

Marketing strategies in corporate banking

[Finance](#), [Banks](#)



Financial services specifically offered to corporations, such as cash management, financing, underwriting, and issuing of stocks, bonds, or other instruments. Financial institutions often maintain specific divisions for handling the needs of corporate clients, separate from consumer or retail banking activities for individual accounts.

The role of commercial banks

Commercial banks engage in the following activities:

processing of payments by way of telegraphic transfer, EFTPOS, internet banking, or other means

issuing bank drafts and bank cheques

accepting money on term deposit

lending money by overdraft, instalment loan, or other means

providing documentary and standby letter of credit, guarantees, performance bonds, securities underwriting commitments and other forms of off balance sheet exposures

safekeeping of documents and other items in safe deposit boxes

sales, distribution or brokerage, with or without advice, of: insurance, unit trusts and similar financial products as a “ financial supermarket”

cash management and treasury

merchant banking and private equity financing

traditionally, large commercial banks also underwrite bonds, and make markets in currency, interest rates, and credit-related securities, but today large commercial banks usually have an investment bank arm that is involved in the mentioned activities

List of Foreign-owned banks (commercial only)

9 Fully Qualified Foreign Banks

Al Rajhi Banking & Investment Corporation (Malaysia) Berhad

Citibank Berhad

HSBC Bank Malaysia Berhad

Oversea-Chinese Banking Corporation (OCBC Bank Malaysia Berhad)

Standard Chartered Bank Malaysia Berhad (Standard Chartered)

The Bank of Nova Scotia Berhad (Scotiabank)

The Royal Bank of Scotland Berhad (RBS)

United Overseas Bank Malaysia Berhad (UOB)

Bank of gujjar Labuan Branch

List of Cooperative Banks in Malaysia

Bank Kerjasama Rakyat Malaysia Berhad – Commonly known as Bank Rakyat.

Not a SWIFT connected Bank but MEPS enabled for Malaysian Interbank system. 100% Islamic Banking and Finance. Customers can be cooperative members.

Bank Persatuan (Jawi: $\text{Ø}^{\text{~}}\text{Ú} \text{ Ú}^{\text{©}} \text{ Ú}^{\text{ᄇ}}\text{Ø}^{\text{±}}\text{Ø}^{\text{³}}\text{Ø}^{\text{Ø}}\text{Ø}^{\text{ᄇ}}\text{Ú}^{\text{^}}\text{Ø}^{\text{Ú}}\text{†}$), is an Islamic cooperative banking entity based in Penang, Malaysia. Currently, Bank Persatuan has over 14 branches located mainly in Malaysian Peninsular.

14 Other Foreign Bank

Bangkok Bank Malaysia Berhad

Bank of Baroda Malaysia Berhad

Bank of China Malaysia Berhad

BNP Paribas Malaysia Berhad

Deutsche Bank Malaysia Berhad

Bank of Tokyo-Mitsubishi UFJ Malaysia Berhad

Bank of America Malaysia Berhad

Indian Overseas Bank Malaysia Berhad

Industrial and Commercial Bank of China Berhad

J. P Morgan Chase Bank Berhad

Bank Mandiri Malaysia Berhad

Mizuho Corporate Bank Malaysia Berhad

National Bank of Abu Dhabi Malaysia Berhad

Sumitomo Mitsui Banking Corporation Malaysia Berhad

List of Marketing & Representative Offices in Kuala Lumpur

AN1142 National Bank Limited

Bank of Baroda Limited

The Bank of Tokyo-Mitsubishi UFJ Limited

The Bank of New York Mellon Limited

Credit Suisse Limited

DBS Bank Limited

Indian Overseas Bank Limited

National Australia Bank Limited

The Royal Bank of Scotland Limited

UCO Bank Limited

Wells Fargo Bank Limited

51 Offshore Banks & Branches in Labuan

Al-Hidayah Investment Bank (Labuan) Ltd (Labuan Branch)

Amininternational (Labuan) Ltd (Labuan Branch)

AmMerchant Bank Berhad

Asian Trade Investment Offshore Bank (Labuan)

Bank Islam Malaysia Berhad, (Labuan Offshore Branch)

Bank Muamalat Malaysia Berhad, (Labuan Offshore Branch)

Bank of America National Association Berhad, (Labuan Branch)

The Bank of East Asia Ltd (BEA) (Labuan Branch)

The Bank of Nova Scotia (Labuan Branch)

The Bank of Tokyo-Mitsubishi UFJ Limited (Labuan Branch)

Barclays Bank PLC (Labuan Branch)

BNP Paribas (Labuan Branch)

Calyon (Labuan Branch)

Capital Investment Bank Limited (Labuan)

Cathay United Bank (Labuan)

Consolidated Credit(S)Berhad

CIMB Bank (L) Limited

Citibank Malaysia (L) Limited (Labuan)

City Credit Investment Bank Limited (Labuan)

Commercial IBT (Labuan Branch)

Credit Suisse (Labuan Branch)

DBS Bank Limited (Labuan Branch)

Deutsche Bank AG (Labuan Branch)

Dresdner Bank AG (Labuan Branch)

ECM Libra Investment Bank Limited (Labuan)

First Offshore Bank Labuan (FOBLABUAN)

The Hong Kong and Shanghai Banking Corporation Limited Offshore Banking Unit (Labuan)

ING Bank NV (Labuan Branch)

The International Commercial Bank of China (Labuan Branch)

J. P. Morgan Malaysia Ltd (Labuan)

J. P. Morgan Chase Bank National Association (Labuan Branch)

KBC Bank NV (Labuan Branch)

Kuwait Finance House Labuan Berhad (Labuan Branch)

Lloyds TSB Bank PLC (Labuan Branch)

Mizuho Corporate Bank Ltd (Labuan Branch)

Macquarie Bank Limited (Labuan Branch)

Morgan Stanley Labuan Investment Bank Limited (Labuan Branch)

NatexisBanquesPopulaires (Labuan Branch)

OSK Investment Bank (Labuan) Limited (Labuan)

OCBC Bank Limited (Labuan Branch)

Public Bank (L) Limited (Labuan)

Rabobank Nederland (Labuan Branch)

RHB Bank (L) Ltd (Labuan)

The Royal Bank of Scotland PLC (Labuan Branch)

RUSD Investment Bank Inc (Labuan)

Schroders Malaysia (L) Berhad (Labuan)

SocieteGenerale (Labuan Branch)

Sumitomo Mitsui Banking Corporation (Labuan Branch)

UBS AG (Labuan Branch)

United Overseas Bank Limited (Labuan Branch)

Asia Offshore Centre (Labuan Branch)

MARKETING STRATEGIES

WHAT IS MARKETING STRATEGIES?

Strategic management analyses the major initiatives taken by a company's top management on behalf of owners, involving resources and performance in external environments. It entails specifying the organization's mission, vision and objectives, developing policies and plans, often in terms of projects and programs, which are designed to achieve these objectives, and then allocating resources to implement the policies and plans, projects and programs. A balanced scorecard is often used to evaluate the overall performance of the business and its progress towards objectives. Recent studies and leading management theorists have advocated that strategy needs to start with stakeholders expectations and use a modified balanced scorecard which includes all stakeholders.

Strategic management is a level of managerial activity below setting goals and above tactics. Strategic management provides overall direction to the enterprise and is closely related to the field of Organization Studies. In the field of business administration it is useful to talk about "strategic consistency" between the organization and its environment or "strategic consistency." According to Arieu (2007), "there is strategic consistency when the actions of an organization are consistent with the expectations of management, and these in turn are with the market and the context." Strategic management includes the management team and possibly the Board of Directors and other stakeholders.

“ Strategic management is an on-going process that evaluates and controls the business and the industries in which the company is involved; assesses its competitors and sets goals and strategies to meet all existing and potential competitors; and then reassesses each strategy annually or quarterly to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment, or a new social, financial, or political environment.” Strategic Management can also be defined as “ the identification of the purpose of the organisation and the plans and actions to achieve the purpose. It is that set of managerial decisions and actions that determine the long term performance of a business enterprise. It involves formulating and implementing strategies that will help in aligning the organization and its environment to achieve organisational goals.”

OBJECTIVES OF OBSERVATION

To study about cooperate banking in Malaysia.

To know how much corporate banking in Malaysia.

To know the marketing strategies of corporate banking in Malaysia.

To investigate the marketing strategies of corporate bank that we’ve chosen.

HSBC HOLDINGS

Introduction

HSBC is named after its founding member which is The Hong Kong and Shanghai Banking Corporation Limited. It was established in 1865 which is to

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finance the growing trade between Europe, India, and China. HSBC has established the business in America, Africa, Europe, Middle East and Asia Pacific region. HSBC Holdings was first operates in Europe and Hong Kong. At primarily, the headquarters was in London. HSBC is one of the biggest financial services and banking organizations in year 2008. As a commercial banking, HSBC lead the provider of financial services to small and medium sized company. According to Forbes Magazine, HSBC was the world's 3rd largest bank and 6th largest public company in 2012.

Marketing Strategy

One of the HSBC marketing strategy is launched a strategic in 2005 which namely "Managing for Growth". This strategy is cover and deal with its strategic outlook for the period 2004-2008. From the HSBC official website, the HSBC have stated that they will deliver some message by some methods such as focusing on enhancing HSBC's revenue generation culture, develop its brand name further or hexagon logo, manage costs strategically, maintain a prudent credit/market risk stance, and invest further in its people. In addition, acquisitions is still remains an integral part of their strategy. Besides that, the company website also stated that they will concentrate on growing earnings over the long term at a rate which will place it favourably when compared with its peer group. In addition, it also will focus on investing in delivery platforms, technology, people, and brand. All these focus is to support the future value of HSBC as reflected in its comparative stock market rating and total shareholder return (TSR). HSBC has remains and committed to benchmarking its performance by comparison with a peer group.

The HSBC group provides a comprehensive range of financial services, which are:

(i) Personal Financial Services

In the world, it has more than 100 million of personal consumers. Inside this, it also include the Consumer Finance customers. HSBC is one of the top ten issuers of credit cards in the worldwide. It provides many types of personal finance services, such as pensions, mortgages, current accounts, loans, savings account, insurance, and credit cards.

(ii) Consumer Finance

In 2004, HSBC Group has completed the integration of its former household businesses. The Company's Finance Corporation's consumer finance their business to ensures the point of sale credit to consumers, and lend money and provides a related services to meet the financial needs of everyday people.

(iii) Commercial Banking

As a commercial banking, HSBC lead the provider of financial services to small, medium-sized and middle market enterprises. According to a research, HSBC group has over 2 million such as clubs, customers, incorporated businesses, sole proprietors, partnerships, association and publicly quoted companies. Around 209 Commercial Centre in United Kingdom were launched to provide improved the relationship of management for higher value small-medium-sized enterprise customers.

Besides that, Business Banking Centres which started in Hong Kong were expanded to provide a one-stop service.

(iv) Corporate Investment Banking and Markets

HSBC group has tailored a financial services which provided financial services to corporate and financial clients. All those business lines are include Corporate, Global Markets, Institutional Banking, Global Investment Banking and Global Transaction Banking. Corporate and Institutional Banking covers the relationship between management and lending activities while the Global Markets includes in equities, foreign exchange, metals trade, fixed income, derivatives, and some others trading business. Meanwhile, Global Transaction Banking includes the payment and cash management, supply chain, securities services, trade services and wholesale banknotes business. Besides that, Global Investment Banking involves in investment banking advisory and investment banking financing activities.

(v) Private Banking

According a statement, HSBC is one of the world's top private banking businesses. HSBC Group has providing a huge financial services to high net worth individual and families in more than 70 different locations. Following the company's recent acquisitions, the HSBC group has continued to integrate the private banking operations of Republic and CCF in 2001. HSBC Private Banking operations through which most of their worldwide private banking operation.

MAYBANK

Maybank is the bank that grown from domestic leadership to a strong regional presence and also Malaysian's largest financial services group and has a strong regional presence in South East Asia. Maybank group is the leading financial services provider in Malaysia catering to the needs of consumers, investors, entrepreneurs, non-profit organisations and corporations. The group, which has expanded internationally, has the largest network among Malaysian banks of over 2,000 branches and offices in 19 countries, employing 45,000 Maybankers and serving over 22 million customers. It also has the distinction of holding the largest base of more than USD 142 billion and market capitalisation of USD 21.0 billion, with total equity and total net profit of USD 10.8 billion and USD 10.8 billion (6 month ended Dec 2011) respectively. Maybank's focus on capturing growth opportunities while taking a proactive and conservative approach to capital management by continuing to establish their presence in high growth markets. Their strong track record of financial performance and high credit ratings allow them to keep their momentum and continue with robust performance even amidst the current environment. Maybank's also aim to maximise value for their shareholders by staying diversified across geography and business units and capturing growth opportunities in high growth markets.

Every bank got their own strategy so that they can achieve what they want. Maybank strategy or vision is to be a regional financial services leader and want to expand their regional presence by 2015. Maybank mission is to humanising financial services across Asia. In first year 2011, starting in July

2010, the group reframed its transformation programme so as to further strengthen their leadership of Malaysia's financial services industry and to drive their regional expansion.

To make sure that Maybank regional financial services leader 2015 successfully achieve, they have set five strategic objectives. First objectives are undisputed No. 1 retail financial services provider in Malaysia. They aim to maintain their No. 1 ranking in terms of overall market share across all their core retail financing products, including mortgages, automobile financing, credit cards, unit trust financing, and individual deposits. They intend to reinforce their leadership position in touch points and distribution network as a key community destination and focal point. Their Customer Value Proposition centres around convenience and serving the needs of the community, including individuals, small and medium enterprises (SME) and commercial customers, and they are committed to the values of a One Stop Shop, Needs Based Selling and World Class Services. They will leverage on a shared distribution model across all parts of the Group network, and will customise and differentiate their product offerings by segment to meet the needs of their four different types of customers which is High Net Worth, Affluent, Mass and SME. The group will also capitalise on technology to achieve high performance in processing times and customer service. Innovation will further drive the Group's differentiation in the market.

Second objective is leading ASEAN Wholesale Bank and eventually to expand into the Middle East, China, and India. They want to achieve their second objective by building domestic leadership. Their strategy is improving

domestic and regional market position for corporate and non-retail deposits, building a regional investment bank, and increase contributions to revenue from non-domestic markets and increases the fee to income ratio contribution and also intend eventually to expand into the Middle East, China and India.

Third objectives are to sustainable champion for insurance and takaful. They seek to be the domestic insurance champion and an emerging regional player by 2015 through the grown of their life, general insurance and takaful business, carried under the Etiqa brand. The objective is to build a sustainable and profitable business. For general insurance and takaful, the Group will keep pace with industry growth while maintaining a healthy portfolio mix and supporting a better combined ratio compared to the market. To achieve organic growth in life/family business, they are progressively growing the assets under management (AUM) of our life/family funds through product innovation. This will drive the build-up of surpluses attributable to shareholders. On the asset management front, the strategy of their asset management subsidiary is to build a leading asset management brand by providing strong investment management support for Etiqa funds, wholesale funds and institutional mandates as well as by leveraging on Maybank's extensive distribution network

Forth objectives are become a truly regional organization with approximately 40% of loans and pre-tax profit derives from international operations by 2015. This will be driven by their key markets of Indonesia and Singapore. At the same time, they are developing a presence in Philipines, Combodia,

Vietnam and China by building scale in these growth markets. Maybank wan to do an international expansion. To support their objectives, they plan to launch regionalization initiatives for both consumer and corporate segments.

The last or five objectives are leading Islamic bank in ASEAN. Maybank want to have one-third of their domestic financing backed by Islamic Financial assets by 2015. They focus on delivering innovative and globally accepted products and services that difference them from other Islamic Bank. To achieve this, their Islamic banking operations will take full advantage of maybank's huge domestic branch network as well as its electronic banking platforms and the various distribution outlets of their strategic partners. They also aim to grow their Islamic business in markets like Indonesia and Singapore as part of their focus on the ASEAN region. Their Islamic banking operation, meanwhile, will focus on delivering innovative and globally accepted products and services that differentiate them from other Islamic financial institutions.

STANDARD CHARTERED

History

Standard Chartered was formed in 1969 as a merger between the Standard Bank and Chartered Bank. Before Standard Chartered has been formed, Standard Bank did their business throughout Africa while Chartered Bank operated branches in India, China and southeastern Asia. Both Standard Bank and Chartered Bank has been operated for more than a century when they been combined. Under a charter from Queen Victoria, the Chartered bank were originally incorporated in 1853 as a Chartered bank of Australia,

China and India was influenced by the British colonial trade throughout Asia. British were trade in Asia flourished and the Chartered bank was prospered after World War II. The banking group's progress has been largely depending on the Third World economic and political condition and emerging markets because of lacking a strong domestic network.

In 1862, the Standard bank was established as the Standard bank of British South Africa by a schoolmaster, John Paterson. Paterson was interests in electric, which including mining, railroad promotion, and estate real development. He set out all this to make Standard a large bank and also proceeded to acquire smaller bank throughout southern Africa. The bank has been played a significant role in the banking of the region for the next century.

Standard bank and Chartered bank are the products of the colonial era, so their structure and experience are similar. So they can make an excellent match. Besides that, their complementary geographic coverage and historical backgrounds are similar too to make for a relatively smooth transition.

The new Standard and Chartered Banking Group took its time to integrating the management of these two banks. In 1970, each former unit performed its operations more or less unchanged. For example, branches were continued to operate under their old names for a number of years. Each of the branches was able to expand independently in its own markets and it no need to restructure the bank operations again. However, the company has been slowly begun to develop long term plans for the whole bank.

Company Profile

In Standard Chartered profile, individual investors, managers and companies will assist in evaluating opportunities, market innovations, trends, and selecting appropriate information solution in order to make an effective decision to solve the problem that they are facing in the company. The report is based on extensive researches which use the data available from reliable publications, companies' resources and trade association to do report. This report contains the company business structure and operation, products and service. It with also includes the key financial information and strategic analysis that intends to aid investors to find a better prospects with the company. By the way, they can also gain an insight into the corporate policies.

Standard Chartered is a bank that provides individuals with high quality service and to cater to consumer needs individually as much as it can do. They look to provide its best services at its utmost potential to their customer so that their customer can gain benefits too. They want to ensure that every consumer were satisfied with what they getting from the bank and was happy about it.

Standard Chartered operates through two business segment, which is consumer banking and wholesale banking. Consumer banking includes deposit accounts, loans, cards, and investment products whereas wholesale banking includes capital markets, cash management, international trade, custody and clearing services.

Marketing strategy

Marketing strategy is a method for organization use to focusing energies and resources on source of action which can lead to increased sales and product. besides that, it can also increased dominance of a target market, marketing strategy combines product, development , promotion, distributions, pricing, relationship management and other elements. Businesses today are very different from the past. Now, businesses today are far more aggressive to pursuit of success. With the growth of the internet competitiveness today, it has gone global for successful business.

By using marketing strategy, it can gain consumers loyalty to have a long lasting relationship with the company. Giving consumers benefits more than what they can expect will make them trust marketers with their money. This will benefit the firm too. In the Marketing strategy also has to understand and must match the capabilities of the firm to the opportunities which available in the market. Strategy contain of a well thought of out series tactics to make a marketing plans more effective and success. It also helps companies to achieve market objectives, and corporate objectives.

An effective marketing strategy wills more finely if an organization know how to match the needs and requirements of its market base and specific in its market segmentation process. In Standard Chartered, its offerings help for the needs of the specific country and together with its commitment of corporate social responsibility to help them project a market – oriented the image of the bank itself. For example, Standard Chartered help in developed an award winning campaign ‘ living with HIV’ to show it support to the people

in Africa who were infected by the HIV/AIDS sickness. Standard Chartered also initiated the Green Fingers eco-project for planting 11, 000 trees across Malaysia and other project.

By doing Corporate Social Responsibility (CSR), Standard Chartered have to lay emphasis on 7 key areas, which is sustainable lending, tackling financial crime, employee wellbeing, access to finance, community, responsible selling and marketing. To demonstrated its commitment to the community through this various community projects, Standard Chartered has undertaken partnership together with the Ministry of Health, Uganda Red Cross, Water Aid, Land O' Lakes, Sight Savers International , World Vision, Church Of Uganda and also Ministry of Education. For Standard Chartered Bank, its part of Corporate Social Responsibility (CSR) is focused on the economically disadvantaged targeting Youth, Education, Health, Micro-finance and environment, and also leading to reduction of poverty. They also enhancement of health and education in the communities in which they can operate as well as supporting sustainable initiatives.

One of the contribution of Standard Chartered to the community is they have provided a cardiac machine to Mulago hospital. They has also donated UGX 110 million to flood victims in the North, Northeast and Eastern which is parts of the country, inclusive non-discriminatory HIV policy, and also provided water wells in Jinja, Iganga, Mpigi, Mbala and Mbarara and so on. Standard Chartered also give sponsorship to Financial Literacy Week in partnership with the investors Club in Uganda to inculcate good money

management skills in Ugandans and also sponsored the Mbarara sanitation week a tune of UGX 1m, and so on.

By doing all this, Standard Chartered is versed its sustainability drive to contribute to the economic growth to emerge the markets and support diverse consumer base through invention and innovation in its product offering. This is also count as its marketing strategy which is can focus on demonstrating Standard Chartered as a sound of financial institution whose commitment to global sustainable development is unwavering.

To planning on any marketing strategy, first thing is to do 'SWOT' analysis. 'SWOT' analysis is comprises of strengths, weaknesses, opportunities and threats. 'SWOT' analysis summarizes the key issues from the business environment and strategic capability of an organization. Through SWOT analysis, banks can determine the future opportunities in the banking industry. This will also help to analysis the banks to eliminate the prevailing threats that can hinder their performance. SWOT analysis is the best technique for banks to form strategy based on its own capability over other competitors.

Through SWOT analysis, the strengths of Standard Chartered is it have effective talent management programmed in place to develop competencies amongst employees. Besides that, it has strong operational existence in emerging markets such as Hong Kong, Singapore, Nigeria and India. It also uses state of the act technology such as SAS software and diversified range of service offering. They also use worldwide which presence the uses of 'think global and act local' approach and also the heritage factor.

In SWOT analysis, the weaknesses for Standard Chartered was there are less focus on marketing communication strategy and too much core strategic market which is importance. For the opportunities in SWOT analysis, there is huge potential of growth in emerging markets and it use of merger and acquisition policy to enter a new market. For example, Standard Chartered Bank acquired Union Bank in Pakistan to expand its market share.

Besides this, the threat for Standard Chartered bank is to rise in local and international players such as HSBC, City Bank and Barclays. It also regulatory changes in the banking industry and also there are less product differentiation. In this threat, global recession was a major setback for banking industry.

To conclude, in the banking strategy process, SWOT analysis is important to be used. This is to ensure that development of a strategy will maximize its own productivity.

Conclusion

In recent economic downturn, there is an immense competition in the banking sector because of the growing nature of the industry. Thus, better strategy is needed in this sector. Strategy contain of a well thought of out series tactics to make a marketing plans more effective and success. It also helps companies to achieve market objectives, and corporate objectives. The financial industry was marked by clearly defined financial institutions providing separate and unique services, but with deregulation the level of competition increased with other types of financial institutions like insurance and investment companies also offering similar services. Each bank should

develop and create differentiated products/services according to its resources and strengths. A competitive bank strategy provides banks with significant benefits such as additional business from current clients, favorable word-of-mouth communications, reducing the level of price competition, increasing market attractiveness, and attracting tomorrow's customers. The marketing strategies and long term marketing orientation were positively correlated with customer commitment and trust. Therefore, to continue to be successful in the corporate banking sector, banks must invest in the long-term marketing activities. The impact of deregulation and increase in competition, establishing a long-term institutional relationship because of great importance to the bankers in order to gain a moderate or greater share of the financial market and of a corporation's business. This trend forced banks to adopt innovative strategies and technologies to serve their customers in different segments.

Furthermore, corporate bank marketing arena is indeed very much competitive and dynamic, which calls for the banks to upgrade the quality of their services and be in a position to meet the demands of sophisticated customers by way of specialization and innovation. Banks are in general supposed to provide retail, business and corporate banking, and insurance and investment services. As a result, increased profit through reduced risk, improved communication links, referrals and better customer satisfaction leading to more loyal customers. Besides that, nowadays there are common drivers of profitability like customer satisfaction; common goals in operations like minimizing the capital investment, being responsive and flexible; and common enabling factors like digital computing, communicat