

Problem solving exercise (home banking)

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



Home Banking Certain primary-demand strategies could be used to build demand for “ home banking.” Especially when it comes to money, people are wary of Internet use of personal information. So, security is tantamount. Next, the products should be user-friendly. No one likes unnecessary complication especially when it comes to monetary transactions. Last, sooner or later many of the services will become expected as part and parcel of any newly opened bank account.

2. Intuit and Microsoft used certain selective demand strategies in 1995. They contracted with individual institutions to implement their respective products. Intuit opted for its multiplatform Quicken software with its high functionality. Microsoft promoted its product Money targeting Windows users only.

3. Bankers’ concerns about possible customer retention problems arising from home banking are valid. In a worse case scenario, if something goes wrong with the third party system, it could mean a bank’s information security could be compromised and it’s connectivity with it severed. One way to deal with this threat is to manage information locally. That way, banks never have to rely on a third party for information security.

4. Competition for home-banking customers will change over time. The market for such services will eventually achieve equilibrium. When that happens “ home banking” services will be expected by customers with each account. As such, the costs to the customer will become low or free, but they will still probably still have to pay for certain premium functionality.

Delta

1. Delta boasts certain strengths compared to the other competitors. These

strengths include a 30% total market share, a 50% share for line 2 products, and a low delivery time.

2. Nevertheless, Delta is also weak by comparison of certain other aspects.

These weaknesses include the third largest sales force, average MRO services, and only 10% market share for the line one product.

3. To increase market share, Delta should do the following:

Increase advertising budget by 10%

Increase sales staff by 50 people

Increase MRO services to high

Noxell Soap

1. Noxell might consider certain changes for its advertising objectives.

Instead of 25% brand awareness in the target market and 15% superiority perception, a 20% goal for each may be a more balanced goal.

2. There may be certain suggestions for Noxell's advertising agency with respect to its message. "Clean and healthful" is good but perhaps not enough. Don't most people expect to be clean after using soap and isn't cleanliness akin to health? Perhaps, additional messages should be included such as "moisturizing" or "won't clog pores" or some other such benefit in addition to the expected "clean and healthful" approach.

3. If the advertising budget was allotted, it should be spent at about that stated in the proposal with one major exception. Noxell Soap might consider scaling back on the advertising in women's magazine simply because the product is for men. Aware that women often buy soap for men, it would not be wise to scale it back completely.

4. The following constitutes one procedural suggestion for measuring the

effectiveness of the campaign.

Record the current sales level and ROI

Implement the campaign

Measure changes in sales levels and ROI for the next quarter

Roll back the campaign

Measure the resultant sales levels and ROI for the next quarter

Compare data collected from steps 1, 3 and 5.