TERM PAPER ON ROLES OF TECHNOLOGY IN DEVELOPING MARKETING STRATEGIES OF



Course: Marketing Management (MKT201)

SUBMITTED BY

Md. Muhibur Rahman

Sifat Ahmed

Farah Sanjid

Department of Business Administration



DATE OF SUBMISSION: 02 AUGUST 2010

Mr. Mahmud Zubayer Assistant Professor Department of Business Administration East West University Mohakhali, Dhaka.

Subject: Submission of the term paper/report of Marketing Management course.

Dear Sir,

We would like to inform you that we have submitted the report on "Roles of Technology in Developing Marketing Strategies of The City Bank Ltd." under MKT201 (Marketing Management) course. It was a great pleasure for us to do the assign job. We came to know about many things about the current world of technology based marketing and their practice.

So, we request you to accept the report and give us a proper suggestion to work in the battlefield of life. If we did any mistakes we are looking forward for your important advice.

Sincerely yours, Md. Muhibur Rahman Sifat Ahmed Farah Sanjid Section# 3

Date: 2nd August, 2010



Acknowledgement

First of all, we would like to thank and give our greatest gratitude to our honorable course instructor Mr. Mahmud Zuabyer, who has been very much friendly and approachable behavior towards us through out the course and has given us a lot of guidance in preparing our term paper.

We would also like to express our appreciation to the people/employees of City Bank, who have helped all through the work. Without their help it would not have been possible to prepare the term paper properly. They responded to our questionnaire and provided all types of necessary information and explanations. We would like to thank our all group members who were very much friendly and sincere to complete the work. We would like to mention that we might not be able to complete these work properly. However, we hope that this course as well as this work experience will help us to build our career in a successful and precise manner in this arena.



Table of Content

No.	Topic	Sub Topic	Page No.
i.	Executive Summery		5
ii.	Introduction		6-9
iii.	Objectives of the Study		9
iv.	Methodology of The Study	(a) Research Method	10
		(b) Primary Sources	10
		(c) Secondary Sources	10
		(d)Limitations of The	11
		Study	
v.	SWOT Analysis on	(a) Strength	12
	Technology Based	(b) Weakness	12
	Marketing Campaign	(c) Opportunity	13
		(d) Threats	13
vi.	Technology Based Tools for	(a) Technology in	14-16
	Marketing	Banking Services	
		(b) Advertisements	16-17
vii.	Perceptions of Technology	(a) Management	18
	Based Marketing Campaign	Perceptions	
		(b) Employee	18
		Perceptions	
		(c) Customer	18
		Perceptions	



		(d) Government	19
		Perceptions	
viii.	Future Growth of		19
	Technology Based		
	Marketing Campaign		
ix.	Recommendation on Study		20
х.	Conclusion		21
xi.	Sources		22



Executive Summery

The City Bank Limited has started its operation that is; the date of incorporation is March 14, 1983 under the license issued by Bangladesh Bank as the first private sector Bank in Bangladesh with authorized capital of Tk. 1.75 Billion. The bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in 1986 as a publicly traded company for its general class of shares.

The City Bank Limited serves its customers at home with 83 branches spread over the country with total manpower of 1991.

On 5th July 2008, The City Bank Limited changed its brand name into, simply, City Bank. They also change there logo strategy of marketing. They change there slogan which "For relationship banking" to the new one "Making sense of money".



Introduction

The City Bank Limited has started its operation that is; the date of incorporation is March 14, 1983 under the license issued by Bangladesh Bank as the first private sector Bank in Bangladesh with authorized capital of Tk. 1.75 Billion. The bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in 1986 as a publicly traded company for its general class of shares.

The City Bank Limited serves its customers at home with 83 branches spread over the country with total manpower of 1991. The Bank has expanded its services over the years, which covers wide diversified areas of trade, commerce & industry. They have always tried to provide different products and services to the customers through their wide and ever growing domestic network.

The above rating has been done on the basis of the banks' visible improvements in some of the operational areas such as capital sufficiency, asset quality, operational efficiency, financial performance technology base marketing etc.

The City Bank Limited has already introduced some new Banking products like duel currency Credit Cards, ATM and Online services which has created attraction among the clients. The Bank is going to introduce real time Internet, SMS and Phone Banking systems with all modern delivery channels at an early date.

Missions of City Bank:

City Bank has certain missions that they focus on achieving. These are as follows:

> To contribute to the socioeconomic development of the country



- To attain the highest level of customer satisfaction through extension of services by dedicated and motivated team of professional
- > To maintain continuous growth of market share ensuring quality
- > To maximize bank's profits by ensuring its steady growth
- > To maintain the high moral and ethical standards
- To ensure participative management system and empowerment of Human Resources
- > To nurture an enabling environment where innovativeness and performance is rewarded

Major Competitors of the bank

The City Bank Limited is the first private sector Bank in Bangladesh. Since 1983 it has been operating successfully in Bangladesh. It is one of the First Generation banks. Other First Generation banks are AB Bank Ltd, IFIC Bank Ltd, UCBL, National Bank Ltd and Islami Bank Bangladesh Ltd.

The Environment and Marketing Strategy:

The environment of a bank refers to all the physical and social characteristics of consumers external world, including physical objects, spatial relationships, decorations of the bank or the outlook of the bank from both inside and outside and the social behavior of the people around the bank.

The City Bank has created and always does focus on the ambiance of the bank from both internal and external perspectives. They are especially interested in the interpreted environment; also called the functional or perceived environment since this is what influences consumer's actions. This is also due to the fact that each client has a unique set



of knowledge, meanings and beliefs, the perceived or functional environment that each customer will be somewhat different. They primarily seek to understand the consensus interpretations of the environment shared by groups of customers.

The environment can be analyzed at two levels: the micro and the macro environment. The macro environment included the large scale broad environmental factors such as climate, economic and political situations etc. City Bank however hardly deals with this level of environment, even though their activities get hampered due to such changes. They mostly focus on the micro environment which refers to the more tangible physical and social aspects of an individual customer's surroundings. For example, if the floor of the bank is dirty, then clients would not feel like coming back to them. City Bank focuses on creating and offering exceptional physical and social environment.

The physical environment includes all the nonhuman, physical aspects in which consumer behavior occurs. Virtually any aspect of physical environment can affect consumer behavior. The physical environment is divided into two parts: the spatial elements and non-spatial elements. Spatial elements include physical objects like the brand, interior design etc. City Bank does focus on some of the spatial elements like its interior design. They have created an environment which is friendly, clean and soothing. The whole areas of the banks are well spaced. The cabins are placed separately and in a modern way. There is enough space for people to walk around, waiting space for clients are also there. In the head office, all the departments like the finance, marketing, customer service etc are located in separate floors. The whole theme of City Bank is red and white and it is focused and highlighted all around the bank. Separate counters have their own queue space so that when many people are standing, it looks very organized. They focus on the non- spatial elements of the environment as well. These are the intangible factors such as the lighting, temperature, noise etc. City Bank looks very bright and vibrant. The illumination is not dull; there is enough lighting and also centrally airconditioned.



City Bank emphasizes on the social environment of the bank to great extent. The social environment includes all social interactions between and among the general people. They have very friendly employees who are very cooperative and always around to help the clients with their required information. All of them are well skilled and can communicate very fluently in Bengali and English language. This helps the people to communicate and understand better regarding City Bank's offerings and other queries.

City Bank has identified and is always on the process of further improving the social and physical environment. This helps them to understand their customer's affective, cognitive and behavioral responses to their environmental factors and also their banking activities. They are always trying to develop marketing strategies that modify their environment in order to stimulate, facilitate and reinforce the desired behaviors.

Objective of the study:

- To complete the partial requirement of Marketing Management (MKT201) course.
- To find out the uses of marketing technologies in City Bank's marketing campaign.
- > To find out the value of technology based marketing in Bangladesh perspective.
- > Types of technologies are being used in banking sector of Bangladesh.
- > Realizing the growth of technology based marketing in Bangladesh.



Methodology of The Study

Research method:

We collect primary and secondary data from different sources. We find out how the bank is implementing technology based marketing strategies and using technology to develop marketing strategy. We also talk with some customers of the bank to find out their views and response towards technology based marketing campaign. Then we analyze all the data and make the report on it.

Primary Sources:

We communicated with the bank for collecting primary data. We visited the head office of The City Bank in Gulshan and one of its main branches in B. B. Avenue, Dhaka to meet in person with the officers of the bank. We ask them more than 25 questioner about bank's marketing strategy and implementation of technology to develop those strategies.

Secondary Sources:

Websites of City Bank, annual report and brochure of the bank, news papers, television advertisements and some other websites were used as the secondary sources of data.



Limitation of The Study:

Although we tried our level best the report may suffer from limitations, which is completely unintentional. In preparing this report, we have face several problems and they were-

- We did not get information about detail marketing strategies of the bank as those are confidential.
- Sometimes respondent officers were not capable of answering question because they could not recollect or had never given attention to what they do and why. Respondents may have answered the question without knowing correct answer in order to appear smart, or they may have try to help us by giving pleasing answer.
- Few data related to technology based marketing campaign may have some error as the bank did not provide it's actual cost/investment for marketing department in any booklet or other sources.
- We did not get sufficient time to complete this report successfully; we made it as early as possible.
- There is lack of sufficient primary and secondary data related to roles of technology in marketing strategy.



SWOT Analysis of City Bank Technology Based Marketing Campaign

4 <u>Strength:</u>

- 1. With using Technology base marketing it is easy to inform the customer that what company's new offer is.
- 2. Technology base marketing is a new idea so it is good and much easy to convince the customer.
- 3. Using technology base marketing it is easy to add new value and promotion.
- 4. Technology base marketing can get full media coverage for there marketing campaign.

Weakness:

- 1. Implementation of new technology base marketing strategy is some time hard for an age old first generation bank.
- 2. Though City Bank use Technology base marketing campaign, but 70% people in Bangladesh did not know about Technology and 38% people in Bangladesh are illiterate.
- 3. Using so much Technology based marketing campaign may cause the bank less relationship with the customer.
- 4. The people who live in village most of them are illiterate and it is hard to rich them by using media coverage. So technology base marketing is only city based for this reason huge numbers of people are not reached by this campaign.



<u> Opportunity:</u>

- 1. Now a days people are conscious about technology and the rate of literacy are is growing so technology base marketing can be successful.
- Bangladesh government announced that 'Digital Bangladesh 2021'.Which only success with help of technology in education, business, and finance. Technology base marketing can help to make "DIGITAL BANGLADESH".

<u>Threats:</u>

- 1. The threat of Technology based marketing is competitor may use same type of strategy.
- 2. Investing higher amount of capital on technology base marketing in Bangladesh prospective it is so much hard to find the return.
- 3. Some time imposing Government rolls and regulation may hamper Technology base marketing campaign like (imposing rolls on advertisement or Band the Bill Board).



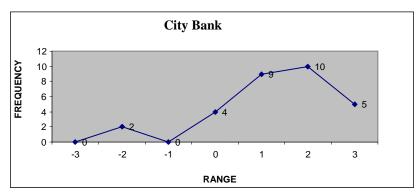
Technology Based Tools for Marketing

H Technology in Banking Services:

Online Banking

City Bank offers online banking in all its 87 branches, 14 SME Business Centers and 10 SME Service Centers. All the branches has been operating under online system since February 19, 2009. Online banking service of the bank provides its customers a great value which boosts up City Bank's marketing strategies also.

Compare to the other bank city bank online banking situation is shown in graph.



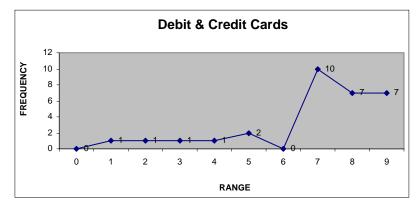
> ATM/POS Service:

The bank also takes concern of its ATM and POS services to develop it's marketing strategies. The City Bank has 47 ATM booths in different parts of the capital and other districts. It has also taken initiative to set up more ATM booth in the country. There are a large number of POS terminals in many wholesalers, retail stores, departmental stores, show rooms, restaurants, hotels, airlines and other transportation services', amusement parks, hospitals and many other places.



> Debit Card & Credit Card Facilities:

City Bank launched *VISA* branded City Debit Card in Bangladesh. Now a days ATM card is a fashion to the young people. City Bank use this perception and offer debit card for all types of account holders. This *VISA* branded debit card create a new dimension in City Bank's retail marketing strategy. City Bank also offers two globally renowned brand's dual currency credit cards. One of them is *VISA* and other one is AMERICAN EXPRESS which gives a new dimension in City Bank's marketing campaign. The graph given below shows the frequency of debit and credit cards of city bank that customer use.



City Wallet (Mobile Phone Banking):

The City Bank Ltd. launched 'City Wallet' for the first time in Bangladesh in October 27, 2009, mobile banking installed in customers' phone sets menu option. Customers having a JAVA enabled cell phone with Internet access are no longer required to typing-in the keywords in order to get SMS banking services. Customers who do not have JAVA enabled cell phone, however, have the option to avail traditional SMS Banking by typing in keywords and sending that a short code number (9696). Following a simple registration process, the account holders of City Bank will now be able to avail themselves of all basic banking services through City Wallet like account balance enquiring, mini statement, transaction inquiring up to last 20 transactions, branch and ATM information, foreign exchange rate enquiring and also real-time customer service



➢ i-Bank:

City Bank has introduced its new internet banking service "i-Bank". Customers now can view account summary, account details, print statement, do cheque book enquiry and view standing instruction from logging in to City Bank's i-bank portal from anywhere of the world. City Bank use this offer to attract busy people and interested customers those who want to enter in new era of banking in our country.

Advertisements:

Print Media Advertisement

Print media advertising is a part of technology based marketing campaign and it creates a great value for this type of firms. City Bank also gives many newspaper advertisements time to time. City Bank invests a lot of money in different Bengali and English newspaper advertisement after it launched the AMERICAN EXPRESS credit card in November 2009. The bank also gives advertisement through print media of its different achievement.

Electronic Media Advertisement

City bank played an interesting 30 seconds advertisement in all the local television channels which gives people the lesson of "making sense of money". The bank also provides some other types of promotional advertisements in news time.

> E-mail Marketing

The bank also use e-mail for doing its marketing campaign. The bank time to time send e-mail to its customers about new services, about its partners,



about new offers for its credit card holders and about different events sponsored by The City Bank Ltd. or in different festivals.

> Website:

City Bank has a rich website (<u>http://www.thecitybank.com</u>), where all types of information are gathered and anyone can access these information about bank's management, services and other queries. Customers can also download different types of forms from this website. Beside this City Bank is also associated with some other websites to develop its brand and products. For example: City Bank has its group in social networking sites like Facebook.

> Mobile/ SMS Marketing:

City Bank uses SMS marketing as one of its top marketing strategies. The bank send SMS information about its new services, offers and greetings to the customers in different occasions.

Bill Board Advertising

There are many bill boards in different locations of Dhaka, Chittagong, Sylhet and other districts of Bangladesh. City Bank uses these bill boards to acknowledge people about its new products/services, bank's achievements and to raise social awareness. City Bank also made shade for passengers in different locations of Dhaka City which bear advertisements of the bank.

Hand Bills/ News Later

City Bank provides hand bills and news later regarding their services, information about account opening, loans, ATM cards etc in its all branches, ATM booths and SME service centers.



<u>Perceptions of Technology Based Marketing</u> <u>Campaign</u>

Management Perceptions:

The management of the City Bank Ltd. has taken the technology based marketing campaign as a challenge to reassemble the bank as the bank change its logo in July 5, 2008. Management wants to develop the new "City Bank" brand by technology based marketing campaign.

<u>Employee Perceptions:</u>

Employees of the bank also have positive attitude towards the technology based marketing campaign of the banks. Employees are working harder to make it a successful strategy for the bank. Technology based marketing also help them to work more effectively and it reduces their job pressure.

<u>Customer Perceptions:</u>

Customer perception of any new activities of firm is very important. Customers of City Bank can take the highest benefit from the technology based marketing campaign. By this customers can know about many services of the bank very easily. Different types of advertisements by using technology are setting up a great brand value of City Bank in customers mind. They can contact with the bank in any convenient way by using technology. All these things are helping the bank to create a good relationship with its customers.



Government Perceptions:

Government of Bangladesh also provides help to the firms to develop marketing and other activities through technology. But sometime few rules and regulations hamper the process of using technology in organizational activities.

<u>Future Growth of technology based marketing</u> <u>campaign</u>

In Bangladesh so many companies are using technology based marketing to enter the market, position in the market and capture the market share.

Banking sector is number 2 position in using technology on there marketing campaign they can be in number 1 position. To do this they can gave innovative idea with the help of technology. Like now a days customer need to go to the bank for deposit, return, issue a check and other purpose. Bank can develop software and give it to the entire customer. Customers also have a secret ID and Password.

With the help of the software and using ID, Password customer can access there account and also deposit and return money, issue check. Another way of technology base marketing is RDS advertisement. Here bank uses Advance Radio Display Service for advertisement.



Recommendation on Study

City Bank's should concentrate more on their ATM services and other consumer outlets. It is better for them if they start their online banking system fully functional as soon as they can. Besides City Bank will also have to concentrate on their marketing strategy as some people think it is not a local bank but a multi national bank. This will lead some retailers to decide not to bank in there as against multinational banks consumer feel inferiority complex sometimes.

City bank also needs to consider marketing tools also. Thy need focus on marketing based on technology. They may expend there online banking, ATM booths, mobile banking etc. they need to give more television advertisement for brand locality.



Conclusion

The City Bank Limited has already introduced some new technology based banking products like duel currency Credit Cards, ATM and Online services which has created attraction among the clients. They also started journey in the world of technology based marketing. The Bank is going to introduce many technologies to develop their marketing strategies including real time Internet, SMS and Phone marketing systems with all modern delivery channels at an early date. By doing their work properly and introducing new kind of marketing tools. The City Bank is contributing a lot in the economy of the country and enriches its capital and as a result recently the bank is awarded as The Asia Banker's "**The Strongest Bank in Bangladesh-2010**"



Sources

- 1. "Annual Report 2009", The City Bank Limited.
- 2. City Bank official website, <http://www.thecitybank.com>
- 3. "Commercial Advertisement" Daily Prothom Alo, November 9, 2009.
- 4. "City Bank Launches AMEX" Daily Star, November 9, 2009.
- 5. "City Bank Launches New Product 'City Wallet", Daily Financial Express, October 27, 2009.

