

The characteristics of  
the product and  
services offered by  
hsbc in a target  
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This assignment is produced to describe the characteristics of the product and services offered by organization in a target market. It will assess the various situational influences that may impact on a consumer's decision to purchase the product / services. It describes how a consumer in the identified target market go through the consumer decision process and what benefit it can give to the marketing manager. Overall it discuss about the target market, positioning and the strategy used in it. I have selected the banking services and particularly HSBC.

Introduction:

The organization I have chosen is HSBC which is the world's largest bank.

Headquartered in London, HSBC Holdings plc is one of the largest banking and financial services organizations in the world. HSBC's international network comprises over 9, 500 offices in 79 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa.

Through an international network linked by advanced technology, including a rapidly growing e-commerce capability, HSBC provides a comprehensive range of financial services: personal financial services; commercial banking; corporate, investment banking and markets; private banking; and other activities. The product and services offered by HSBC include; banking services, credit services, loans, mortgages, investment etc.

The HSBC Group is named after its founding member, The Hong Kong and Shanghai Banking Corporation Limited, which was established in 1865 to finance the growing trade between China and Europe.

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The inspiration behind the founding of the bank was Thomas Sutherland, a Scot who was then working as the Hong Kong Superintendent of the Peninsular and Oriental Steam Navigation Company. He realized that there was considerable demand for local banking facilities in Hong Kong and the China coast, and he helped to establish the bank in March 1865. Then, as now, The Hong Kong and Shanghai Banking Corporation's headquarters were at 1 Queen's Road in Hong Kong and a branch was opened in April 1865 in Shanghai.

Throughout the late nineteenth and early twentieth centuries, the bank established a network of agencies and branches based mainly in China and South East Asia but also with representation in the Indian sub-continent, Japan, Europe and North America.

The product I have picked up is their banking service.

Target Market Characteristics and positioning:

Target marketing is defined as the identification of the market segments that are identified as being the most likely purchasers of a company's products.

Specifically, the advantages of target marketing are:

- 1.) Marketing opportunities and unfilled 'gaps' in a market may be more accurately appraised and identified.
- 2.) Market and product appeals through manipulation of the marketing mix can be more delicately tuned to the needs of the potential customer.

3.)Marketing effort can be concentrated on the market segment(s) which offer the greatest potential for the company to achieve its goals

The information needed for a target market are market characteristics, market trends, market factors- market size, environmental factors, competitors, customers, decision making process, customer factors- type of decision made, influencing factors, timing of decisions.

### Product positioning

Any company willing to success has to develop a positioning strategy for each segment it chooses to serve which is nothing but the task of ensuring that a particular company's products occupy a planned for place in chosen target markets, pertinent to opposing competition in the marketplace. The key aspects of positioning approach is based on the following assumptions.

1. All products and brands have both objective attributes and subjective attributes.
2. Potential purchasers might think about one or more of these attributes when deliberating which product and/or brand to purchase.
3. That potential customers have their own thoughts about how the various competing products or brands rate for each of these particular attributes.

([www.marketingmasters.co.uk/geoff](http://www.marketingmasters.co.uk/geoff))

In case HSBC it has its own strategy. It has targeted the whole world and has started that from Hong Kong. It has positioned itself in such a way that anyway in the world is always willing to be its customer. They believe in local

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knowledge and therefore has targeted local people as their staff who will help to get the local market.

### Position Strategy at HSBC

To truly understand a country and its culture, you have to be a part of it. That's why at HSBC, they have local banks in more countries than anyone else. And all of their offices around the world are staffed by local people. It's their insight that allows HSBC to recognize financial opportunities invisible to outsiders. But those opportunities don't just benefit their local customers. Innovations and ideas are shared throughout the HSBC network, so that everyone who banks with them can benefit. Think of it as local knowledge that just happens to span the globe.

### Situational Influences:

It is the temporary environmental factors that form the context within which a consumer activity occurs at a particular time and place.

The various environmental/situational influences are:

#### 1. Physical surroundings:

It is the concrete physical and spatial aspects of the environment encompassing a consumer activity. Some of these are under control but not all.

#### Non spatial:

Music, aroma, lighting, noise, humidity, weather etc,

Spatial:

density/crowding, store location, store displays, etc.

The physical surroundings of HSBC are really attractive and well facilitated.

They have well trained staff, well fitted ATM machines, phone services at every banks, well arranged layout.

## 2. Social Surroundings:

It deals with other persons present who could have an impact on the individual consumer's behavior; the effects of other people on a consumer in a consumer activity. The intention and motive of person is totally depended on the society. Lets take an example where someone has made a mind to watch an adult movie tonight and brought some videos for that but suddenly found that his mum comes to him to stay for the night and sleeps in the room having TV.

What will the man do? Will he still watch the movies? What happens if his friend come in place of his mum? There is no way he is going to do that in the first scenario but he will do it in the next scenario. So an activity is totally determined by the surroundings. It is also determined by: culture, subculture, social class, reference groups, family etc. The social surroundings of HSBC has to do nothing with anyone in the society. But the family and the society might have influence on individual decision to have an account at HSBC. Say if Dad has an account with HSBC it is likely that his children will have account with HSBC as well. Similarly to take a loan from the bank will be dependable on the family matter as well.

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### 3. Task Definition

The product and the services we buy reflects the purpose or reason for engaging in the buying or consumption behavior For example going to shopping for the following purposes:

shopping for a birthday gift

shopping for bread and milk

shopping for an interview outfit

using a computer at home

using a computer at work

Here the purpose of having a bank account is to save money for security. For the business account it is also required to make payment to staffs and the traders. So HSBC should be able to provide security to customers deposit to get more and more customers and should be able to give more facilities on the banking than its competitors apart from providing efficient service.

### 4. Time And Temporal Perspective

It deals with the effect of time on consumer behavior Contrast: One has a job interview lined up for next Wednesday and need an interview outfit. One will be graduating in two years and will need to find an interview outfit before then. In case of banking the account holder needs access to the account everyday.

## 5. Antecedent States

features of the individual person that are not lasting or relatively enduring characteristics

Include:

Momentary moods are such things as temporary states of depression or high excitement. It will decide a person feelings to have an account with HSBC. It will help the account holder to go for credit cards or not. (Moods are transient feeling sates that are not tied to a specific event or object.)

Momentary conditions are such things as being tired, feeling ill, etc. Now if someone is in debt then the moment will stimulate him to get a credit card and pay the debt. It might stimulate to burrow a loan from the bank.

Situational influence has great impact on banking service. Today the situation has forced people to have a bank account. To get paid one needs bank account, to get loans one need to have an account, to get credit facilities one need to have an account etc and HSBC has taken this situation as their opportunity. To motivate students to have an account with them they have given interest free overdraft facilities, loan options, to business they have done investment, given loans. To attract individual they have given various account options like current account, saving accounts, fixed deposit accounts. They have given credit cards, overdrafts etc. Apart from these they attract people by offering mortgages and loans.