



**Marketing Situation of Industrial and Commercial Bank  
of China Limited (ICBC) Anhui Anqing Branch**

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Abstract

Industrial and Commercial Bank of China Ltd. (ICBC) is the largest bank of the four state-owned commercial banks in China. The bank has many provincial branches and one of them is the Commercial Bank of China Ltd (ICBC) Anhui Anqing Branch situated in the City of Anqing. The objective of this thesis was to study the market situation of ICBC Anhui Anqing Branch in Anqing city and to find out the main problems in the operation of the bank.

Both a quantitative questionnaire survey and qualitative interviews were carried out to gather background information about the business performance of ICBC Anhui Anqing Branch. Based on the results of the survey and the interviews, a SWOT analysis was made to provide an overview on the performance of the bank. The theoretical part of the thesis introduces marketing strategy and planning, marketing communication and branding as well as environmental analysis.

In conclusion, general observations on the market situation of ICBC Anhui Anqing Branch are provided based on the results received by means of the survey and interviews. Furthermore, suggestions for improving the bank's business situation are given taking the specific environmental aspects, industrial development and cultural features into consideration.

Keywords

Marketing performance, Environment analysis, Marketing communication

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## **1 INTRODUCTION**

Banks are financial institutions which carry money and credit operations, through the issuance of credit currency, management of currency in circulation, regulating the money supply, monetary savings and loan processing and settlement, acting as credit intermediaries. Bank is the main body of the modern financial industry. It is the hub of economic operation as well.

Banks of the modern capitalist state have a wide variety of structures and organizational forms. Divided according to their functions are: the Central Bank, commercial banks, investment banks, savings banks and various professional credit institutions. It has been basically formed a modern capitalist state bank system with a central bank as the center, shares of commercial banks as the main and the coexistence of various types of banks State.

After the founding of the People's Republic China, China has formed a state bank system with a central bank, the banking regulators, policy banks, commercial banks and other financial institutions as its main parts.

The objective of the research is to study the bank market situation in Anqing city and find out the main problems of ICBC Anhui Anqing Branch then give marketing suggestions to improve the situation of ICBC.

### **1.1 Presentation of ICBC Anhui Anqing branch**

Industrial and Commercial Bank of China Ltd. (ICBC) is the largest Bank of China's 'Big Four' state-owned commercial banks. It was founded as a

limited company on January 1, 1984. In 2005, industrial and Commercial Bank of China Ltd completed the shareholding reform and officially changed its name to “Industrial and Commercial Bank of China Ltd. (ICBC)” and issued shares in Shanghai and Hong Kong successfully.(China information 2009)

At the end of 2011, ICBC had 397,339 employees under payroll. ICBC provided a wide range of financial products and services to 4.12 million corporate clients and 259 million individual customers through 16,227 outlets across China, 203 overseas subsidiaries and a global network of more than 1,562 correspondent banks as well as Internet Banking, Telephone Banking and self-service banking. ICBC established strong presence by its commercial banking operation and rapid expansion to markets worldwide. ICBC held the top slots in the country in many business areas of commercial banking. (ICBC 2010)

Industrial and Commercial Bank of China Ltd. (ICBC) Anhui Anqing branch is one of branches in Industrial and Commercial Bank of China Ltd. (ICBC). It has 41 institutions, including: 8 County Branch, 10 city branches, 32 branch, 8 Savings Bank and 936 employees.

ICBC Anhui Anqing branch always adhere to “the quality, efficiency and scale. The total assets reached 9.578 billion Yuan (1.119 billion euro) in 2010. At the same time ICBC Anhui Anqing branch get the intermediate business income nearly 45 million Yuan (5.26 million euro) up 65% to the previous year. Deposits continued to increase, the structure of lending improved as well. At the end of 2010, the other four state-owned commercial banks decreased 176 million Yuan (20.5 million euro) while ICBC Anhui Anqing branch increased loan to 210 million (24.5 million euro) Yuan ranked first in state-owned banks in Anqing city.

2010 is the “good service” year for ICBC Anhui Anqing branch. On the one

hand, through enhancing staff training and appropriate to extend the service time on the other hand increasing machinery equipment investment ICBC Anhui Anqing branch got the praise of customers.2010 is also the “innovation year” for ICBC Anhui Anqing branch. In 2010, ICBC Anhui Anqing branch offered diversiform products and services to meet different customers’ needs.

ICBC Anhui Anqing branch also focus on company culture. In 2010, group held “person, culture and development of ICBC” speeches several times to encourage employees to further unify their thinking and give full play to lead the development of corporate culture in creating value, image and cohesion of the people.

## **1.2 Target market of ICBC Anhui Anqing branch**

Anqing is a prefecture-level city in south-western Anhui province, East China. It borders Lu'an to the north, Chaohu to the northeast, Tongling to the east, Chizhou to the southeast, and the provinces of Jiangxi and Hubei to the south and west respectively. Anqing is located in the south-western part of Anhui province, and on the northern shore of the lower Yangtze. To the north are the Dabie Mountains. The total area of the prefecture is 16,300 square kilometres, with an urban area of 550 square kilometres

Anqing administers 11 county level divisions which includes 3 districts (Yingjiang, Dagan, Yixiu), 1 county level city (Tongcheng) and 7 counties (Huaining, Zongyang, Qianshan, Yuexi, Taihu, Wangjiang, Susong).Anqing is important for the industries of petrochemical, textile, automobile fittings, food and tea. Until 2010, there are one large petrochemical enterprise (Anqing petrochemical factory) one national textile enterprise ( huamao co,



LTD) and numerous Chinese and foreign joint venture enterprise locates in Anqing. Anqing big power plant is under construction and Anqing Yangtze River Bridge was built.

Anqing is an import port which is on the Shore of Changjiang River. Most citizens in Anqing city are employed by petrochemical, textile, building material and electro-mechanical enterprises.

## **2 MARKETING MANAGEMENT FOR ICBC ANHUI ANQING BRANCH**

In this chapter, an introduction about theories for bank marketing management will be given. It includes develop marketing strategies and plans, the environment analysis, building a strong brand and design and manage the marketing communication.

### **2.1 Marketing strategies and plans**

Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing objectives. Plans and objectives are generally tested for measurable results. Commonly, marketing strategies are developed as multi-year plans, with a tactical plan detailing specific actions to be accomplished in the current year. Time horizons covered by the marketing plan vary by company, by industry, and by nation, however, time horizons are becoming shorter as the speed of change in the environment increases.

A marketing plan is a written document that summarises what the marketer has learned about the marketplace and indicates how the firm plans to reach its marketing objectives.(Wood 2003, 22) it contains tactical guidelines for the marketing programmes and financial allocations over the planning period.( Lehmann and Winer 2001, 78)

The contents of the marketing plan should include:

- Executive summary and table of contents

- Situation analysis
- Marketing strategies and goals
- Financial projections
- Definitions of target groups
- Marketing appearances and actions with time table
- Marketing budgets
- Implementation controls and result control

A good marketing plan must have these criteria: simple, specific, realistic and complete (Berry and Wilson 2000, 18)

In 9<sup>th</sup> June 2009, ICBC announced Development Strategy Plan of ICBC Between 2009 and 2011". In this strategy plan, ICBC issues eight strategies which include: adjustment of management structure, development by areas, innovation, service differentiation, cross-border management, comprehensive risk control, and emphasis on technology and human capital. This development strategy plan propelled the significant transformation in management mode and growth pattern, realized the coordinate development of scale and profit and the co-growth of efficiency and quality, and fulfilled an actual effect that exceeded the expectations. (Industrial and Commercial Bank of China Limited 2010)

## 2.2 Environment analysis

The environment which impacts on international business can be divided into two parts which includes the internal environment and the external environment. This chapter focus on the company environment and cultural environment impacts on the bank business.

The forces in the environment differ in how they may affect a company. Some forces may have a direct and unavoidable impact on a company while others may just have a slight and sometimes ignorable effect. A company should continuously monitor its environment in order to estimate possible changes and in order to estimate the possible impacts that such changes might have on the company. (Kotler et al 2009,156)

In 2010, the ICBC Bank moved faster in business restructuring and advanced the transformation of corporate banking in response to the changes in the macro environment. To maintain its edge in the market, ICBC took a rational approach in the allocation of its financial resources and optimized its credit structure. In order to meet the diversified financing needs of customers, ICBC exerted concrete steps to increase synergy between commercial banking and investment banking and advance its services in investment and financing advisory, underwriting of debt instruments and syndicated loan arrangement. The Bank continued to push ahead its cash management, asset custody, pension fund and corporate wealth management services, and optimized the structure of its corporate banking business. ICBC supported the "Go Global" projects of Chinese enterprises by expanding its services in overseas, cross-border RMB settlement and enhancing its global service capability. Under the

reform of multi-tier customer marketing system, ICBC established a differentiated customer service system to improve the quality of its customer service. ICBC has been named "Best Corporate Bank in China" by the UK *Financial Times*. (Industrial and Commercial Bank of China Limited 2010)

The cultural environment is made up of institutions and other forces that affect a society's basic values, perceptions, preferences and behaviours. People grow up in a particular society that shapes their basic beliefs and values. They absorb a worldview that defines their relationships with others.(Armstrong et al 2009, 98)

The major social culture in Anqing that have a crucial influence on business fields are as follows.

#### Confucianism

"Filial piety" is considered among the greatest of virtues and must be shown towards both the living and the dead (including even remote ancestors). The term "filial" (meaning "of a child") characterizes the respect that a child, originally a son, should show to his parents. This relationship was extended by analogy to a series of five relationships which includes Ruler to Ruled, father to Son, Husband to Wife, Elder Brother to Younger Brother, Friend to Friend.(xin zhong Yao,2000,136). Confucianism also has an invisible dimension when people are marketing their purchasing decision.(Kahal 2001, 128-129).

As a result, customers in Anqing city tend to have the same choice of bank service provider because of their relatives or friends' recommendation, not only due to economic reasons.

### Social Harmony and the Avoidance of Conflict

Social harmony is the great goal of Confucianism—therefore results in part from every individual knowing his or her place in the social order, and playing his or her part well. “Asians often try to avoid conflict and direct confrontation (Kahal 2011, 135). Customers in Anqing city pay much attention on how satisfactory the service of a bank. It is highly recommended that ICBC Anhui Anqing branch attach importance to its counter services and telephone service.

### Reality and stabilisation

Chinese always like reality and stabilisation, most of them try to avoid risk in the conscious mind. (Alon, Ilan, ed, 2003, 192). In Anqing city, most people prefer to do some low-risk low return investment such as funds than high-risk high return investment. It is better for ICBC Anhui Anqing branch consider this feature when they design financial products. Low-risk financial product may be more popular in Anqing city.

### Family orientation and children orientation

Research shows that most Chinese people put family in the first position in their mind. When they face opportunities they consider the family benefit first. Chinese people also put more attention on their children. Most mid-aged Chinese prefer to spend money on their children more than on themselves. Many couples worry about their children’s education, job, marriage and housing and they want to save their money to help their children in the future. ICBC can design some products and services which can help these people manage their finance. It would be very helpful in Anqing market and ICBC can increase their saving deposit by these

products and services as well.

### **2.3 Building brand**

A brand is a name that is given to a particular product or service or range of products or services. It basically exists to distinguish a particular product or service from its competitors. A brand is the embodiment of customer goodwill accumulated during the lifetime of a service or product. It is a sustained effort by the company to encourage people to see its brand in the light in which it portrays it<sup>2</sup>. (Keller 2009, 425)

There are two perspectives to the role of branding: a consumer perspective and a channel members' perspective.

Brands perform many valuable roles for consumers:

- Brands signal a certain level of quality so that satisfied buyers can easily choose the product or service again. (Erdem 1998, 131-157)
- Brands facilitate purchase so that customers don't have high levels of indecisions as to what to buy
- Brands reduce the perceived risk in the purchase situation and reduce the time needed to shop or purchase. As consumers' lives become more complicated, rushed, and time starved, the ability of a brand to simplify decision making and reduce risk is invaluable. (Suri and Monroe 2003, 92-104)

Brands also perform valuable functions for companies:

A brand offers legal protection for unique features or aspects of the product

or services.

- Brands create greater customer loyalty, which provides predictability and security of demand for the company and creates barriers to entry that make it difficult for other companies to enter the market.
- Brand loyalty also means that companies are less vulnerable to competitive marketing activities or to marketing crises.
- Brand loyalty also translate into customer willingness to pay a higher price
- Brands are hard to copy
- Branding can be a powerful means to secure a competitive advantage.
- Brands increase marketing communication efficiencies.
- Brands attract higher-quality employees
- Brands elicit stronger support from channel and supply chain partners
- Brands create growth opportunities through brand extensions and licensing.
- Brands help companies to segment their markets and have different products or services within the same market but aimed at different target markets.(Brennan 2009, 452)

Brands need to be managed. As a company's major enduring asset, a brand needs to be carefully managed so that its value does not depreciate.

Reinforcing brand image requires innovation and relevance throughout the marketing programme. The brand must always be moving forward-but moving forward in the right direction, with new and compelling offerings and ways to market them. (Brady 2009, 443)



The possible methods to reinforce the brand image include the following:

1. Promotion brand construction strategic position
2. Uniform the name of the brand and mark
3. Make sure the core value of the brand
4. Improve the product innovative ability
5. Combine with the marketing communication
6. Reform the human resource management. (Keller 2009, 443)

## **2.4 Marketing communication**

Marketing communication are the means by which firms attempt to inform, persuade and remind customers-directly or indirectly-about the brands they market. In a sense, marketing communications represent the 'voice' of the company and its brands and are the ways in which it can establish a dialogue and build relationships with customers. (Kotler 2009, 690)

Marketing communication also perform many functions for customers. They can inform or show customers how and why a market offering is used, by what kind of person, and where and when. Customers can discover who develops and supplies the market offering and judge the reputation of the company's brand. There could also be an incentive or reward for trial or usage. Marketing communications allow companies to link their brands to other people, place, events, brands experiences, feelings and things. They can contribute to brand equity-by establishing the brand in long-term memory and creating a brand image-as well as drive sales and affect

shareholder value. (Luo and Donthu 2006, 70-91)

The marketing communication mix consists of eight major modes of communication: (Bennett 1995, 97)

### 1. Advertising

Advertising reaches geographically dispersed buyers. It can build up a long-term image for a product or trigger quick sales. Certain forms of advertising such as TV can require a large budget, whereas other forms such as newspaper do not. Just the presence of advertising might have an effect on sales: consumers might believe that a heavily advertised brand must offer 'good value'.(Moorthy and Hawkins 2005, 354). Because of the many forms and uses of advertising, it is difficult to make generalisations about it (D. Vakratsas and T.Ambler,1999,26-43). Yet a few observations are worthwhile: (Goodman 2009, 709)

1) Pervasiveness: advertising permits the seller to repeat a message many times. It also allows the buyer to receive and compare the messages of various competitors. Large-scale advertising says something positive about the seller's size, power and success.

2) Amplified: expressiveness: advertising provides opportunities for dramatising the company and its products through the artful use of print, sound and colour.

3) Impersonality: the audience does not feel obligated to pay attention or respond to advertising. Advertising is a monologue in front of , not a dialogue with, the audience.

### 2. Sales promotion

Companies use sales promotion tools-coupons, contests, premiums, and

so on –to draw a stronger and quicker buyer response, including short-run effects such as highlighting product offers and boosting sagging sales. Sale promotion tools offer three distinctive benefits: (Goodman 2009, 709)

- 1) Communication: gaining attention and that may lead the buying to the products.
- 2) Incentive: incorporating some concession, inducement or contribution that gives value to the consumer
- 3) Invitation: including a distinct invitation to engage in the transaction now.

### 3. Public relations and publicity

Marketers tend to underuse public relations, yet a well-thought-out programme coordinated with the other communications mix elements can be extremely effective, especially if a company needs to challenge consumers' misconceptions. (Goodman 2009, 709)

The appeal of public relations and publicity is based on three distinctive qualities (Rothenberg 2007, 27)

- 1) High credibility: New stories and features are more authentic and credible to readers than advertisements
- 2) Ability to catch buyers off guard: Public relations can reach prospects that prefer to avoid sales people and advertisements.
- 3) Dramatisation: Public relations have the potential for dramatising a company or product.

#### 4. Events and experiences

There are many advantages to events and experiences among which are:  
(Goodman 2009, 710)

- 1) Relevance: A well-chosen event or experience can be seen as highly relevant because the consumer gets personally involved.
- 2) Involvement: Given their live, real-time quality, event and experiences are more actively engaging for consumers.
- 3) Implicitness: Events are an indirect “soft sell”

#### 5. Direct marketing

Direct and interactive marketing takes many forms-over the phone, online or in person. They share three distinctive characteristics. Direct and interactive marketing messages are: (Goodman 2009, 711)

- 1) Customised: The message can be prepared to appeal to the addressed individual
- 2) Up to date: A message can be prepared very quickly.
- 3) Interactive: The message can be changed depending on the person's response.

#### 6. Interactive marketing

Online activities and programmes designed to engage customers or prospects and directly or indirectly raise awareness, improve image or elicit sales of market offerings (value packages, i.e., combinations of products and service attributes). (Goodman 2009,702)

## 7. Word-of-mouth marketing

Word of mouth also takes many forms online or offline. Three noteworthy characteristics are: (Goodman 2009, 711)

- 1) Credible: because people trust others they know and respect. Word of mouth can be highly influential
- 2) Personal: word of mouth can be a very intimate dialogue that reflects personal facts, opinions and experiences.
- 3) Timely: it occurs when people want it to and when they are most interested, and it often follows noteworthy or meaningful events or experiences.

## 8. Personal selling

Personal selling is the most effective tools at later stages of the buying process, particularly in building up buyer preference, conviction and action. Personal selling has three distinctive qualities: (Brady 2009, 711)

- 1) Personal interaction: Personal selling creates an immediate and interactive episode between two or more persons. Each party is able to observe the other's reactions.
- 2) Cultivation: Personal selling also permits all kinds of relationships to spring up, ranging from a matter-of -fact selling relationship to a deep personal friendship.
- 3) Response: The buyer feels under some obligation following the sales talk.

### **3 QUESTIONNAIRE SURVEY ABOUT MARKET SITUATION AND CUSTOMER SATISFACTION**

In the thesis research, both a quantitative questionnaire survey and two qualitative interviews were used to get an abstract of the marketing performance of ICBC Anhui Anqing branch and a collective list of comments and suggestions for ICBC Anhui Anqing branch. When the data collection steps were over, the data was analyzed to realize the preference and custom of customers then summarized the existing problems for ICBC Anhui Anqing branch.

#### **3.1 Questionnaire research implementation**

Questionnaire was chosen as a quantitative research method. Both the basic information of respondents such as gender, age, income level, and profession and their response and opinions for ICBC Anhui Anqing branch's products and services can be collected from this questionnaire.

##### Question arrangements

The questionnaire included fourteen closed questions and two open questions. For reducing the response time a recorder was used to record repliers' answers to the last two open questions. After testing, the questionnaire could be finished within 5 minutes.

Totally 300 questionnaires were printed and distributed in the main public

places in Anqing city. The major distribution localities were: Zhong Yi Mall, Golden Hua Lian Supermarket, Xin Bai Market, Anqing Stadium, Ling Hu Park, Anqing University and Anqing Hotel. These positions spread in all areas of Anqing city and can be easily reached by all age group persons and people from different professions.

The complete rate of the questionnaire is 100 % and because we worried about respondents may not have enough time to answer the last two open questions in questionnaire we use recorder to record their answers.

The English questionnaire is appended in appendix 1 and the Chinese questionnaire can be found in appendix 2.

### 3.2 Data analysis on basic information of responders

The first four questions in the questionnaire are used as collecting the background information about respondents. It includes the respondents' gender, age, income level, and profession.

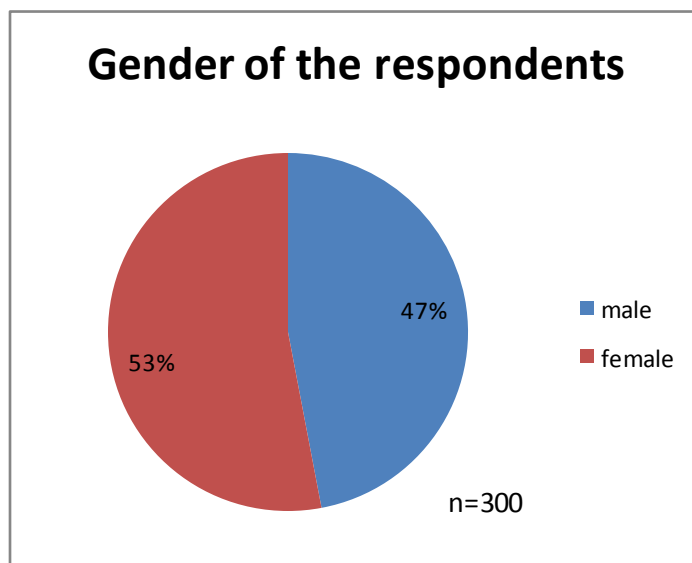


Figure 1. Respondents' gender.

Totally 300 respondents participate the questionnaire survey. It includes 159 female and 141 male which occupied 53 % and 47 % respectively in total respondents. The gender of respondents is around equal division. It reflects that the analysis on the questionnaire data can represent each gender's opinions.

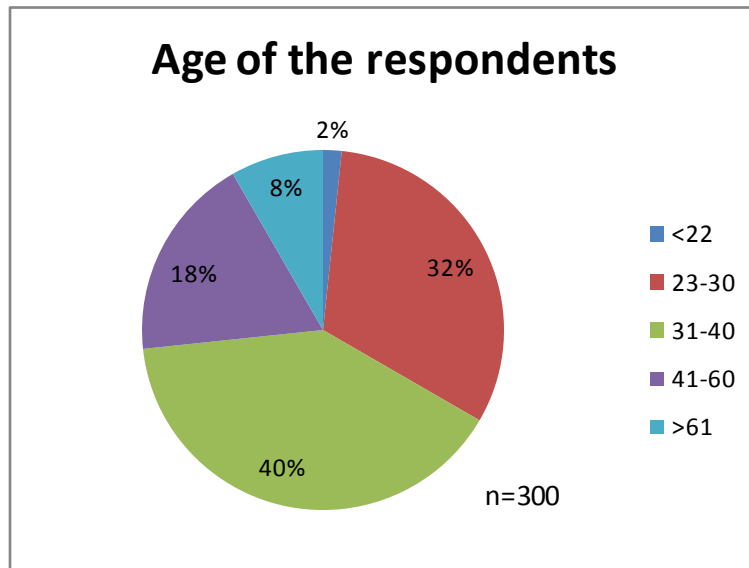


Figure 2. Respondent's age.

About 40 % of respondents came from age group 31 to 40. After them, there is age group 23 to 30. They occupied 32 %. Age group 41 to 60 and over 61 are 18 % and 8 % respectively. The age group less 22 is 2 %.



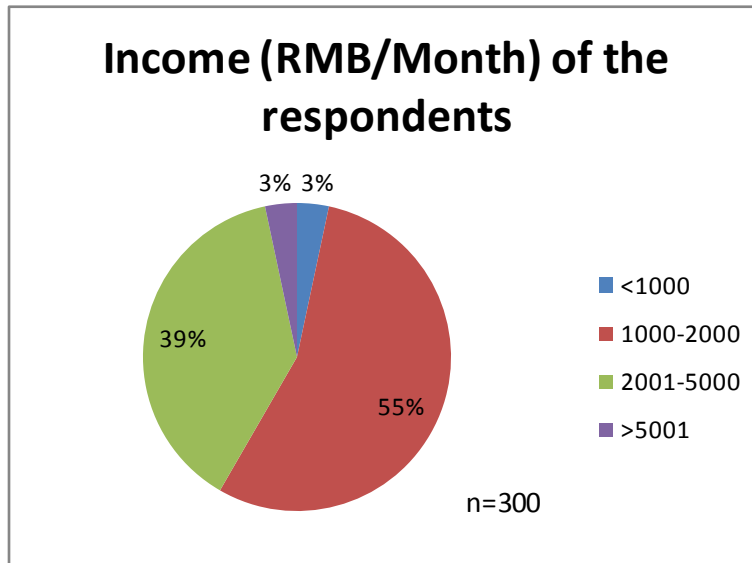


Figure 3. Respondents' income.

Most of respondents (about 55 %) got salary from 1000 to 2000 per month. 39 % of repliers have income 2001 to 5000 per month. Only 3 % of respondents got over 5000 RMB monthly and the people who got less than 1000 RMB monthly is also 3 % in total amount.

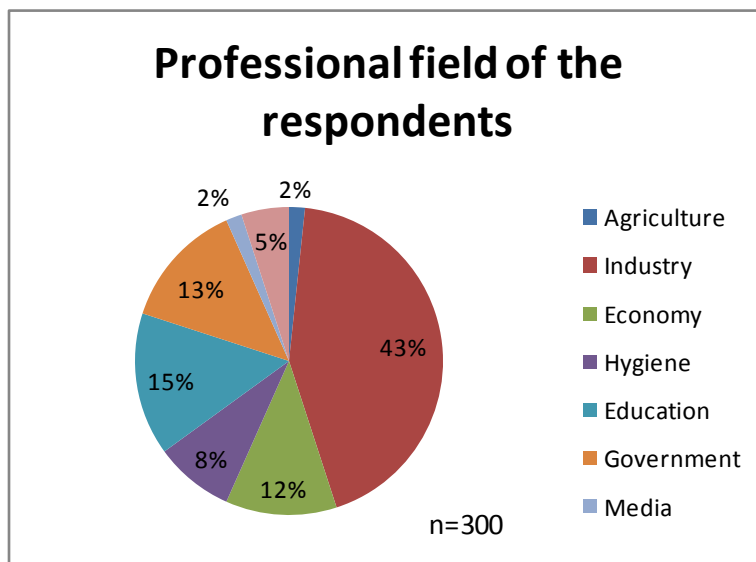


Figure 4. Respondents' professional field.

From Figure 4, an obvious appearance is about 43 % of respondents work

in industry. It is due to the fact that Anqing city is an industrial city. People came from other professional field are almost average in total amount expect the repliers from agriculture and media. Since all the survey was processing in the urban district, few citizens work in agriculture in the urban district and for media employees, it may due to the fact that they are too busy to participate the survey.

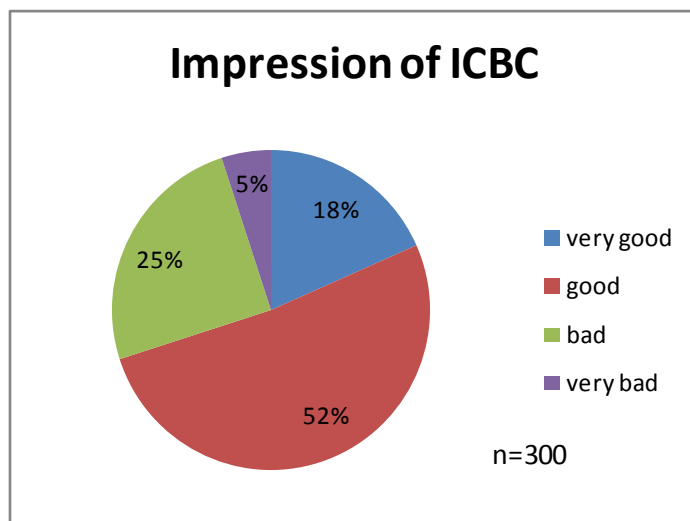


Figure 5. Impression of ICBC.

From figure 5 over 50 % respondents have good impression for ICBC Anhui Anqing branch. If we calculated "very good" and "good" impression together totally 70 % respondents have good impression on ICBC Anhui Anqing branch. It means ICBC Anhui Anqing branch satisfied most of customers while there were still 5 % repliers have very bad impression about ICBC Anhui Anqing branch. Combining the last question (what's your suggestions for ICBC Anhui Anqing branch) we could find the issues which make persons feel unsatisfied are: 1 the queuing time is too long 2 some staff service attitudes are bad. They reflect two serious problems for ICBC Anhui Anqing branch which are: 1 service windows are few. When customers did business in ICBC bank at a busy time they need to wait

more than 30 minutes 2. Some staff members lack professional etiquette.

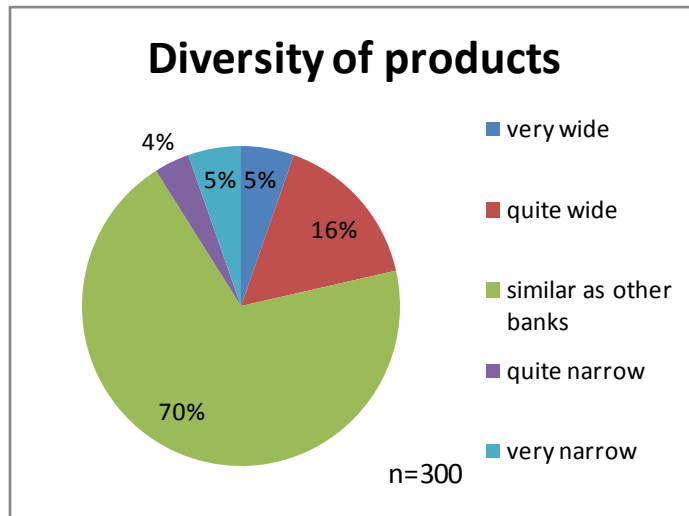


Figure 6. How do respondents think the diversity of ICBC's products.

Figure 6 denote that 70 % replier believe that the products of ICBC are similar as other national banks. During face to face questionnaire distribution, we collected some comments by communicating with repliers. Most responders thought shareholding commercial bank had more different kinds of products than national commercial bank. For example they thought China merchant bank has most various products. It may due to the fact that shareholding commercial bank in China lacked national investment support comparing with national commercial banks so they attracted customers by their products and services more.

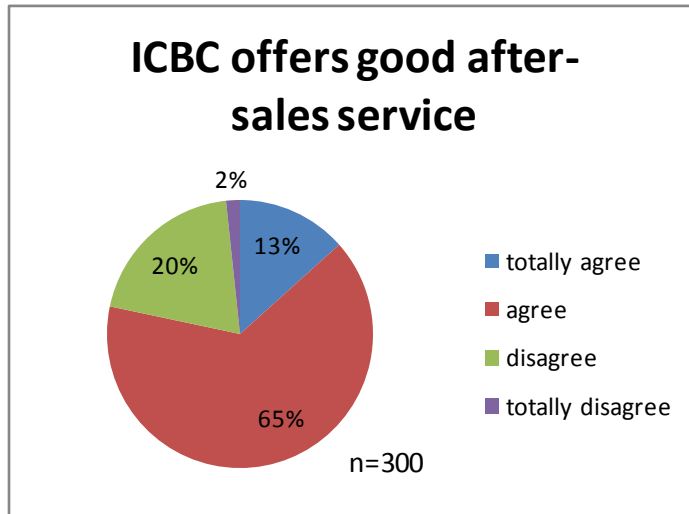


Figure 7. ICBC offers good after-sales service.

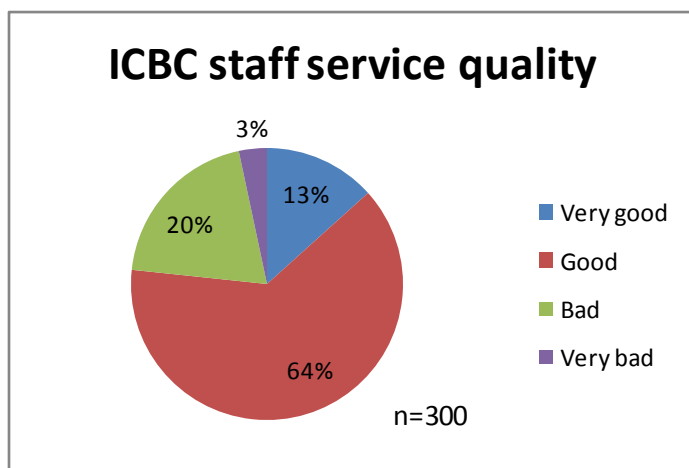


Figure 8. ICBC staff service quality.

From figure 7 and figure 8 about 80% repliers agree that ICBC offer good after-sales service and staff services. From this research it is obvious to see that most respondents were satisfied with the services offered by ICBC Anhui Anqing branch. Satisfying service is one of the advantages for ICBC Anhui Anqing branch comparing to other national commercial banks.

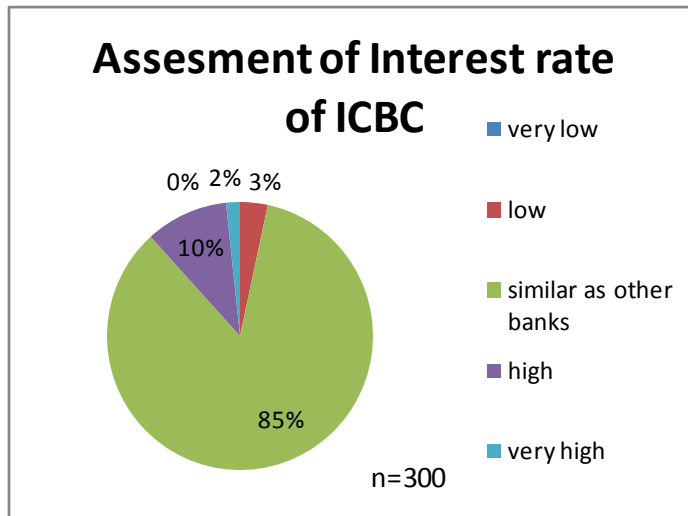


Figure 9. Interest rate of ICBC.

This pie chart displaying that 85 % repliers thought the saving and loan interest are similar as other banks. Because in China the base interest rate is constituted by central bank, commercial bank's interest rate can only fluctuate on the base interest rate. Based on this policy, our questionnaire research also reflected that customers almost had no price sensitivity on interest rate.

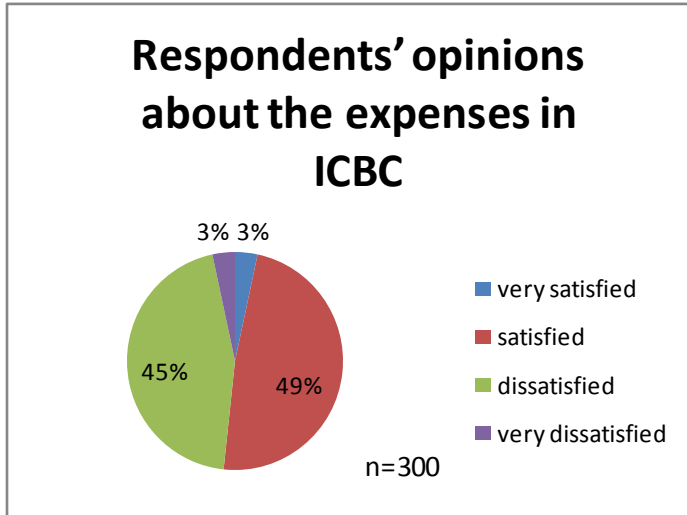


Figure 10. Respondents' opinions about the expenses in ICBC.

In Figure 10 49 % respondents felt satisfied with the expense of ICBC while 45 % repliers argued that they felt dissatisfied with the expense. At the same time, there were 3 % of respondents sensed very satisfied or very dissatisfied about the expense. In fact, in China, four national commercial banks have the similar expense standard and other shareholder commercial banks has cheaper expense standard compared with national commercial banks. In our questionnaire research we found that most individual customers still would like to choose national commercial banks because they are more stable and had more sale network

### 3.3 Comprehensive data analysis

Income level directly affects to purchase power. It will be a win-win situation if bank offered appropriate services or products to right customers who classified by their purchase power.

From Figure 11, five clear customer groups can be generalized. First, the persons are younger than 22. Most of these age group people are students in China. Some of them have a part-time job but most of them only have living cost which offered by their parents. For this part customers saving deposit are the suitable services. The bank can cooperate with the school to recommend freshman to use their bank card.

Secondly, people who are from 23 to 40 years old. After several year works, most of them have a certain amount of deposits and they want to invest. The bank should provide appropriate financial products for them. The staff can recommend different kind of financial products to customers by face to face communication or email.

The third, from figure 11 around 55 % 41 - 60 year old respondents' salaries are from 2001 to 5000 RMB/month and about 10 % of the respondents have an income over 5000 RMB monthly. Some of respondents are the managers of small and medium enterprises or the leaders in business institution. It suggests that these persons can be the potential loan clients. As Anqing city is a fast developing city, in these years, many and small medium enterprises appeared and they required financial support. If the bank could establish a good reputation in small and medium enterprises, the bank would benefit a lot from the loan. The viability of potential client's condition, capital requirements, product marketable and market prospects and other relevant factors must be analysis very carefully then the bank can determine the loan objective.

At last, respondents over 61 years old, most of them have been retired and normally the pension is lower than salary. From the histogram it suggests

that 80 % of their incomes are 1000 - 2000 RMB and 20 % are 2001- 5000 RMB. Most of these customers prefer to save their money in the bank rather than invest. Only a few of them still want to purchase some low-risk financial products. So the bank should recommend saving deposit and low-risk financial products to these customers.

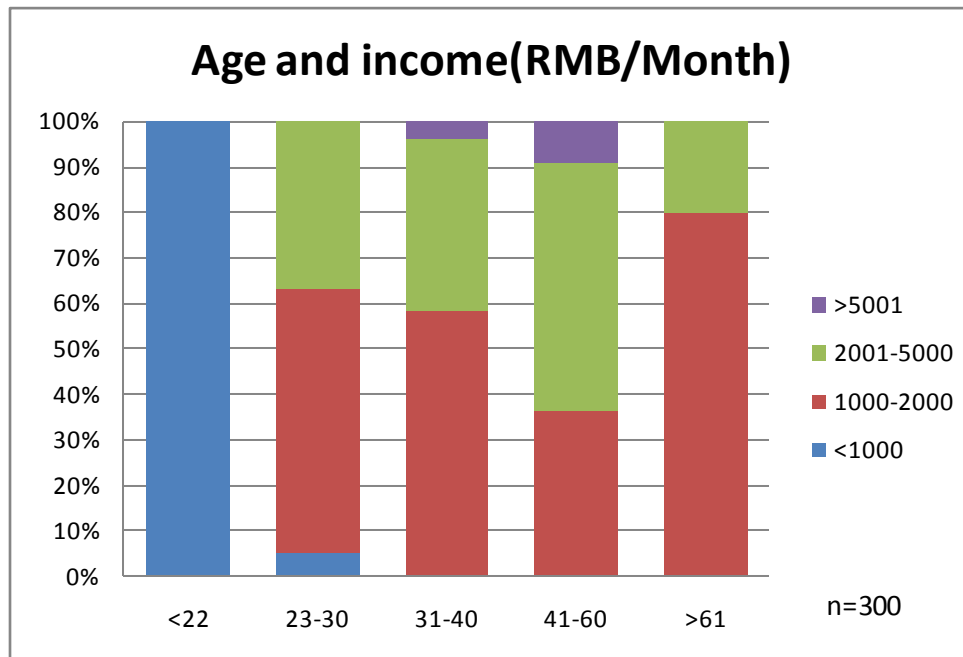


Figure 11. Income levels in different age groups of the respondents.

Different age group persons have their own methods and habits to receive information. When the commercial bank spreads advertisement as different customers groups' requirement, it is the most efficient.



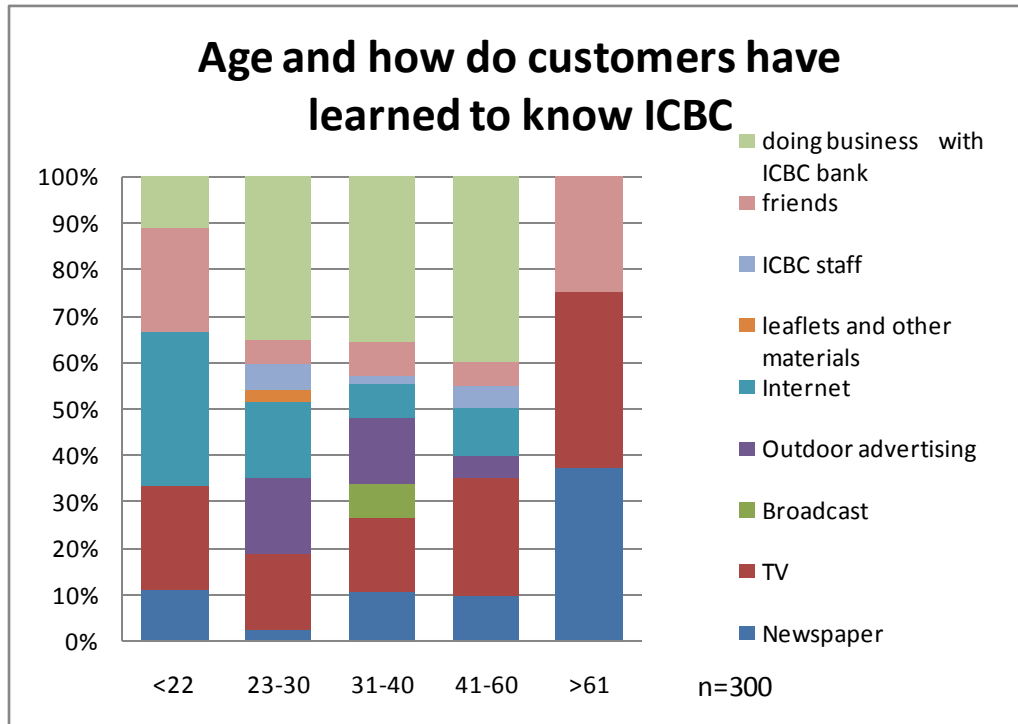


Figure 12. Age and the methods by which respondents know ICBC.

In figure 12, “doing business with ICBC bank”, get ICBC information from “friends” and get ICBC information from “ICBC staff” are “passive advertising” which compares to active advertising for example doing advertising in TV, internet, outdoor advertising, etc. it is obvious that the “passive advertising” occupy a big part in every age groups. In 23 - 30 and 41 - 60 it even occupy around 46 % and 51 % respectively. It reflects that ICBC Anhui Anqing branch lacks specific and systemic advertisement for their products or services. It directly lead to many citizen in Anqing city do not know the specific financial products and services of ICBC well. For the sake of this situation, ICBC Anhui Anqing branch should increase the investment on advertisement.

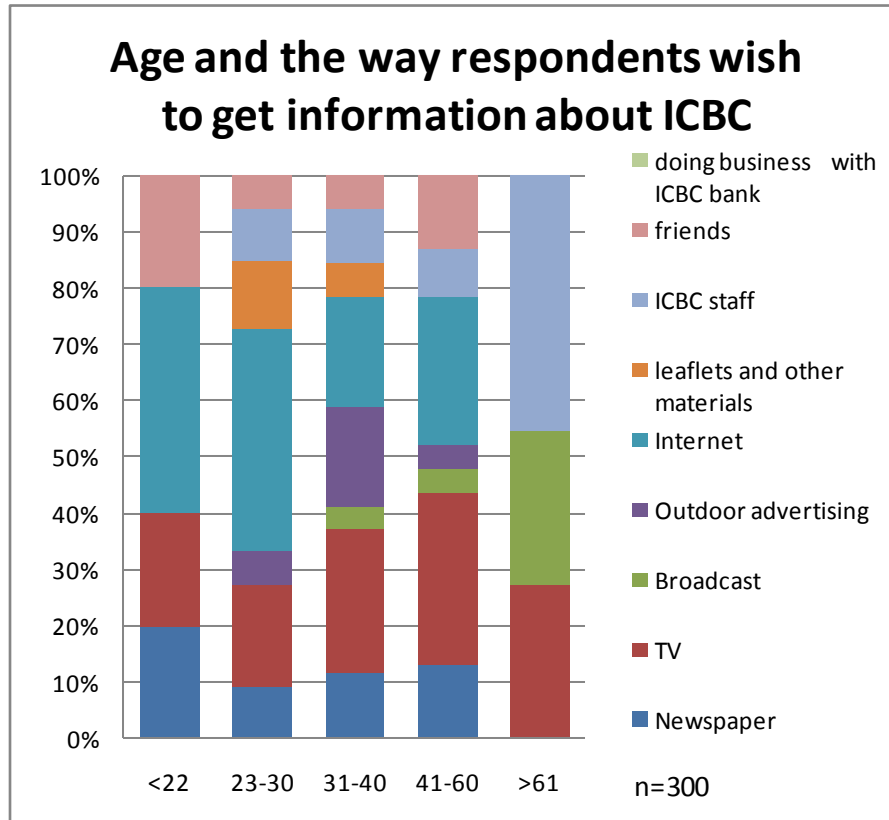


Figure 13. Age and the way respondents wish to get information about ICBC.

More precisely, the requirement for advertisement methods of different age group can be found in Figure 13. For persons who are less than 22 years old, internet is their most familiar method to receive information so about 40 % repliers prefer receive ICBC's advertisement in internet. The internet advertisement is also popular in people from 23 to 30 years and another acceptable method is from TV. The trend of persons from 31 to 40 years is not very distinct but TV, outdoor advertizing and internet are their most favored fashions. TV and internet is the major expected approaches for persons from 41 to 60 and they also wish to receive information from newspaper. Over 65 % persons who are older than 61 wish ICBC staff could explain the products and services to them because they do not have enough energy to read them in newspaper or internet. They also like to get

information from broad and TV.

In summary, ICBC Anhui Anqing branch could improve their advertisement as follows:

1. Increasing advertisement which concerns about saving deposit in internet
2. Raising advertisement about financial products in internet, TV and outdoor advertizing
3. Spreading loans services by TV, internet and newspaper
4. ICBC can hold an activity which named "into community" to encourage staff to disseminating ICBC's saving deposit and low-risk financial products to old persons in the main community of Anqing city.
5. Improving ICBC's brand image by investing the campus activities in universities or colleges.

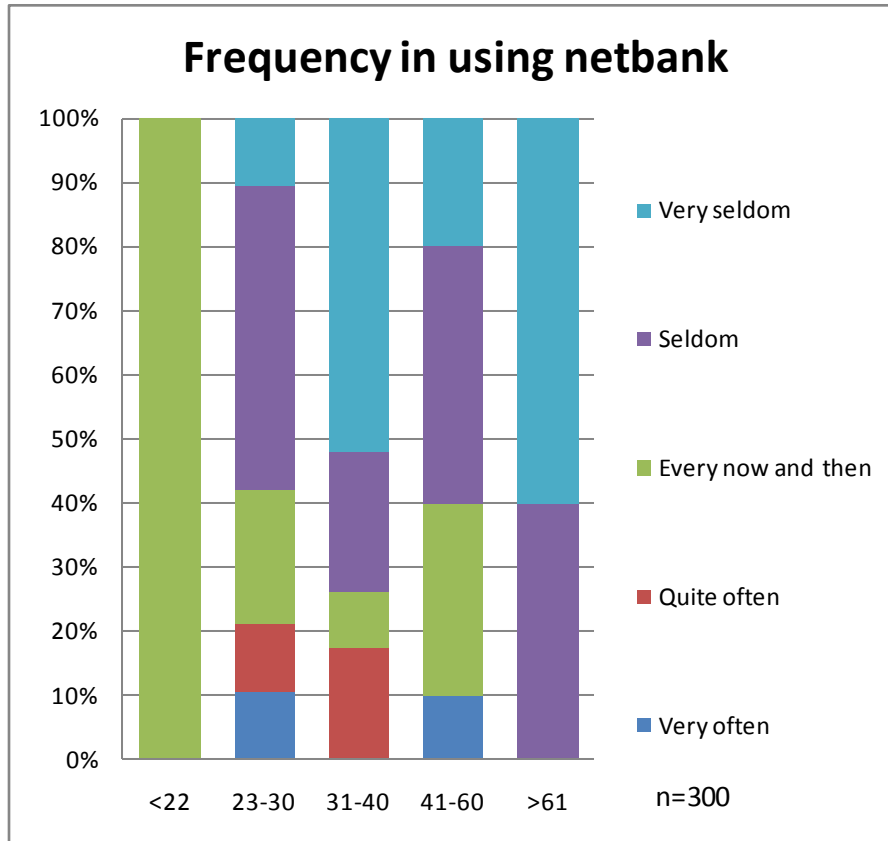


Figure 14. The frequency in using net bank.

From the figure 14, respondents are divided into 5 age groups. Firstly, age below 22 years using net bank is every now and then. Based on this age period, most of their expense depends on parent's support and they don't have stable income from themselves every month, at the same time, they are glad to receive and try new things, such as shopping online. So they use net bank occasionally. Secondly, age groups from 23 to 30, 31 to 40 and 41 to 60, the frequency of using net bank are increasingly lower, this three age groups can be called working period, they have stable income and have relationship with banks, reasons why the trend of using net bank decrease are varied, the main reason is generation gap, with age increase, more and more customers don't familiar with internet. Thirdly, the age of last period is over 61, frequencies of using net bank are seldom and

very seldom separately. Their habits are face to face service and net bank can't instead.

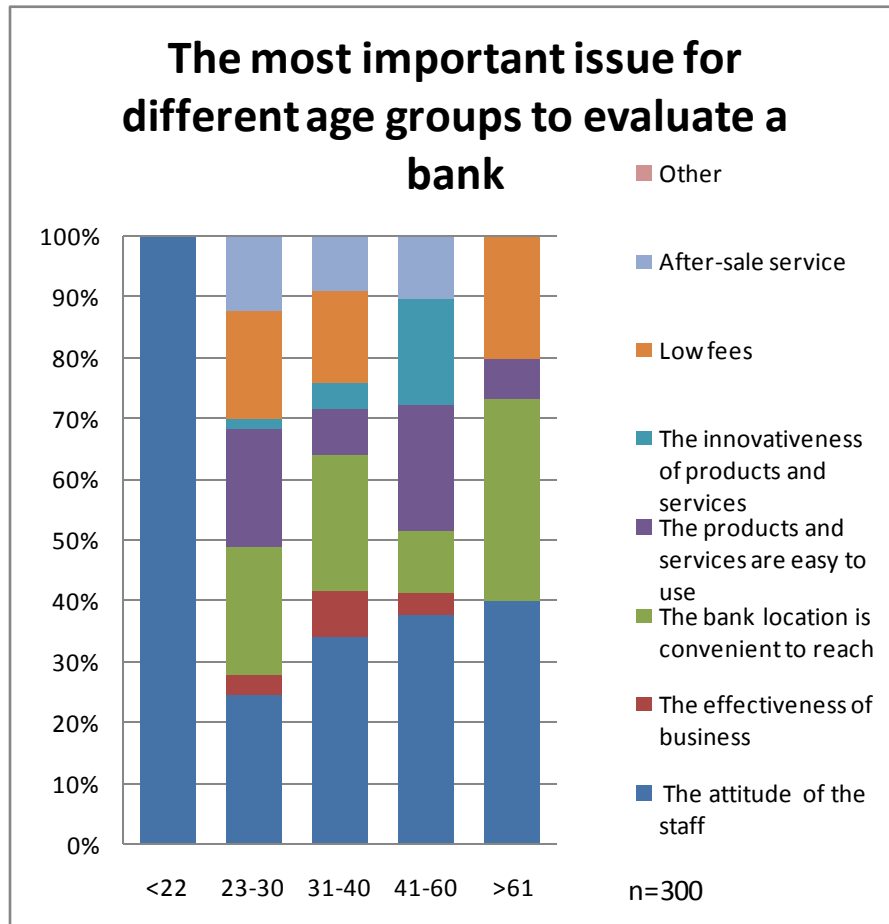


Figure 15. The most important issues for different age groups to evaluate a bank.

Different customers have different requirements and focuses, according to marketing research, in the first place, almost all of first age group (<22) think the attitude of staffs play the key role in bank industry. In the second place, Ages between 23 and 40 years, they have the same idea about important issues for a bank; they pay more attention on the attitude of the staff, bank location, bank products and service, low fees and after-sale service, effectiveness of business and the innovativeness of products and

service are not important for them to choose a bank, in the fourth age period, they don't care about low fees, the attitude of staff are also very important for banks, most of customers in this age period have certain economic base, so they care less about fees. Last but not least, more than 70 % of customers (ages over 61) agree that bank location and the attitude of staff have significant effect, after-sale service not important at all. The reason why older caring more about bank location are varied, but the main reason related to their age, they prefer to do business near rather than go with a long distance.

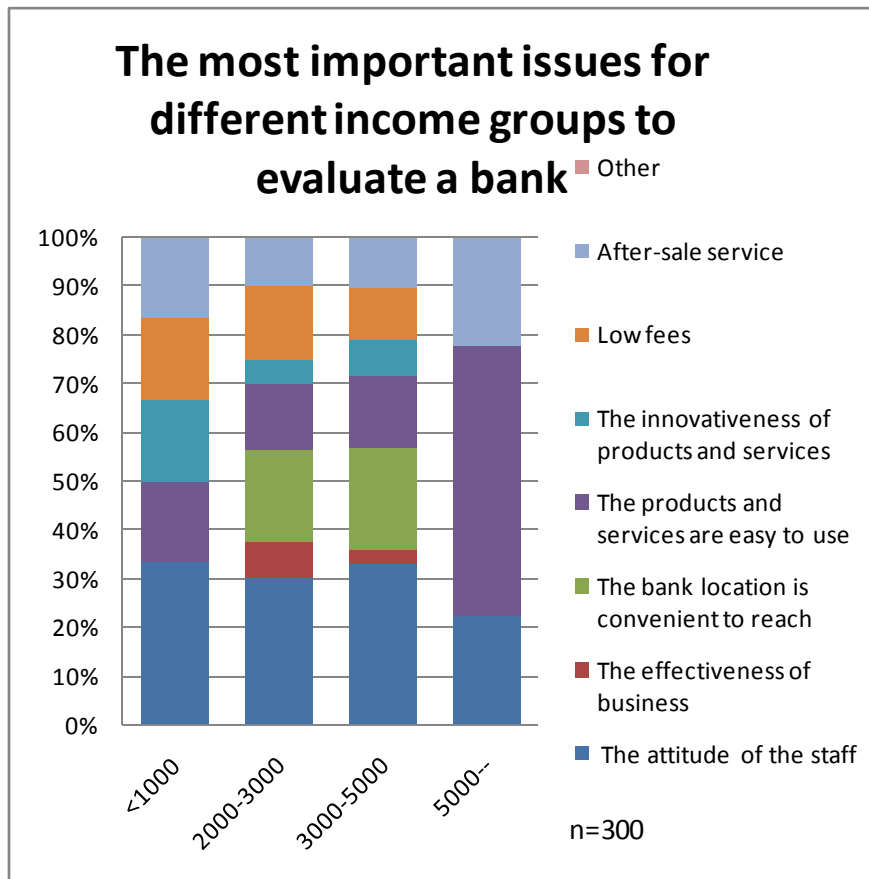


Figure 16. The most important issues for different income groups to evaluate a bank.

It is obvious that figure 16 shows what factors of bank they care about depending on the amount of income. At first, it is very easy to find out that the attitude of staffs is important for almost all the income groups. Another evident phenomenon is over 50% persons who have more than 5000 RMB per month thought the products and services are easy to use are very important for them. For banks, these persons are likely to be the key individual customers. So ICBC need to improve their services more based on these customers' requirement. Another significant factor is after-sale services. More than 20 % of respondents in income group over 5000 group believed after-sale services are the key issue for them to do business in a

bank.

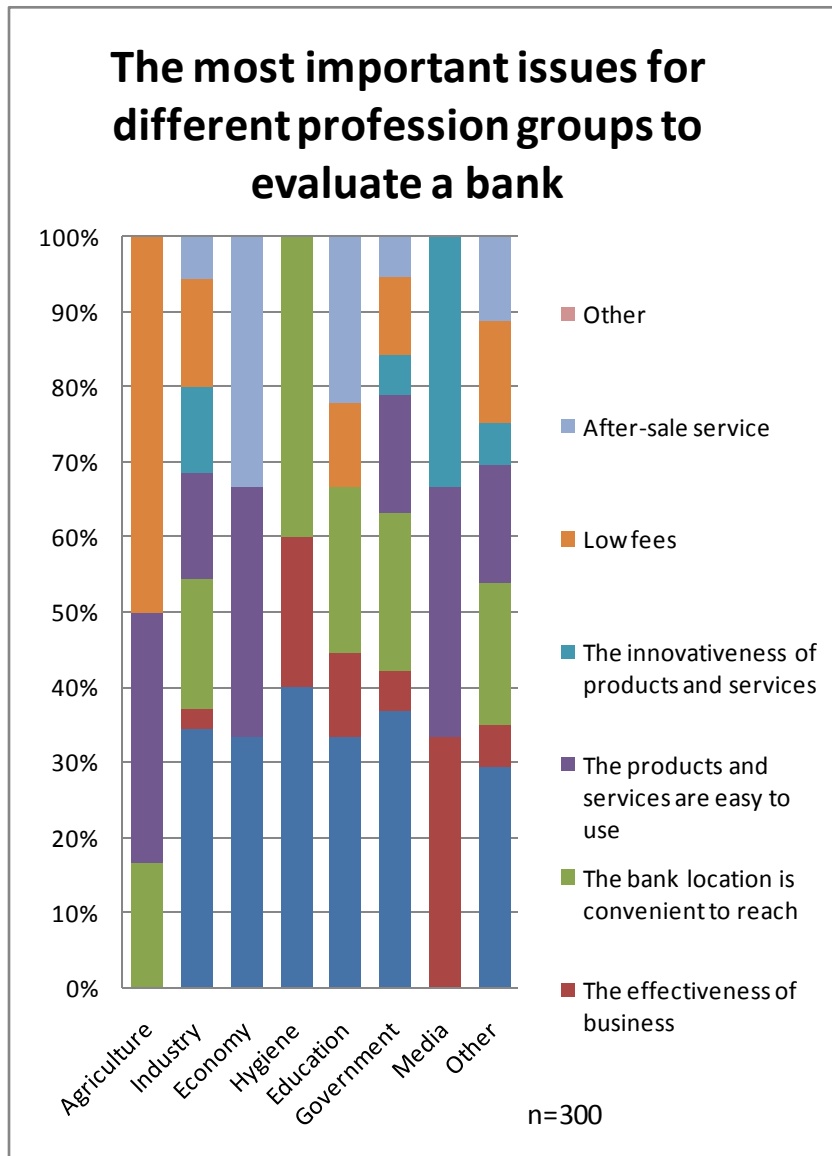


Figure 17. The most important issue for different profession groups to evaluate a bank.

From the figure 17 people in different professions pay attention in different areas of bank, it is obvious that agriculture group care more about low fees and whether the bank products are easy to use, because most of agriculture group are farmers, they live in lower income and usually



shortage in education compared with other profession groups in China. Industry group, education group and government group care more about the attitude of the bank staff, other factors they cared more or less. These three groups have stable life and works, what they expected now is the respect of society. Economic and media groups, both of them agree that products and service are easy to use is very important. On the other hand, they have different opinions in the attitude of staff and innovativeness of products and service and media group pursue new creative things and innovativeness.

#### **4 INTERVIEWS CONCERNING MARKETING PERFORMANCE**

The purpose of the interviews was to gain the outlooks of marketing performance, competitors, marketing strategies etc and individual recommendation for ICBC Anhui Anqing marketing management.

The interviews were used for collecting marketing views of ICBC Anhui Anqing branch. Based on this purposes, two interviewees are chose and each of their opinions can represent his /her departments. Wang Lide, the manager of marketing department and Li Jinying, the leader of personal financial department introduce the marketing performance, competitors and marketing strategies as responders.

The department offices are chose as the interview place because they would make the interview more real and serious. The interview step last two days from June 26 2011 to June 27 2011, telephone was used to operate my interviews and each interview last about half an hour.

Totally five interview questions are designed for managers. The purpose of these questions is collecting the marketing objective, performance and competitiveness about ICBC Anhui Anqing branch. Some questions concerning the future plan of ICBC Anhui Anqing branch are appeared in the interview as well.

The English interviewee questions for managers are appended in appendix 3.

#### 4.1 Interview description

Interviewee: Wang lide, Manager of ICBC Anhui Anqing branch Marketing Department

Date: June 26 2011

Location: marketing department office, Industrial and Commercial Bank of China Ltd. (ICBC) Anhui Anqing branch building 3<sup>nd</sup> floor, NO.230 xiaosu road, Anqing city. [Tel: +86 5513178](tel:+865513178)

Description of the interview:

Wang lide introduced the basic information of ICBC Anhui Anqing branch and the present market performance. ICBC Anhui Anqing branch has 41 institutions which include 8 country branches, 10 city branch, 8 saving bank 32 offices and 936 employees. Until the end of 2010, the foreign currency deposits reached 89.2 billion Yuan, a net increase of 1.072 billion Yuan which compared to the deposit in the beginning of 2010. At the end of 2010 there were 4.724 billion Yuan of foreign currency loans; it increases 251 million Yuan over the beginning.

Wang lide said the main objectives of market for ICBC Anhui Anqing branch are follows.

1. Developing high-quality customer market
2. Expand the marketing proportion in Anqing city bank market
3. Trying to make ICBC Anhui Anqing branch become the NO.1 commercial bank in Anqing city.

The main competitors are other commercial banks especially small and

medium shareholding banks.

The main advantages for ICBC Anhui Anqing branch, Wang lide thought they were:

1. ICBC had a leading market position, quality customer base, diversified business structure, strong innovation and marketing competitiveness and excellent brand value.
2. ICBC has a leading electronic banking platform. There were four customer channels: Net bank, telephone bank, mobile bank and self-service bank which offer fund management, payment, marketing service, financial plan, sales agent and economic services.
3. ICBC has special services for VIP clients, for example, VIP bank center, VIP channel for mobile bank and net bank and professional financial planners.

ICBC has some problems as well. They are:

1. The competition from other commercial banks is increasing.
2. Financial service for SMEs develops slowly.
3. Service level and service skills of staff are not satisfied.

Wang lide introduced the measures to improve the satisfaction of customers are:

1. Improve process and service. Expand the services range and improve the service efficiency to improve the satisfaction of customers
2. Do the maintenance for self-service machines regularly to make sure the operation of the ATM machines, self-services terminals and other equipment.
3. Lobby manager need to be in charge for the customer identification,

business handling and marketing. A high quality and efficiency services must be offered for customers

4. Strengthen professional training and improve the bank's employees in business skills and service levels, improve customer satisfaction, enhance the social image of ICBC.

Interviewee: Li Jinying, the leader of ICBC Anhui Anqing branch personal financial department

Date: June 27 2011

Location: personal financial department office, industrial and Commercial Bank of China Ltd. (ICBC) Anhui Anqing branch building 2<sup>nd</sup> floor, NO.230 xiaosu road, Anqing city. Tel: +865545713

Description of the interview:

Li Jinying introduced the basic facts of ICBC Anhui Anqing branch as follow: ICBC Anhui Anqing branch was established in 1985. Until the end of 2010, it reached deposit 14.351 billion RMB and loan 6.307 billion RMB. It got the intermediary business revenue 82,460,800 RMB. (Anqing information center 2010)

The main object of market for ICBC Anhui Anqing branch is the industry-leading and first-class local commercial bank in Anqing city.

Li jinying thought the main competitors of ICBC Anhui Anqing branch are the other commercial banks in Anqing city. Comparing to other commercial banks ICBC has following advantages:

1. Over 20 years development, ICBC Anhui Anqing branch earned good social reputation in Anqing city. Customers have more trust on ICBC comparing to other new commercial banks

2. Variety of financial products and customer channels give customers more choices, customers can select the products or services which are most appropriate with the help from ICBC staff.
3. ICBC has innovative technology and concept. For example, ICBC Anhui Anqing branch started “guangcai” loan in 2008.”guangcai” loan was a special loan for clients in guangcai market in Anqing city. It support guangcai market became the biggest market in Anqing city greatly. Establishing “ICBC business friends club” is another special and innovative measure. The club was found in 2010 and until the end of 2010, the club had more than 8000 members in Anqing city. It offered more comfortable communication and more preferential and convenient services for ICBC clients.

The main disadvantages for ICBC Anhui Anqing branch are:

1. The appearance of other shareholding commercial banks leads to the loss of some clients. Because small shareholding commercial banks has more flexible products and better services some clients prefer to do business in these shareholding commercial banks.
2. In present society, SMEs are the key clients for banks, ICBC Anhui Anqing branch need to develop its proration in SMEs market.

Li jinying introduced the main products of ICBC as follow:

#### 1. Personal financial service

“Happiness loan” is a series of products for personal housing, personal spending and personal business loan. “Elite club account” is a financial brand for exclusive high-end customers.

#### 2. Bank card business

ICBC has a series of bank cards named “peony card” there are five typical “peony card”. They are: “peony and yilong card” which customers can receive services from Yilong Company. “Golden peony card” which allow customers can get salary monthly or yearly. “1872 peony card” which offer gold service for customers. “Peony and south airplane card” which offer China south airplane service to customers and “peony sport card” which offer discount for thousands of gym, club and sport shop in China.

ICBC Anhui Anqing branch gives corresponding discount and special services to customers who chose ICBC products or services through corporate with other companies. ICBC also promote its products or services through advertisement.

Li Jinying said the main methods to improve the customer’s satisfaction are:

1. Creates more financial products based on customers’ requirement.
2. Improve the efficiency of ICBC staff’s service

#### **4.2 Interview data summary and analysis**

From the qualitative research stage, two managers of ICBC Anhui Anqing branch gave their official answers to the interview questions. Their opinions can be summarized as follow:

1. The basic information and market performance of ICBC Anhui Anqing Branch.

ICBC Anhui Anqing branch has 41 institutions which include 8 country branches, 10 city branch, 8 saving bank 32 offices and 936 employees.

Until the end of 2010, the foreign currency deposits reached 89.2 billion Yuan, a net increase of 1.072 billion Yuan which compared to the deposit in the beginning of 2010. At the end of 2010 there were 4.724 billion Yuan of foreign currency loans; it increases 251 million Yuan over the beginning. ICBC Anhui Anqing branch was established in 1985.

## 2. The objectives of marketing for ICBC Anhui Anqing branch

- 1) Developing high-quality customer market
- 2) Expanding the marketing proportion in Anqing city bank market
- 3) Trying to make ICBC Anhui Anqing branch become the industry-leading and first-class local commercial bank in Anqing city.

## 3. The major competitors for ICBC Anhui Anqing branch and advantages and disadvantages ICBC Anhui Anqing branch has compared to its competitors.

The main competitors are other commercial banks especially small and medium shareholding banks.

The main advantages for ICBC Anhui Anqing branch, Wang Lide thought they were:

- 1) ICBC had a leading market position, quality customer base, diversified business structure, strong innovation and marketing competitiveness and excellent brand value.
- 2) ICBC has a leading electronic banking platform. There were four customer channels ---net bank, telephone bank, mobile bank and self-service bank which offered fund management, payment, marketing service, financial plan, sales agent and economic services.
- 3) ICBC has special services for VIP clients. For example, VIP bank center, VIP channel for mobile bank and net bank and professional financial



planners.

4) Over 20 years development, ICBC Anhui Anqing branch earned good social reputation in Anqing city. Customers has more trust on ICBC comparing to other new commercial banks

5) ICBC has innovative technology and concept. For example, ICBC Anhui Anqing branch started “guangcai” loan in 2008.”guangcai” loan was a special loan for clients in guangcai market in Anqing city. It support guangcai market became the biggest market in Anqing city greatly. Establishing “ICBC business friends club” is another special and innovative measure. The club was found in 2010 and until the end of 2010, the club had more than 8000 members in Anqing city. It offered more comfortable communication and more preferential and convenient services for ICBC clients.

The main disadvantages for ICBC Anhui Anqing branch were:

- 1) Competition from other commercial banks is increasing
- 2) Financial service for SMEs develops slowly
- 3) Service level and service skills of staffs are not satisfied

4. What are the most important products or services for ICBC Anhui Anqing branch now? How do ICBC Anhui Anqing branch implement these products or services?

- 1) Personal financial service

“Happiness loan” is a series of products for personal housing, personal spending and personal business loan. “Elite club account” is a financial brand for exclusive high-end customers.

## 2) Bank card businesses

ICBC has a series of bank cards named “peony card” there are five typical “peony card”. They are: “peony and yilong card” which customers can receive services from Yilong Company. “Golden peony card” which allow customers can get salary monthly or yearly. “1872 peony card” which offer gold service for customers. “Peony and south airplane card” which offer China south airplane service to customers and “peony sport card” which offer discount for thousands of gym, club and sport shop in China.

ICBC Anhui Anqing branch gives corresponding discount and special services to customers who chose ICBC products or services through corporate with other companies. ICBC also promote its products or services through advertisement.

## 5. The measures to improve the satisfaction of customers

### 1) Improve process and service

Expand the services range and improve the service efficiency to improve the satisfaction of customers

2) Do the maintenance for self-service machines regularly to make sure the operation of the ATM machines, self-services terminals and other equipment.

3) Lobby manager need to be in charge for the customer identification, business handling and marketing. A high quality and efficiency services must be offered for customers

4) Strengthen professional training and improve the bank's employees in business skills and service levels, improve customer satisfaction, enhance the social image of ICBC.

5) Creates more financial products based on customers' requirement.

### **4.3 SWOT analysis for ICBC Anhui Anqing branch**

SWOT analysis (alternately SLOOT analysis) is a strategic planning method used to evaluate the Strengths, Weaknesses/Limitations, Opportunities, and Threats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective.

Setting the objective should be done after the SWOT analysis has been performed. This would allow achievable goals or objectives to be set for the organization. (Westbrook 1997, 24)

#### **Strengths**

1. Wildly outlets distribution and stable amount of loyalty customers make ICBC become the most important bank in China.

Arranged by market capitalization, ICBC is one of the biggest banks in china, it is also the largest bank in the world. ICBC Anhui Anqing branch as one of ICBC branch, also play the key role in Anqing district. ICBC Anhui Anqing branch has build the earliest wealth management centers, such as VIP service centers, wealth management outlets and financial convenience stores, for the sake of giving customers better service.

ICBC Anhui Anqing branch also perform well in cash management, asset custody, enterprise annuity, agency and wealth management business. Excellent operating performance of ICBC Anhui Anqing branch was admitted by banking industry.

2. Card businesses have a rapid increase that makes ICBC have lower dependence on interest income.

ICBC Anhui Anqing branch is the biggest card issuing bank in Anhui Anqing district. There are so many kinds of credit card issuing by ICBC Anhui Anqing branch such as theme cards, functional cards and co-brand cards, euro credit card, Peony Express Business Card, Peony Union Pay Card, Peony Sports Card, and new Peony Traffic Card and so on. And it is always keep the top position in card issuing and credit card consumption in bank industry.

3. Lower business risks are reduced by variety business methods.

The margin channels of ICBC Anhui Anqing branch are varied. ICBC's revenue methods can be divided into four parts: investment bank, wealth management, insurance and asset management. Noninterest income increases by various sources of revenues such as settlement, clearing and cash management, investment banking, corporate wealth management, asset fiduciary, guarantee and commitment etc.

## **Weaknesses**

1. ICBC lacks the private customers and SMEs

In the past few years, ICBC pay much attention on corporatizing with big companies and clients. It leads to the loss of normal individual customer and SMEs (small medium enterprises). During the questionnaire research, many repliers said that they could hardly see the advertisement of ICBC in mainstream medias and most of them do not know the specific financial products and services of ICBC. In fact, attracting private cash is good for increasing deposits. Small medium enterprises have these advantages: 1).

Because of its inherent flexibility, adaptability and creativity, small and medium size enterprises have become an important source of technological innovation. 2). Small and medium size enterprises are a major force to resolve the employment of residents. 3). Small and medium size enterprises can bring huge profits.

Based on above analysis, ICBC should attract more private customers and SMEs.

2. The management of the outlets and the service of staff are not satisfied

Although ICBC has many outlets in Anqing city but normally there are not enough staffs working in a bank outlet. Many customers need to wait more than half an hour until receive a staff's services.

ICBC should increase the amount of staffs in every outlet and improve their ability through training.

## **Opportunities**

1. Global expansion increase profits

ICBC has prolific overseas acquisitions. ICBC established largest banks in Macau and Africa and entered Russia, Indonesia and other new markets. Many new branches such as Sydney Branch, New York Branch, Doha Branch and the Middle East Subsidiary Bank are framed by ICBC as well. These oversea branches have improved ICBC's international reputation and can bring more corporation chances with foreign companies.

2. International trades financing help profit growth

Financing foreign trade companies in conducting import and export

business help ICBC promote its international business. The bank has enhanced domestic trade finance product system, improved trade finance business process, and launched new products. ICBC, in response to international financial crisis has introduced new products and improved its service quality. For example, ICBC introduced 'whole process trade manager', an integrated product solution targeting enterprises which have low net assets, high debt-to-asset ratio, reliable trading history, adequate goods flow and stable cash flow. To meet the financial needs of small and medium foreign trade enterprises, ICBC has optimized its processes of grading, crediting, collateral evaluation and approval.

### **Threats**

1. ICBC's revenues are affected by enhancing competition in the Chinese banking industry

China now allows foreign banks to undertake a number of businesses, including custodian services for qualified foreign institutional investors, insurance agency business, custody business for overseas use of insurance foreign exchange funds, and custody business for stock assets of insurance companies. In all, foreign banks in China are allowed to offer over 100 types of products and services under 12 broad categories of business activity.

Other major competitors are shareholder commercial banks such as China merchants' bank, HUIZHANG bank etc. comparing to ICBC, shareholder commercial banks have some advantages such as more plentiful financial products and better personal services and so on.

Due to the fact that foreign banks and shareholder commercial banks develop well, the competition is increasing and it affects the profits of

ICBC.

2. Vulnerable customers and business structure are the great risk for ICBC

ICBC's customers and business structure has the following characteristics: the amounts of big clients are few, but the business accounted of big clients is huge; there are many SMEs, but its business account is small. According to the experience of mature markets, when the interest rates turn to the market completely, with the development of direct financing channels and a variety of innovative financial instruments, combined with irrational competition, there is no doubt that ICBC will face a rapid loss of large enterprise customers while stable SME customer has not been established, which will form a heavy blow to ICBC.

## **5 SUGGESTIONS TO DEVELOP BUSINESS SITUATION AND MARKETING OF ICBC ANHUI ANQING BRANCH**

Based on the above survey and analysis, at first, the advantages and disadvantages of ICBC Anhui Anqing branch are introduced. Furthermore, combining the specific situation of environment, industries development, and culture features, suggestions for improving the business situation and marketing of ICBC Anhui Anqing Branch are announced.

### **5.1 Advantages and disadvantages of ICBC Anhui Anqing Branch**

As a branch of ICBC in an undeveloped area in the centre of China, ICBC Anhui Anqing branch has these advantages:

#### **1. Institution strength**

Industrial and Commercial Bank of China Ltd. (ICBC) Anhui Anqing branch has 41 institution which includes 8 county sub-branches, 20 city branches, 32 small local branches and 8 saving banks. 963 employee works in ICBC Anhui Anqing branch. For example, in Anqing city, 20 city branches spread in every main road such as renming road, wuyue street, beizheng street, etc. it is very easy to find a ICBC branch in Anqing city.,

#### **2. Capital settlement strength**

In the capital settlement, three capital settlement centre which are for dollar, euro and yen are established. It offers a safe, efficient and convenient way for capital settlement to international customers. At the same time, ICBC Anhui Anqing branch have several matured products such as specialized financing products, global cash management, global



custody assets, credit cards, electronic banking, brand precious metals for overseas customers.

### 3. Technology advantage

ICBC attaches great importance to technological development. It has been basically formed inside and outside the industry's leading integrated technology platform which enables increase the speed of settlement.

### 4. Customer strength

Through the developing of more than 20 years, ICBC accumulated large customer base and good reputation. Many enterprises and individual customers prefer to do business in ICBC.

### 5. Financial advantage

ICBC have big financial advantage comparing to other commercial banks. Until June 2011, ICBC Anhui Anqing branch reached the saving deposit 9.905 billion Yuan.

### 6. Product innovation

ICBC has strong product innovation capabilities, in accordance with international financial development and corporate business requirements, ICBC develop appropriate financial products and services.

At the same time, ICBC Anhui Anqing branch has these disadvantages:

#### 1. Marketing competitiveness needs to be further strengthened

Other commercial banks have increased their marketing efforts. Until the end of June 2011 only RMB loans and deposits of ICBC remains first comparing to other banks in Anqing city, other indicators do not have apparent leading superiority. The market competition is huge.

## 2. The growth of saving deposit is slow

The saving deposit of ICBC Anhui Anqing branch only rank the third place comparing to other commercial banks in Anqing city and the corporate deposit is negative growth.

## 3. Loan strength is weak

The ICBC Bank project loans was basically stagnant, therefore, ICBC Anhui Anqing branch requires further breakthroughs in new areas of loans project.

## 4. The development of SMEs project is slow

In recent years, small and medium size enterprises (SMEs) are the major customers which commercial banks compete for. But research shows that in the first half of 2011, the development of SMEs project is slow. It is a big problem for ICBC Anhui Anqing branch to maintain and expand SME customers.

## 5. Staff service is not satisfactory

Research shows that most customers thought the services of ICBC Anhui Anqing branch are worse than in other commercial banks. The main problems include:

- 1) The efficiency of services is low
- 2) The attitude of staff is not good
- 3) The layout of branches cannot make customers satisfied

## **5.2 Suggestions for ICBC Anhui Anqing Branch**

Based on the analysis of the advantages and disadvantages of ICBC

Anhui Anqing branch, researcher summarizes several suggestions for improving the marketing situation of ICBC Anhui Anqing branch.

### 1. Strengthen the saving deposits

Improving saving deposits is an important method for ICBC Anhui Anqing branch to collect funds. First, In the previous years, the bank normally received fund passively while nowadays the bank should collect fund actively through encourage customers to save their deposit in ICBC Anhui Anqing branch. For example ICBC Anhui Anqing branch can hold “go into markets and visits customers” marketing activity. The ICBC staffs should go to every traditional market and supermarket to attract more customers save their deposit into ICBC Anhui Anqing branch. Furthermore ICBC Anhui Anqing branch can cooperate with university and colleges in Anqing to attract more students to save their deposits into ICBC. At last ICBC Anhui Anqing branch can also increase the sales of various financial products and funds to reach the increase of saving deposit and financial products.

### 2. Establish the steady growth of corporate deposits

The corporate deposit plays a significant role in the increasing of bank deposit. ICBC Anhui Anqing branch needs to

- 1) Improve the marketing ability and management level of corporate deposit
- 2) Strengthen the company's deposits to the Bank's overall performance contribution, through the management, competitiveness, and contribution, ability to establish marketing, evaluation mechanisms and improve the work of corporate deposits long-term mechanisms, strengthening the basic work of corporate deposits, improve the

Bank's deposit market competitiveness.

### 3. Improve the marketing system

The ideal marketing system can be divided into two parts: At first, ICBC Anhui Anqing branch needs to pay most attention on improves the service efficiencies and service quality for main enterprises. Secondly, improve the client managers, improving the proportion of client managers in total staffs. For different types of individual customers, ICBC Anhui Anqing branch need to establish service network for different customers and improve the knowledge for new products and services and develop the marketing skills for client managers.

### 4. Develop loans project

ICBC Anhui Anqing branch needs to confirm a key development area of loan project. For example, health, logistics and harbour are the main developing area in Anqing city. ICBC Anhui Anqing branch should strengthen the loans project with the enterprises which concern these fields.

### 5. Increase small medium corporation base

Firstly, ICBC Anhui Anqing branch need to increase the lending to the real economy and fully support the local SMEs development. It is obvious that ICBC Anhui Anqing branch must consider capital requirements, product marketable and market prospects and other relevant factors about potential clients when determine the clients. Moreover, ICBC Anhui Anqing branch can implement the “priority” policy for SMEs. It means that the bank should deal with the saving and loans for SMEs preferentially. This measure can build a win-win situation between the SMEs and ICBC.

## 6. Expand the individual credits operations

Expanding the marketing of a retail bank is an important measure for ICBC Anhui Anqing branch to improve its marketing performance. Because ICBC can find the high-end individual customers through developing retail bank and keep them by plenty financial products and advanced technology.

## 7. Increase and develop the marketing communication platforms

Because from the result of survey, an evident phenomenon is that most consumers do not know ICBC's products and features clearly. In another words, ICBC does not have a clear brand image and position. Marketing communication activities contribute to brand equity and drive sales in many ways. Such as creating awareness of the brand, linking the right associations to the brand image in consumers' long-term memory; eliciting positive brand judgement and feelings; facilitating a stronger consumer-brand connection. ICBC Anhui Anqing branch should implement more marketing communication platforms. The survey shows that the possible measures include

- 1) Increasing advertising which concerns about saving deposit in internet
- 2) Raising advertising about financial products in internet, TV and outdoor advertizing
- 3) Spreading loans services by TV, internet and newspaper
- 4) ICBC can hold an activity which named "into community" to encourage staff to disseminating ICBC's saving deposit and low-risk financial products to old persons in the main community of Anqing city.

- 5) Improving ICBC's brand image by investing the campus activities in universities or colleges.

#### 8. R&D more financial products with Anqing culture features

Research and design more specific financial products for consumers in Anhui Anqing not only can attract more customers to buy and use ICBC's products and services but also can give a good image about ICBC in consumers' long-term memory. It is also a respect to local customers. Based on the culture features in Anhui Anqing market, low-risk financial products and loans for purchasing house and family-orientation and children-orientation products and services may be popular in Anqing city.

## **6 CONCLUSIONS**

The thesis analysis the advantages and disadvantages of ICBC Anhui Anqing branch through collected data and summarize the SWOT analysis for ICBC Anhui Anqing branch. Based on the SWOT analysis, suggestions are raised to ICBC Anhui Anqing branch.

### **6.1 Conclusions about the thesis process**

The whole thesis includes theoretical part, research part and suggestion part. For the theoretical part, marketing strategies and plans, the environment analysis, building a strong brand and marketing communication are introduced.

The research part includes quantitative method and qualitative method. In the quantitative method, the author administers a questionnaire survey. Totally 300 questionnaire were spread in seven public locations. All the data are analyses through charts. In the qualitative method, two interviews are implemented for finding out the official answers to interview questions. Finally, a SWOT analysis of ICBC Anhui Anqing branch was used.

In the suggestion part, the positive-aspect and negative-aspect of ICBC Anhui Anqing branch are given. After that, six suggestions are introduced for ICBC Anhui Anqing branch to improve its marketing situation. The suggestions can be separated into three parts:

1. Accumulate capital
2. Improve service

3. Determine the development direction.

## **6.2 Assessment of own work**

Anqing City covers a land of 1 530 000 km<sup>2</sup> with a total population of 6.1 million while the urban area is 821 km<sup>2</sup> and there are 730 000 urban inhabitant (People.com.cn 2008). In as much the author's workload capacity, only 300 questionnaires had been distributed and collected. Though the fulfill rate reached 100 %, the volume of the sample was still too small when it compared to the whole population in Anqing city. Thereupon, the quantitative research data may not represent the real marketing situation of ICBC Anhui Anqing branch exactly.

In questionnaire survey, there are some respondents who had not used ICBC products or services before. Their answers may not represent the whole real situation of ICBC Anhui Anqing branch.

In interview research, two interviewees who came from different departments had the similar answers to some questions. It may since ICBC Anhui Anqing branch have some official answers to some questions.

As a matter of fact, there are some advancements of the thesis. For instance, I can interview more interviewers to get more detailed information about the marketing situation of ICBC Anhui Anqing branch. Another example is I increase the view to other commercial banks in questionnaire survey whilst I only investigate responders' opinions to ICBC in questionnaire research.



Overall, the thesis can take these benefits to ICBC managers:

1. From the analysis on quantitative data, the manager can receive the overview of the ICBC brand, advertisement, products, service and fees from normal customers. As a consequence, the manager can know the real opinion about ICBC from customers and make marketing plans based on the research data.
2. Based on the analysis of the collective data from quantitative method and qualitative method, the SWOT analysis is provided to have a comprehensive understanding of ICBC Anhui Anqing branch. The investors can get a clear overview on every side of ICBC Anhui Anqing branch and the information is helpful for them to make investment decisions.
3. The author gives suggestions to ICBC managers which combines research data and some analysis and comment about Chinese bank market. All the suggestions are adaptive and easy to implement for current ICBC Anhui Anqing branch.

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## APPENDICES

### Appendix 1 Questionnaire about bank marketing in ICBC Anhui Anqing branch

This questionnaire is used for research of the marketing situation of ICBC Anhui Anqing branch. Please, add “×” in the box before your answer. Please choose your answer to every question seriously. All your answers will be handled confidential. Thank you very much for your cooperation!

1. Your gender?

- Female       Male

2. Your age?

- Under 20    21-30    31-40    41-50    Over 51

3. Your income level in a month (RMB/month)?

- <1000    1000-2000    2001-5000    >5001

4. What is your professional field?

- Agriculture    Industry    Economy    Hygiene  
 Education    Government    Media    Other

5. From where have you learned to know ICBC? (You can make three choices)

- Newspaper    TV    Broadcast    Outdoor advertising     
Internet  
 leaflets and other materials    ICBC staff    friends    doing  
business with ICBC bank

6. What is your impression of ICBC?

Very good    Good    Bad    Very bad

7. How would you like to get information about ICBC services and products?      (You can make three choices)

Newspaper    TV    Broadcast    Outdoor advertising    internet  
 leaflets and other materials    ICBC staff    friends

8. What do you think about the diversity of the products of ICBC?

Very wide    Quite wide    Similar as other banks  
 Quite narrow    Very narrow

9. ICBC offers effective and good after-sales service?

Totally agree    Agree    Disagree    Totally disagree

10. What do you think about the interest (savings and loans) rate of ICBC?

Very low    Low    Similar as other banks    High    Very high

11. How do you feel about the expense of ICBC?

Very satisfied    Satisfied    Dissatisfied    Very dissatisfied

12. What do you think about ICBC staff service?

Very good    Good    Bad    Very bad

13. How often do you use the net bank of ICBC?

Very often    Quite often    Every now and then  
 Seldom    Very seldom

14. Which of the following issues is the most important for you? (You can make three choices)

- The attitude of the staff
- The effectiveness of business
- The bank location is convenient to reach
- The products and services are easy to use
- The innovativeness of products and services
- Low fees
- After-sale service
- Other

What? \_\_\_\_\_

15. Which bank do you feel most satisfied with?

\_\_\_\_\_

Why?

\_\_\_\_\_

16. What are your suggestions for ICBC to improve their activities?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



## Appendix 2 Questionnaire about bank marketing in ICBC Anhui Anqing branch (Chinese)

尊敬的受访者：

这份调查问卷是用作研究中国工商银行安徽安庆分行的市场情况。请您在您选择的答案的前面画“×”并请您认真回答每个问题。我们不会公开您的答案，谢谢合作。

1. 您的性别？

女  男

2. 您的年龄？

<20  21-30  31-40  41-50  >51

3. 您每月的工资？（人民币/每月）

<1000  1000-2000  2001-5000  >5001

4. 您从事的职业属于？

农业  工业  金融  卫生保健

教育  政府部门  媒体  其他

5. 您从哪里知道中国工商银行的？（您最多可以选择三项）

报纸  电视  广播  户外广告  网络

传单及其他材料  中国工商银行职员  朋友  自己去中国工商银行办理业务

6. 您对中国工商银行的印象如何？

很好  好  一般  很差

7. 你希望通过哪些渠道获得关于中国工商银行的信息？（您最多可以选择三项）

报纸  电视  广播  户外广告  网络  传单及其他材

料  中国工商银行职员  朋友

8. 您认为中国工商银行的产品种类多吗?

很多  多  和其他银行差不多

少  很少

9. 中国工商银行提供给您有效优质的售后服务吗?

非常同意  同意  不同意  非常不同意

10. 您认为中国工商银行的利率（包括存款和贷款利率）如何?

存款利率： 很低  低  和其他银行差不多  高   
很高

贷款利率： 很低  低  和其他银行差不多  高   
很高

11. 您觉得中国工商银行收取的手续费合理吗?

十分合理  合理  不合理  十分不合理

12. 您认为中国工商银行的职员服务如何?

很好  好  差  很差

13. 您使用中国工商银行网上银行业务的频率?

很频繁  频繁  时常

少  几乎不用

14. 您认为对于一个银行以下哪些内容最重要? (您最多可以选三项)

- 职员服务态度
- 银行效益
- 银行所处位置交通方便
- 银行提供的产品和服务方便易用
- 产品和服务的创新性
- 费用低
- 售后服务
- 其他原因

是? \_\_\_\_\_

15. 您对中国哪个银行最满意?

\_\_\_\_\_ 为什么?  
\_\_\_\_\_

16. 您对中国工商银行的建议是什么?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Appendix 3 Qualitative Interview Questions for managers

1. Please introduce the basic information and market performance of ICBC Anhui Anqing Branch.

2. What are the objectives of marketing for ICBC Anhui Anqing branch?

3. What are the major competitors for ICBC Anhui Anqing branch? What advantages and disadvantages ICBC Anhui Anqing branch has which compared with its competitors?

4. What are the most important products or services for ICBC Anhui Anqing branch now? How do ICBC Anhui Anqing branch implement these products or services?

5. How did ICBC Anhui Anqing branch improve its customer satisfaction? What measure will be done for improving customer satisfaction in the future?