

United commercial bank essay sample

[Literature](#), [Russian Literature](#)



1. United Commercial Bank is amongst the largest banks that serve the Asian-American community in the San Francisco region. The main focus is on Chinese community and thus it has 46 branches in California and offices and branch in Hong Kong, China and Taiwan. The vision and mission of the bank since its establishment has been time deposits and is spread all over San Francisco and Los Angeles as the largest bank to Asian community. The main focus is on loans of which majority loans are for real estate, multifamily and commercial loans. The prime strategy is to provide saving bank account services liked by the Chinese. Eventually it has high deposits and interest expense is also high. To counteract the premium on bank's performance due to savings the bank has a 58% loan to value ratio in contrast to 80% for the other banks. To win the confidence of customers it charges a very low account fee and serves basically all the American-Chinese involved in business of imports/exports by having diversified policies.

El Banco targets Hispanic population in the Latin Markets. Launched on 2002 as the Flag Bank of Atlanta it offers a wide range of retail financial services, loans etc. To attract Latino customers the bank offers bright colour schemes, parks and all Spanish speaking employees to name a few in contrast to UCB's traditional conservative banking. El Banco does not target commercial customers and focuses on informal banking. Unlike UCB, El Banco charge fee on basic services like cheques for revenue generation accounting to 50% of revenue. It also offers mortgage loans to undocumented clients as most Latin families have low income catered to buying houses of around \$ 100000 and charges lesser interest. It mimics Western Union to provide international fund transfers.

2. There are service winners, qualifiers and service losers for both the United Commercial Bank and El Banco. The service winners for United Commercial's winners include community focus based services (Chinese), less account fee and easy loan schemes for real estate comprising of 40% multifamily and 60% commercial loans and full featured trade finances for import export by American-Chinese. El Banco's service winners include informal banking according to the needs of Hispanic population, mortgage loans at low interests to undocumented clients and international fund transfer policies like Western Union with great ease of process.

The qualifiers for United Commercial Bank for it to become a strong competitor include \$ 6. 32 billion of assets and market capital of \$ 1. 4 billion, more than 46 branches in California and China, stability due to high savings ratio of assets and safety by charging the lowest account fee as compared to other retail banks. El Banco on the other hand has a high Latino customer base because of informal banking liked by them, high amount of easy mortgage loans at low interests and providing the best service liked by Latino people of fund transfer like Western Union. United Commercial's service losers include community restricted service dimensions, higher rate of saving bank accounts that places premium on the health and safety of the bank. El Banco's service losers include fee based service, less number of branches and fee as fine on check bounce and again community based service.

3. Differentiation is achieved by utilizing the cost and demands of targeted customers and this target may be community based. These differentiating

features include Tangibility of assets, this reminds the customer of services or products purchased so that he may turn to the same place every time like souvenir, diaries etc. Customization of the product according to the customers need and the population demand can differentiate banking features like El Banco uses informal environment to attract Latino People. Increasing safety and reducing risks which is due to lack of knowledge of service, customers have to bear high risks and if the banks ensure risk management they will be able to attract customers to their services. Then there is personnel training which is an important agenda that increases competitiveness and differentiates customer base, as trained employees are more effective in explaining policies to the customers. There is Quality control, which is delivering of consistent quality in services, like reliability and speed of transactions and easy fund transfers help banks to set up a niche for their growth in the competition. Lastly there is the focus strategy which is aimed at targeting a particular segment of customers either on geographical basis or community basis than competing for the whole market for efficient management of the activities.