

Overview and swot analysis of hsbc bank

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HSBC is well known Organization in banking sector. It is a largest banking and financial organization in the world. HSBC is an international company which has around 8500 offices in 86 countries and territories. It is an international bank, which is spread all over the world. It has a lot of branch in the London.

HSBC has recently full grown through a further achievement. The HSBC banking group has become the biggest bank in the UK. Approximately half of all people in the UK now bank with HSBC banking group. The group has the largest branch network of any UK bank. The achievement also means that the new group has a broader range of expertise with multiple varieties under its banner. It is a more multicultural business, with stronger market attendance in areas such as mortgages, insurance, finance and investment.

HSBC is using variety of advance technologies to make an international network, including a rapidly growing e-commerce capability; HSBC provides a comprehensive commercial range of financial services corporate service, personal services, private banking and other activities. They offer many other services including Braille, large print statement and sign language interpretations.

HSBC in its 145 years had been innovative; they are providing Internet banking, disabled customer account, mortgage, house loan etc. It is totally financial company but the company is providing insurance service as well.

SWOT Analysis

Strengths

During the financial crisis HSBC remains the world's strongest bank. It was able to raise £750 million to increase its capital as required by the treasury and was still able to lend roughly £4 billion more to other UK banks. A staggering £ 4. 15 billion of profit was recorded on March 2009. And even with the reluctance of investors to venture into the stock market, HSBC was still able to raise £12. 5 billion in capital which will be use to acquire struggling banks and further improves its financial position.

HSBC, as a successful international financial company, provides advice and suggestion to other companies regarding international business. It has branches all over the world has got client from different environment and cultural but never beaten in this area.. HSBC has the expertise to follow structural and effective growth. It was mostly an Asian bank until it took over a UK bank in 1992 and now has become the world's second-largest bank by profit. HSBC has different idea and concept about how to get more return from investments.

HSBC provides qualitative services in an easier ways than other banking and financial sectors. If you open your account with HSBC you will receive everything within few working days e, g; debit card and cheque book etc.

HSBC is primarily listed on the London and Hong Kong stock exchanges, which saves the company much sorrow in to agree with new American Sarbanes-Oxley laws. To talk about current economic recession, it was at the higher position than recession while many banks and financial companies collapsed.

Weaknesses

HSBC had made the consolidation of all its banking business under one brand name far behind its rivals since it has already established different company name under its group for over a century such as Hong Kong Bank of Canada, British Bank of Middle East and HSBC Banco Roberts. Not even all of these Banks, prior to 1998, carried the HSBC logo. In 1998, they were all branded together, but the previous lack of branding and the name changes may have hurt HSBC in brand recognition. In addition, HSBC had just recently integrated all its global marketing and financial strategies under an international framework.

HSBC's financial position is also under scrutiny since its bad debts in proportion to its loan portfolio is increasing.

Opportunities

The BRIC economy namely: Brazil, Russia, India and China had been less affected by the financial crisis. HSBC had well position itself on these countries providing itself with a counter balance for any decline of its revenue on developed counties such as USA and UK, which had experience serious economic and financial difficulties even up to this day. The BRIC economy has experience a steady growth in the number of its middle class and this had made HSBC business growing.

Other banks are reluctant in investing in the Middle East due to peace-and-order concerns and strict laws. However, HSBC has made its presence in the region for many years and had successfully blended its operational policies to the standards of the region. This had made HSBC capture important

business since the region had been a top oil producing countries. With a strong business presence in the region, HSBC can continue to take advantage of business opportunities in the Middle East. HSBC is a reliable name there, and the bank has successfully open its doors in Iraq, banking on its new democracy. HSBC is currently the biggest international bank in the Middle East.

Threats

HSBC had enjoyed huge profits from its operation but these earnings had become a source of conflict between the management and employees. HSBC employees had made it clear to the management that their pay never reflects the real gains made by the bank and with 1, 500 strong workers they march in protest during HSBC annual meeting in London. This conflict had been a cause of concern to HSBC long term prospects since any union action will certainly affects its operation and the organization as a whole.

HSBC had consistently shifted its operation from local branches into online banking. However, serious security issues had engulf it when hackers, challenge by its massive scale of operation in banking with an assets well over a trillion dollars, had successfully breach its security protocol. The public especially HSBC's customer were not made aware of this ongoing battle for couple of years and when this issue was leak to the public, HSBC defended itself that its online security system is well in place and strong. Unfortunately, researchers from prestigious university such as Cambridge had downplayed HSBC claims, stating that with just nine attempts – HSBC's online security system can be breached.

Moreover, HSBC Company's Chief Executive Officer had been quoted saying "our HSBC website got thousand of email viruses". Up to this moment HSBC Company spent lot of money to stop these from causing systemized damage since just a single virus could cripple HSBC online system.

PESTEL Analysis

Political

HSBC is operating across different geopolitical landscape. It has its presence on every continent of the world with countries having varying political ideology. HSBC can be found in Asia, North America, South America, Middle East, Africa, Australia and Europe proving itself as the world local bank.

Economical

Recently, HSBC had survived without any government aid, -the worst financial crisis since the great depression in 1929. It was able to avoid crisis and had surprisingly made a significant profit during the period while its competitors cease to exist and had been merge with other banking entities.

Social

HSBC operates in a highly diversified cultural environment due to its global banking presence. It highlights in its advertisement about the "THE USE OF LOCAL KNOWLEDGE" and "THE WORLDS LOCAL BANK" as a way to connect to all its Target Market.

Technological

HSBC had intensified its campaign to encourage its customers to use the online banking facilities. It has also made its branches have cash counting

and pay bills kiosk or machines which greatly improve its operational efficiency.

Environmental

As a major global bank, HSBC is also at the epicentre of the carbon footprint reduction commitment because of its global and large scale operation. The government requires large scale companies to follow a designated target for the reduction on carbon foot print.

Legal

The move by G8 spearheaded by the UK and United States Government to put a limit on the Banker's bonus will cause significant negative effects on its ability to attract and retain highly skilled and talented workforce especially on its investment banking group.

Marketing strategy of HSBC

Brand: Make HSBC and its hexagon symbol one of the world's leading brands for customer experience and corporate social responsibility.

Personal Financial Services: Drive growth in key markets and through appropriate channels to make HSBC the strongest global player in personal financial services.

Consumer Finance: Expand to arrive of this business to existing customers through a wider product range and to get into new markets.

Commercial Banking: Make the most of HSBC international customer base through effective relationship management and improved product offerings in all the Group's markets.

Corporate, Investment Banking and Markets: To hasten to progress or incidence of growth by enhancing capital markets and advisory capabilities straight focused on client service in defined sectors where HSBC has critical relevance and strength.

Private Banking: Serve the Group's highest value personal clients around the world.

People: Attract, develop and motivate HSBC people, rewarding success and rejecting poorness.

TSR: fulfil HSBC TSR target by achieving strong aggressive performances in earnings per share growth and efficiency. HSBC target at any how they want to increase our per share growth.

Implementation Plan

Base on the strategies mentioned above, this chart hereunder presents its timeframe.

Acitivity

Apr

May

Jun

Jul

Aug

Sep

Oct

Nov

Dec

Jan

Feb

Mar

1. Brand

2. Personal Financial Services

3. Consumer Finance

4. Commercial Banking

5. Corporate, Investment Banking and Markets

6. Private Banking

7. People

8. TSR

Conclusion:

HSBC has 140 years experience of china. It has 8500 offices in 86 Countries and Territories. HSBC, as a major bank, provides a wide range of services to support new businesses from initial idea to running the business. When it was born it has a small idea to serving local needs. Nowadays it welcome to all over the world customers. It has been using a huge technology to connect international market. It has a good strategy to make sufficient money. It provides the faster services than other financial organizations. HSBC know how to succeed in M&A organic and effective growth.

It is definitely global company; it has a so many competitors. In my view HSBC's market segmentation and market penetration is good part of the organization. I recommended HSBC what they are doing; keep continuing but customers needs and desires are dynamic. HSBC has to try to fulfil the customer's needs. BARCLAYS, NATEWEST, HALIFAX are main competitor of HSBC. They are also serving the same kind of service and using same kind of marketing strategies. If HSBC does not pay attention to these competitors it would bear huge losses in the future. HSBC has won the customers faith so I recommended keeping it up. It should keep tract on its global market competitors and provides better service than other organization.