outweighing the minimum balance requirement of Rs. 10,000. A promotional strategy aimed at to communicate the benefits and the benefits more than the cost.
ANZ Grindlays has adopted promotion strategy whereby the Indian customers will be offered international services of European banks, and US, which do not have a presence in India. Their promotion strategy is to refine their process for the benefit of their customers. ANZ Grindlays has followed the promotion strategy of direct marketing to reach the customers. By redeployment of staff into direct marketing activities, ANZ Grindlays followed the strategy of visiting customers with managers / assistant managers for promoting various sales and service issues.

ABNAmro Bank, the recent entrant in retail banking is attempting new promotional measures to mobilise business. As Romesh Sobti, Chief Executive, India, ABNAmro Bank shares about the promotion strategies they are going to adopt, "There is little doubt that ABN's focus is retail. But the spread will come from number of branches which the bank plan to limit to about 12 but through direct selling, technology and ATM's..." Their strategy is to promote products like credit cards, auto finance, finance for consumer durable and other such products in a phased way.

Appointing Direct Selling Associates is another promotional strategy followed by almost all foreign banks and new private sector banks. The DSA route is used as a communication channel as well as process channel to reach the customer. The promotion strategy adopted by ABNAmro Bank is promoting the brand image of the bank and values of the bank. In a press advertisement they have released to highlight their recent entry in consumer banking, ABNAmro Bank has projected the bank's heritage, products and services and their value additions and attitudes towards customers and made projections about the promising future i.e. the areas of consumer banking services offered by them.
2.6 PEOPLE

The 'people' strategy is adopted by all foreign and new generation private sector banks like Citibank, ABNAmro Bank, Standard Chartered Bank, Hongkong Bank, ICICI Bank, HDFC Bank and Times Bank.

While most of the foreign and private sector banks highlight the concept of 'Relationship Manager', 'Customer Relations Manager' who enables you for a friendly service, the Times Bank came out with an innovative advertisement highlighting the 'people' concept. In the advertisement, they have projected their people’s attitude to service and the way they look at the customer by highlighting that their 'people' not only know your banking needs but also your personal preferences like 'tea without sugar', calling you by name etc., when you go to the bank. A case of total involvement with the external customer.

Other 'people' strategies adopted by banks are in the area of training and behavioral approaches to customers because of their importance for success of marketing strategies.

2.7 PHYSICAL EVIDENCE

As explained earlier, physical evidence is the process of tangibilising the intangible aspect of bank services. Various banks offer different packaging models to bring tangibilisation. The tangibilisation efforts are attempted in the areas of Deposit Receipts, Pass Books, ChequeBooks, and Wallets for various products. The pioneer in physical evidence strategy is the private sector Bharat Overseas Bank Ltd. They have innovated physical evidence concepts in the area of chequebook. They promoted their achievement in physical evidence with a print advertisement explaining the
physical evidence concept. They have introduced attractive companion saving account cheque leave with multi colour floral background. They highlighted the same with a copy 'Makes it a pleasure to write your cheque personalised with your name printed'. They also provided space for crossing for the first time in the World, providing space on the top left corner of the cheque for making crossing. They highlighted the special feature of the sheet for entering the cheque issued with a copy, 'you don't need to turn the leaf. Your next cheque number is visible when you record the transaction'.

They have further highlighted about their innovative strategy by a copy, 'We are honoured that others are following these ideas. We are very happy, as it stands for benefit customers at large. Imitation is the best form of flattery'.

A real pioneering physical evidence strategy indeed, from a small private sector bank.

Other banks also follow physical evidence strategies in those areas.

2.8 PROCESS

'Process' as a marketing strategy has gained enormous importance after the emergence of computerisation. Banks are using technology as the buzzword for their process strategies.

The public sector major State Bank of India has planned to offer Net-banking by the turn of the century. State Bank of India has already made arrangement to provide a network of ATMs and wide area networking of branches. If has also planned to introduce other process improvements like
opening ATMs across the country, 7-day banking and extended business hours and single window system.

Another process strategy adopted by foreign banks like ANZ Grindlays, Citibank, HSBC Bank, Standard Chartered Bank and new generation private sector banks like HDFC Bank, ICICI Bank, IDBI Bank and Times Bank is engaging Direct Selling Associates (DSAs). This concept has emerged as a new concept of process intermediation. Direct Selling Associates have become the new generation cupids out in the marketplace. ICICI Bank has entered into a tie up with Integrated Enterprises (India) Ltd., a financial services company for selling their products and service to retail and corporate customers.

The Direct Selling Associates will contact the customer / prospects, complete the formalities for availing the products (asset as well as liability products) at the doorstep of the customer / prospect and pass it on to the bank for decision. Thus DSAs are used to hasten the 'process' part.

Banks like Citibank, ABNAmro Bank and HDFC Bank had installed Automatic Teller Machines (ATMs) in important centres outside the bank enabling customers to avail the services without the need for visiting the branches. American Express Bank had tied up with HDFC Bank for extending the ATM facilities for credit card holders to avail the services through HDFC Banks' ATMs. American Express Bank has tied up with IDBI Bank also for availing their ATM services. This has been used as a strategy to result in process improvement for the cardholders, since American Express Bank has not set up its own ATMs.
Hongkong Bank has made process improvement to reduce the process time. It has introduced Hexagon Software package, a PC based electronic banking systems for corporate customers to provide customer service in respect of cash management, trade services, securities dealings and on-line information and marketed as a desktop bank. As Mr. Dyfrig John, Chief Executive, HSBC has observed, 'with this new service we are disintermediating branches to a certain extent and have placed more power on the desk of corporate treasurer'.

Having discussed in detail about the marketing strategies adopted by different banks in India with regard to the different Ps of the marketing mix, the researcher tries to unwind the genesis, growth and the marketing strategies adopted by Indian Overseas Bank with regard to the different elements of the marketing mix.

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