

# [Hsbc is one of the prominent global banking groups](https://assignbuster.com/hsbc-is-one-of-the-prominent-global-banking-groups/)

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HSBC is one of the prominent global banking groups, which is headquartered in London. Its International network encompasses over 9500 offices in 85 countries and regions in Europe, America, Asia Pacific and the Middle East and Africa. It is also listed on the stock exchange of London, Hong Kong, New York, Bermuda and Paris. There are about 200000 shareholders in some 100 countries and territories who held shares in HSBC Holding plc. And also the shares are traded in the form of American Depositary Receipts in New York Stock Exchange. HSBC also offer a wide-ranging of financial services not only commercial and merchant banking but also capital market, consumer finance, securities, investments and insurance.

Hong Kong and Shanghai Corporation was founded in March 1865 in the former British colony Honk Kong and Shanghai by Scotsman Sir Thomas Sutherland. In the year 1990 HSBC Holding plc established as the parent company to Hongkong and Shanghai Banking Corporation in grounding for its purchase of Midland Bank in the United Kingdom and restructuring of ownership address for the future transfer of authority of Hongkong to China. HSBC Holdings acquisition of Midland Bank gave HSBC Group a significant market presence in the United Kingdom which was completed in 1992. As a part of purchasing agreement between Midland and HSBC, HSBC has to shift their headquarters from Hong Kong to London.

## Mission Statement:

Having regard to ethical values; to meet its customers financial needs in the fastest and most appropriate way, to continue innovative works in order to achieve: human resource with superior qualities, technological infrastructure and service packages.

## Product Portfolio:

HSBC provides wide range of Products in the market to their customers. Some of the popular products are as follows.

HSBC Personal Banking

HSBC Premier

HSBC Commercial Banking

HSBC Global Banking Markets

HSBC Private Banking

## HSBC Personal Banking:

HSBC offers more than 100 million customers worldwide with a full range of personal financial services including current and savings accounts, mortgage loans, car financing, insurance, credit cards, loans, pensions and investments.

## HSBC Premier:

These customers will receive the HSBC Premier Services in all countries that compromise HSBC Premier, the customers who have this account will have to deposit at least $100000 in their premier account. These customers will have a committed premier relationship manager, global 24 hours access to call center, free banking services and preferential rates.

## HSBC Commercial Banking:

HSBC offers financial services to small, medium and middle market enterprises. These types of account holders are sole proprietors, partnerships, clubs and associations, incorporated businesses and publicly quoted firms.

## HSBC Global Banking Markets:

HSBC Global Banking and Markets is one of the developing markets led and financing dedicated business that provides personalized financial solutions to major government, institutional and corporate clients worldwide.

## HSBC Private Banking:

Here it offers private banking and wealth management services to the well-off individual and their families. Here the dedicated relationship manager will help individual to identify the wealth goals and develop personalized tactics to help them achieve.

## Strategic Analysis:

It is a process of directing research on the business environment within which an organization operates and on the organization itself, to articulate strategy. There are different tools are used in this process like SWOT analysis, BCG Matrix and Porter’s five forces model.

## SWOT Analysis on HSBC:

SWOT analysis is a strategic planning tool used to calculate the Strengths, Weaknesses, Opportunities and Threats involved in a particular project or business venture. It is performed to know the internal and external factors that are favorable and unfavorable to achieve the objectives.

## SWOT Analysis Of HSBC

SWOT Analysis of HSBC:

Strengths:

1. Strong presence in Corporate Banking, Personal Financial Services and certain portions of Corporate Investment Banking and Markets.

2. HSBC holds bigger market share in Hong Kong region.

3. Economies of Scale through different Financial Services.

4. Extraordinary strength in Traditional Banking

Weaknesses:

1. HSBC has a less existence in Private Banking Sector.

2. HSBC is facing problems in maintaining larger network and product categories.

Opportunities:

1. The Middle East and China: HSBC has been aggressively growing its business in this region. 2. Emerging economies: By investing in countries like Brazil, HSBC can offset problems it may have as spending in the US and UK declines.

Threats:

1. Various service providers are stealing payment system and e payment system.

2. New entrants in the market is increasing in fast pace.

## BCG Matrix:

The BCG matrix was considered by Boston Consulting Group in early 1970s. The idea behind this was to identify the relative performance of individual business units of larger companies to accordingly allocate limited resources. However the BCG matrix is a favorite among businesses for its effortlessness and effectiveness at a time when the world is overcoming liquidity crunch issues.

The two quadrants of BCG matrix are relative market share and market growth. By relative market share it is meant that if X is the market leader and the business unit of the examined company is half as large as X, then the value allotted is 0. 5. In case the business unit of the company in question is the market leader, then value allotted is 1. Market growth, as the name suggests, tracks the growth rate of the market in which the business unit is present.

BCG matrix business units are classified into four categories.

Dogs

Stars

Cash Cows

Questions Marks

Dogs: Under this segment both market share and market growth are low. There is a strong cause for exiting in this market as these business units can tend to be liable. Investing more money into the business is not likely to revive the business unit.

Stars: Under this segment business units will generate more profits for the company, as it is gathering high market share and high growth market.

Cash Cows: In this segment of market share is high but the market growth is little or low. Cash generated from these businesses can be used as a shot in arm for other businesses. Here the business unit should concentrate less on advertising and more on customer retention.

Question Marks: These segments have low market share but high in market growth. If enough cash is invested in this segment it can become stars or else it could be fizzle into dogs.

HSBC is considered as a Cash Cows, because HSBC’s market share is very high but the scope for the growth is considered to be either little or low.